vedanta
transforming for good

TRANSFORMING TOGETHER

INCLUSIVE. RESPONSIBLE. VALUE-ACCRETIVE DELIVERY.

Vedanta Limited
Integrated Report and Annual Accounts 2022-23

TRANSFORMING TOGETHER

INCLUSIVE. RESPONSIBLE. VALUE-ACCRETIVE DELIVERY.

At Vedanta, we are inspired to consolidate our market-leading position as a natural resource powerhouse and scale new peaks of excellence in productivity, innovation and digitalisation. We intend to accomplish these goals through inclusive practices and responsible actions that create lasting value for our stakeholders and contribute to the nation's growth.

Our quest for excellence drives us to advance our transformation journey, from 'Transforming for Good' to 'Transforming Together'. This transition encompasses smarter choices and collective actions on a foundation of shared values and inclusive development. Our future hinges upon it.

Driven by a deep sense of responsibility towards our people and communities while harnessing the wealth of natural capital, we are progressing toward ambitious goals in environmental stewardship, social equity and impact besides people excellence and good governance. We are simultaneously building new state-of-the-art capacities to drive value addition. By investing in world-class digital and operational practices, we are poised to chart new growth paths and explore bigger opportunities. Through our quest for 'Transforming Together', we are confident of securing sustainable and responsible growth to progress to a value-accretive future.

ABOUT THE REPORT

At Vedanta, we have always been inspired to make disclosures that go beyond statutory requirements to enable our stakeholders and providers of financial capital to take the right decision. In line with this, we have followed the content elements and guiding principles of the International Integrated Reporting <IR> Framework, outlined by the International Integrated Reporting Council (IIRC), now the Value Reporting Foundation (VRF).

We commenced our Integrated Reporting journey in FY 2018, with a view to communicating our approach to value creation and key outcomes to our stakeholders. The integrated reports are prepared to assist our stakeholders, primarily the providers of financial capital, to make an informed assessment of our ability to create value over the short, medium and long term. At Vedanta, we remain committed to providing relevant disclosures pertaining to our material issues, with the highest standards of transparency and integrity, in line with our values.

Scope and boundary

The Integrated Report and Annual Accounts 2022-23 covers the reporting period from 01 April 2022 to 31 March 2023, and provides holistic information on Vedanta Limited (Vedanta, VEDL), a subsidiary of Vedanta Resources Limited.

It provides an overview of operations across our business units, namely, zinc-lead-silver, oil and gas, aluminium, power, iron ore, steel, nickel and copper. Our assets are spread through India, South Africa and Namibia, and across the value chain comprising exploration, asset development, extraction, processing and value-accretion activities.

This report aims to provide a concise explanation of VEDL's performance, strategy, value-creation model, business outputs and outcomes using an interlinked, multi-capital approach. It includes measures of engagement with identified material stakeholder groups and outlines the organisation's governance framework, together with our risk-mitigation strategy.

Approach to stakeholder engagement and materiality

Our stakeholders include those individuals and organisations who have an interest in, and/or whose actions impact our ability to execute business strategy. We periodically engage with different stakeholder groups and actively respond to their concerns and issues. This report contains information that we believe is of interest to our stakeholders and presents a discussion on matters that can impact our ability to create value over the short, medium and long term.

Annual accounts

This report should be read in conjunction with the annual accounts (pages 325 to 572) to gain a complete picture of VEDL's financial performance. The consolidated and standalone financial statements in this report have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and have been independently audited by S.R. Batliboi & Co. LLP. The Independent Auditors' Report for both consolidated and standalone financials can be found on pages 445 and 326 respectively.

Forward-looking statements

This report contains 'forward-looking statements' – that is, statements about business expectations and forecasts that are based on future, not past events. In this context, forward-looking statements address our expected future business and financial performance, and often contain words such as 'expects', 'anticipates', 'intends', 'plans', 'believes', 'seeks', or 'will'. Forward-looking statements by their nature address matters that are, in different degrees, uncertain. For us, uncertainties arise from the behaviour of financial and metals markets including the London Metal Exchange, fluctuations in interest and/or exchange rates and metal prices; from future integration of acquired businesses; and from numerous other matters of national, regional and global scale, including those of environmental, climatic, natural, political, economic, business, competitive or regulatory nature. These uncertainties may cause our actual future results to be materially different than those expressed in our forward-looking statements. We do not undertake to update our forward-looking statements. These forward-looking statements involve risk and uncertainties, and although we believe that the assumption on which our forward-looking statements are based are reasonable, any of those assumptions could prove to be inaccurate and, as a result, the forward-looking statement based on those assumptions could be materially incorrect.

Board and management assurance

The Board of Directors and the Company's management acknowledge their responsibility to ensure the integrity of information covered in this report. They believe, to the best of their knowledge, that this report addresses all material issues and presents the integrated performance of VEDL and its impact in a fair and accurate manner. The report has therefore been authorised for release on 12 May 2023.

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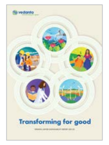
VEDL reporting suite



Vedanta Limited Sustainability Report (SR) 2021-22

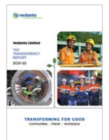
Information coverage:
Disclosures on triple bottom line performance

Standards/guidelines used:
Global Reporting Initiative (GRI) Standards

Vedanta Limited Integrated Report (IR) and Annual Accounts 2021-22

Information coverage:
Holistic disclosure of performance and strategy

Standards/guidelines used:
International Integrated Reporting Framework, Indian Accounting Standards (Ind AS), Indian Secretarial Standards



Vedanta Limited Tax Transparency Report (TTR) 2021-22

Information coverage:
Voluntary disclosure of profits made and taxes paid (only Indian company to publish a TTR)

Standards/guidelines used:
Indian Accounting Standards (Ind AS)

Vedanta Limited TCFD Report 2022

Information coverage:
Climate-related financial disclosures

Standards/guidelines used:
Approach to climate action, climate strategy and climate risk management

INTEGRATED THINKING AT VEDANTA

Vedanta adopts a comprehensive value creation process that considers all resources and relationships, material issues and strategic focus areas, in the backdrop of our mission and values. Our ESG purpose 'Transforming for Good', supplemented by a more comprehensive 'Transforming Together' theme is deeply embedded into this process. This community value empowers our decision-making to drive business success, alongside contributing to the nation's growth, a sustainable world and shared value creation for all stakeholders.

1. We are led by

Mission

To create a leading global natural resource Company

Values

- Trust
- Integrity
- Entrepreneurship
- Care
- Innovation
- Respect
- Excellence

2. Building on

Capitals Pg. 2

- Financial capital
- Manufactured capital
- Intellectual capital
- Human capital
- Social and relationship capital
- Natural capital

3. Focussing on

Material issues Pg. 80

M1 M2 M3 M4 M5 M6 M7 M8 M9 M10 M11 M12 M13 M14

4. Enabled by

Strategic focus areas Pg. 48

- Continue to focus on world-class ESG performance
- Augment our reserves and resource base
- Operational excellence
- Optimise capital allocation and maintain strong balance sheet
- Deliver on growth opportunities

5. With a consistent eye on

Top risks Pg. 56

R1 R2 R3 R4 R5 R6 R7
R8 R9 R10 R11 R12 R13

Megatrends and opportunities Pg. 44

T1 T2 T3 T4 T5 T6 T7

6. Creating consistent value for

Pg. 78

- Shareholders, investors and lenders
- Local communities
- Employees
- Industry
- Governments
- Civil societies

VALUE-CREATION HIGHLIGHTS FY 2023

FINANCIAL CAPITAL

We are focussed on optimising capital allocation and maintaining a strong balance sheet while generating strong free cash flows. We also review all investments, taking into account the Group's financial resources with a view to maximise returns for shareholders.

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Key FY 2023 outcomes

Revenue
₹1,45,404 crore
11% ↑ YoY

EBITDA
₹35,241 crore
22% ↓ YoY

Net Debt/EBITDA
1.3x

EBITDA margin[1]
28%

ROCE
~21%

Historic dividend
₹101.5 per share

PAT (before exceptional and one-time gain)
₹14,449 crore
41% ↓ YoY

Free cash flow (FCF) post-capex
₹18,077 crore

Cash and cash equivalents
₹20,922 crore

Net debt
₹45,260 crore

Note 1: Excluding custom smelting at copper business

MANUFACTURED CAPITAL

We invest in best-in-class equipment and machinery to ensure operational efficiency and safety, at both our current operations and expansion projects. This also supports our strong and sustainable cash flow generation.

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Key FY 2023 outcomes

Business highlights

Zinc India

16.74 million tonnes
Record ore production

1,032 kt
Highest ever refined zinc-lead production
7% ↑ YoY

714 tonnes
Ever-highest silver production
10% ↑ YoY

Zinc International

208 kt
Record mined metal production at Gamsberg
22% ↑ YoY

Oil & Gas

143 kboepd
Average gross operated production
11% ↓ YoY

Aluminium

2,291 kt
Highest ever aluminium production

Power

14,835 million units
Record overall power sales
25% ↑ YoY

Iron Ore

5.3 million tonnes
Production of saleable ore at Karnataka

696 kt
Pig Iron production

Steel

1.37 million tonnes
Highest ever hot metal production
1% ↑ YoY

1.29 million tonnes
Record saleable production
2% ↑ YoY

Copper India

148 kt
Cathode production from the Silvassa
18% ↑ YoY

FACOR

290 kt
Record chrome ore production
16% ↑ YoY

67 kt
Ferro chrome production
11% ↓ YoY

HUMAN CAPITAL

We promote diversity, equality and inclusivity, while also investing in people development, safety and well-being. We empower them to think independently, creatively and innovatively. It has enabled us to create a workplace where a diversity of individuals with diverse skills, experience and unique capabilities can thrive and contribute to business goals, reinforcing our position as a leading natural resources company.

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Key FY 2023 outcomes

87,500+
Total Workforce

14.0%[1]
Women employees

2,199
Employees covered under mentoring and support programs

8.9%[2]
Attrition rate

1.2%[3]
TRIFR

SOCIAL AND RELATIONSHIP CAPITAL

We are committed to nurturing lasting and enduring relationships with our stakeholders, built on trust and concern for their individual and collective well-being through meaningful engagements. These bonds are instrumental in maintaining our reputation, upholding our licence to operate, and enabling us to deliver on our strategy.

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Key FY 2023 outcomes

4,500+
Nand Ghars built

44 million[4]
Total CSR beneficiaries

₹454 crore
Total CSR spend

Human Rights self-assessment conducted across all BUs

Note 1&2: Based on Full Time Employee (FTE)
Note 3: Based on total workforce
Note 4: Includes both direct and indirect beneficiaries

NATURAL CAPITAL

India and Africa provide us with world-class mining assets and abundant natural resources and reserves, driving our competitiveness. However, while using these resources to create social and economic value, our operations also have accompanying environmental impacts. We strive to operate responsibly through sustainable use of resources and investing in various environmental goals.

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Key FY 2023 outcomes

Zinc India R&R

460 million tonnes
Combined R&R

30.8 million tonnes
Zinc-Lead metal R&R

856 million ounces
Silver R&R

Zinc International R&R

659.1 million tonnes
Combined R&R

34.9 million tonnes
Metal R&R

Oil and Gas R&R

1,156 mmboe
Gross proved, and probable reserves and resources

GHG Intensity
6.24 tCO_2e per tonne of metal

Water Positivity Ratio
0.62x

HVLT waste recycled
162%

Biomass Usage
~78,000 tonnes

Trees Planted
1 million
As part of the commitment to plant 7 million trees by 2030

VEDANTA AT A GLANCE

INDIA'S LARGEST NATURAL RESOURCES COMPANY, POWERING SUSTAINABLE AND RESPONSIBLE PROGRESS

Vedanta Limited, a subsidiary of Vedanta Resources Limited, is one of the world's foremost natural resources conglomerates, with primary operations in zinc-lead-silver, iron ore, steel, copper, aluminium, power, nickel, and oil and gas.

As market leaders in most of these segments, we serve domestic and international demand for primary materials, thereby playing a key role that enables resource sufficiency at scale. With strategic assets in India, South Africa and Namibia, we are committed to creating long-term value, with an uncompromised focus on business, social and environmental sustainability.

Our core values shape our approach to business and value creation

- Trust
- Entrepreneurship
- Innovation
- Excellence
- Integrity
- Care
- Respect

87,500+
Total Workforce

4+ million
tCO_2e in avoided emissions from FY 2021 baseline

R&R

460 million tonnes
Zinc India

659 million tonnes
Zinc International

1,156 mmboe
Oil and Gas

Our value chain

Value addition
We meet market requirements by converting the primary metals produced at our facilities into value-added products such as sheets, rods, bars, rolled products, etc. at our zinc, aluminium and copper businesses.

Processing
We produce refined metals by processing and smelting extracted minerals at our zinc, lead, silver, copper, and aluminium smelters and other processing facilities in India and Africa. As a best practice measure, we also generate captive power and sell any surplus power.

Exploration
We have consistently added to our Reserves and Resources ('R&R') through brownfield and greenfield activities that have helped us to extend the lives of our existing mines and oilfields.

Asset development
We have a remarkable track record of project execution on time and within budget. We undertake special measures to develop the resource base to optimise production and increase the life of the resource. We have also developed strategic processing facilities.

Extraction
Our operations are focussed on the exploration and production of metals, oil and gas extraction besides power generation. We extract zinc-lead-silver, iron ore, steel, copper and aluminium. We have three operating blocks in India producing oil and gas.

Advanced technologies and digitalisation are used across the value chain resulting in superior operational efficiencies

ESG PURPOSE AND MISSION

TRANSFORMING FOR GOOD

Commitments and targets

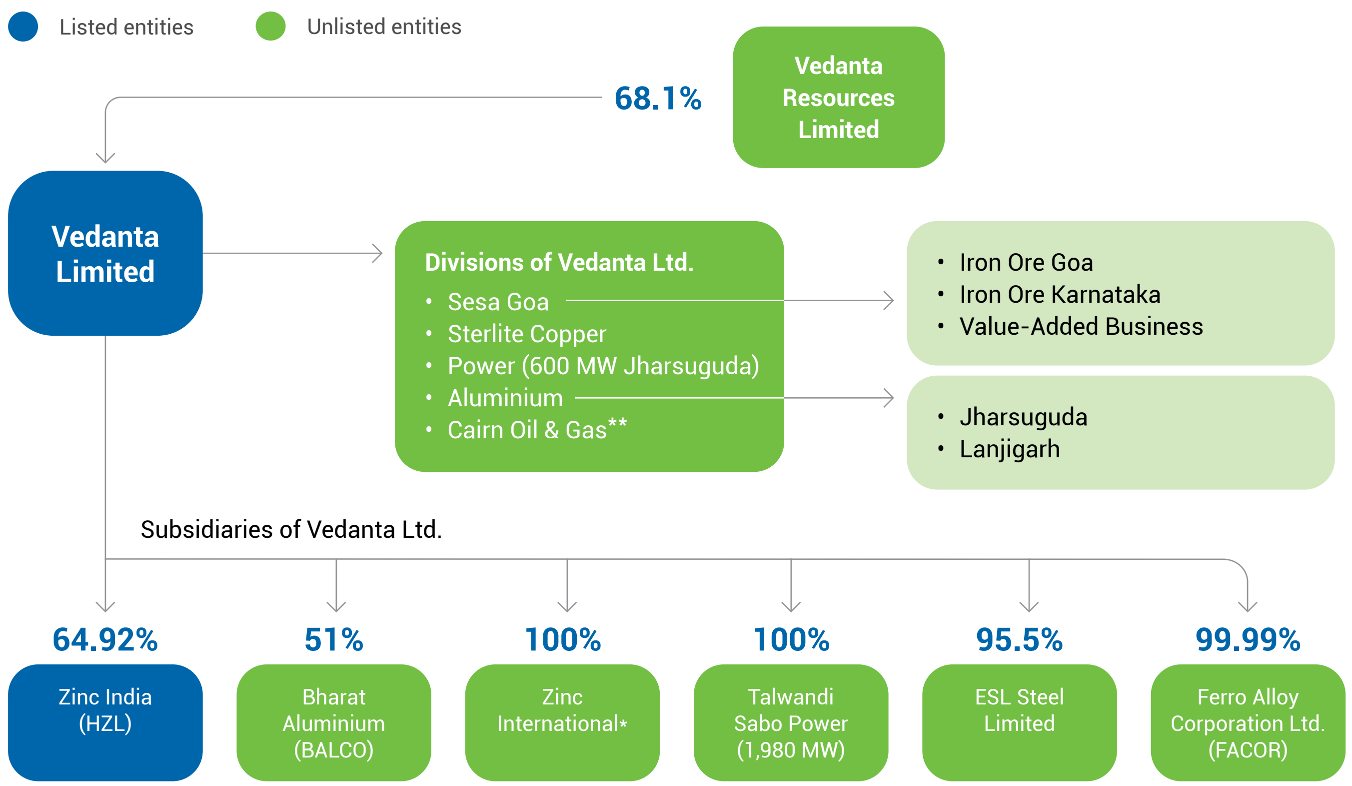
Pillars

Transforming communities	**Aim 1** Keep community welfare at the core of business decisions	**Aim 2** Empowering over 2.5 million families with enhanced skillsets	**Aim 3** Uplifting over 100 million women and children through Education, Nutrition, Healthcare and Welfare
Transforming the planet	**Aim 4** Net-carbon neutrality by 2050 or sooner	**Aim 5** Achieving net water positivity by 2030	**Aim 6** Innovating for a greener business model
Transforming the workplace	**Aim 7** Prioritising safety and health of all employees	**Aim 8** Promote gender parity, diversity and inclusivity	**Aim 9** Adhere to global business standards of corporate governance

Operating structure

Our diversified structure and wide geographic presence enable efficient operations and serviceability

As of 31 March 2023



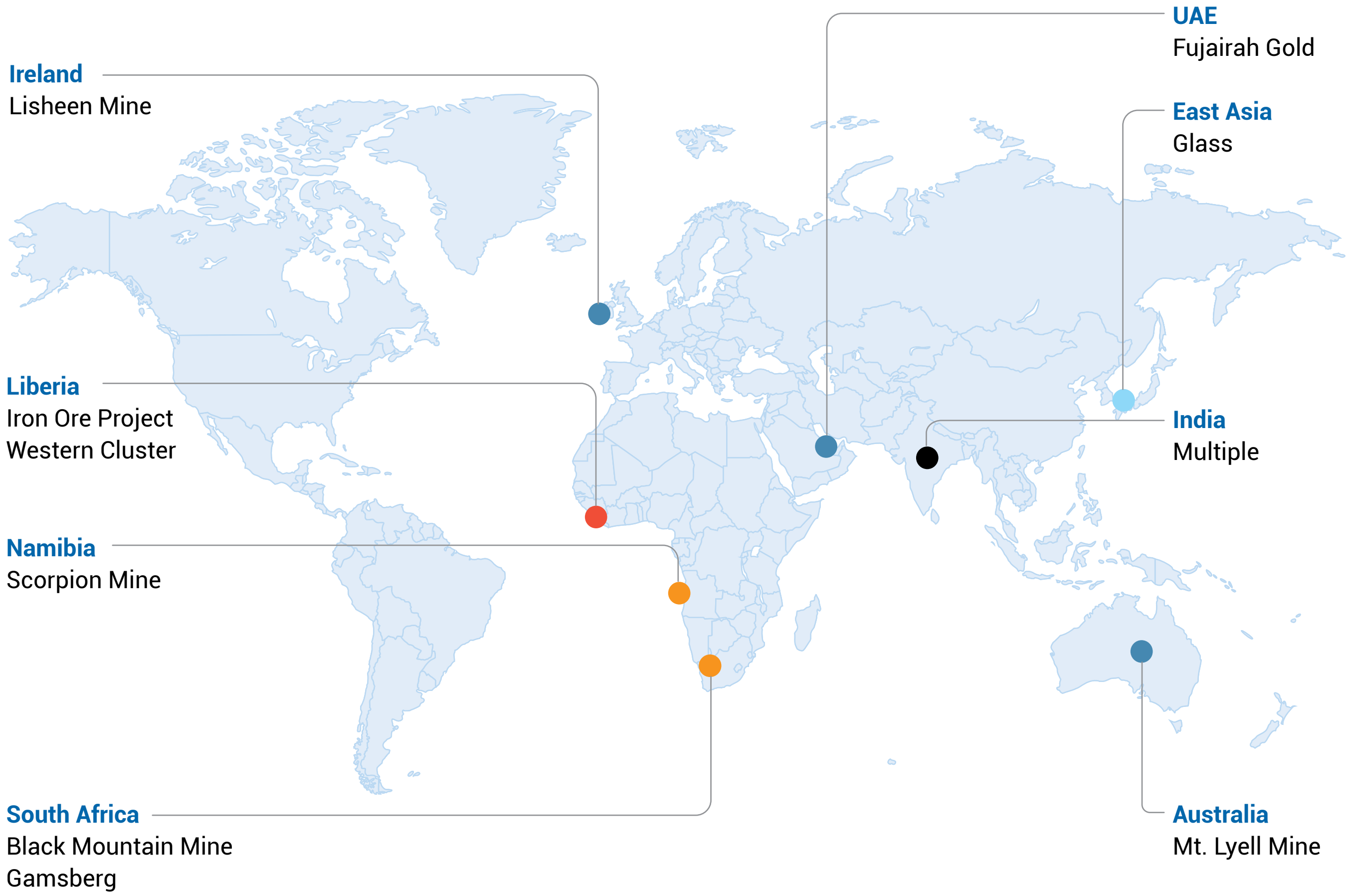
**Skorpion -100% BMM & Gamsberg – 74%*

***50% of the share in the RJ Block is held by a subsidiary of Vedanta Limited*

PRESENCE

WORLD-CLASS DIVERSIFIED NATURAL RESOURCES POWERHOUSE

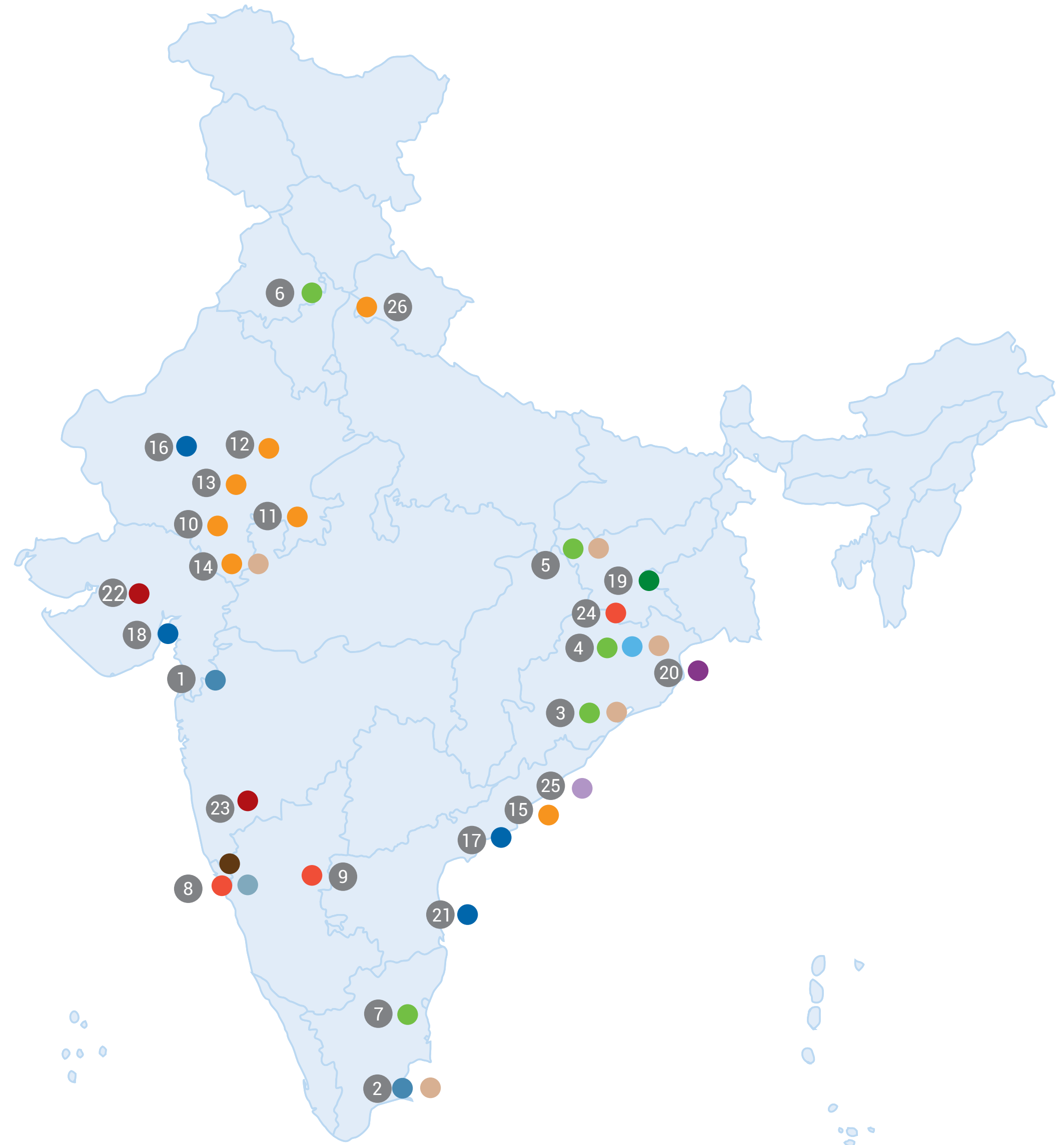
Global



COPPER
ALUMINIUM
POWER
IRON ORE
ZINC
OIL & GAS
CAPTIVE POWER PLANT
GLASS
MULTIPLE
STEEL
MET COKE
FERRO ALLOYS
CEMENT
NICKEL
PORT

Note: Maps not to scale; Lisheen Mine had safe, detailed and fully costed closured after 17 years of operation in Nov'2015 and Mt. Lyell Mine is under care and maintenance

India



1	Silvassa	Copper	
2	Tuticorin	Copper, Captive Power Plant	
3	Lanjigarh	Aluminium (VAL) & Captive Power Plant	
4	Jharsuguda	Aluminium (VAL), Commercial Power (SEL), Captive Power Plant & Projects under development	
5	Korba	Aluminium, Captive Power Plant & Projects under development	
6	Talwandi Sabo	Power (TSPL)	
7	Salem	Power (MALCO)	
8	Goa	Iron Ore (Sesa Goa) | Nickel (Sesa Nickel) | Cement (Sesa Cement) | Pig Iron	
9	Karnataka	Iron Ore (Sesa Goa Operations)	
10	Debari	Zinc-Lead-Silver	
11	Chanderiya Dariba	Zinc-Lead-Silver	
12	Rampura Agucha	Zinc-Lead-Silver	
13	Rajpura Dariba Mine & Smelter And Sindeswar Khurd Mine & Captive Power Plant	Zinc-Lead-Silver	
14	Zawar Mine	Zinc-Lead-Silver & Captive Power Plant	
15	Vizag	Zinc-Lead-Silver	
16	Rajasthan	Oil & Gas	
17	Ravva	Oil & Gas	
18	Cambay	Oil & Gas	
19	Bokaro	Steel	
20	Bhadrak	Ferro Alloys, Chrome ore mines	
21	KG Onshore & Offshore	Oil & Gas	
22	Gujarat	Met Coke	
23	Vazare	Met Coke	
24	Barbil	Iron Ore Odisha	
25	Vizag	Port (VGCB)	
26	Haridwar	Zinc-Lead-Silver	

ASSET OVERVIEW

LEADER IN KEY BUSINESS SEGMENTS

ZINC-LEAD-SILVER

77% market share in India's primary zinc market (Hindustan Zinc Limited)

Business

Zinc India (HZL), Zinc International

Asset Highlights

- World's largest underground zinc-lead mine at Rampura Agucha, India
- 5th largest silver producer in the world
- Zinc India has an R&R of 460 million tonnes with a mine life of 25+ years
- Zinc International has an R&R of more than 659 million tonnes supporting mine life in excess of 20 years
- HZL - Low-cost zinc producer, which lies in the first quartile of the global zinc cost curve (2022)

Application Areas

- Galvanising for infrastructure and construction sectors
- Die-casting alloys, brass, oxides and chemicals

EBITDA

₹17,474 crore (Zinc India)

₹1,934 crore (Zinc International)

Production Volume

Zinc India			Zinc International
821 kt	211 kt	714 kt	273 kt
Zinc	Lead	Silver	MIC

ALUMINIUM

Largest primary aluminium producer in India

Business

Aluminium smelters at Jharsuguda & Korba (BALCO)

Alumina refinery at Lanjigarh

Asset Highlights

- Largest aluminium installed capacity in India at 2.3 MTPA
- Integrated 5.7 GW Power & 2 MTPA Alumina refinery
- 41% market share in India among primary aluminium producers
- Diverse product portfolio – ingots, wire rods, primary foundry alloy, rolled products, billet and slab

Application Areas

- Power systems, automotive sector, aerospace, building and construction, packaging

EBITDA

₹5,837 crore

Production Volume

2,291 kt Aluminium

1,793 kt Alumina

OIL & GAS

Operates ~25% of India's crude oil production

Business

Cairn India

Asset Highlights

- Signed 10-year extension up to 2030 for the Rajasthan block Production Sharing Contract (PSC)
- OLAP & DSF - Secured 8 blocks in Discovered Small Fields (DSF)-III bid round and one block in special Coal Bed Methane (CBM) bid round 2021
- World's longest continuously heated pipeline from Barmer to Gujarat Coast (~670 kms)
- Till FY 2023, 294 wells have been drilled and 201 wells hooked up across all assets
- Awarded key contracts for end-to-end management of Operations and Maintenance (O&M) across assets
- Largest private sector oil and gas producer in India
- Executed one of the largest polymer EOR projects in the world
- Footprint over a total acreage of 65,000 square kilometres
- Gross 2P reserves and 2C resources of 1,156 mmboe

Application Areas

- Crude oil is used by hydrocarbon refineries
- Natural gas is mainly used by the fertiliser sector

EBITDA

₹7,782 crore

Average daily gross operated production

143 kboepd

POWER

9 GW power portfolio

Business

Power assets at Talwandi Sabo, Jharsuguda, Korba & Lanjigarh

Asset Highlights

- One of the largest power producers in India's private sector*
- Energy efficient, super critical 1,980 MW power plant at Talwandi Sabo

Application Areas

- Commercial power backed by power purchase agreements
- Captive use

**Including captive power generation*

EBITDA

₹851 crore

Power sales

14,835 million units

IRON ORE

One of the largest merchant iron ore miners in India and one of the largest producers and exporters of merchant pig iron in India

Business

Iron Ore India

Asset Highlights

- Karnataka iron ore mine with reserves of 53.57 million tonnes, and life of 9 years
- Value-added business: 3 blast furnaces (0.9 MTPA), 2 coke oven batteries (0.5 MTPA) and 2 power plants (65 MW) and one merchant coke plant of capacity 0.1 MTPA

Application Areas

- Essential for steel making
- Used in construction, infrastructure and automotive sectors

EBITDA

₹988 crore

Production Volume

5.3 million tonnes	696 kt
Iron ore	Pig iron

STEEL

3 MTPA design capacity[1]

Business

Electrosteel India

Asset Highlights

- Design capacity of 3 MTPA
- Largely long steel products
- Highest-ever hot metal production of 1,368 kt
- Highest ever DIP production of 196 kt

Application Areas

- Construction, infrastructure, transport, energy, packaging, appliances and industry
- Product portfolio includes pig iron, billets, TMT bars, wire rods and ductile iron pipes

EBITDA

₹316 crore

Production Volume

1,285 kt

Steel

Note: 1. Hot metal design capacity

FACOR

80 KTPA charge chrome/ferro chrome capacity with 100 MW power plant; 290 KTPA chrome ore mining capacity

Business

Ferro Alloys Corporation Ltd

Asset Highlights

- Ostapal and Kalarangiatta Mines have 290 KTPA mining capacity
- Charge chrome plant of 80 KTPA and captive power plant of 100 MW

Application Areas

- Used for making stainless steel, carbon steel, ball-bearing steels, tool steels and other alloy steels

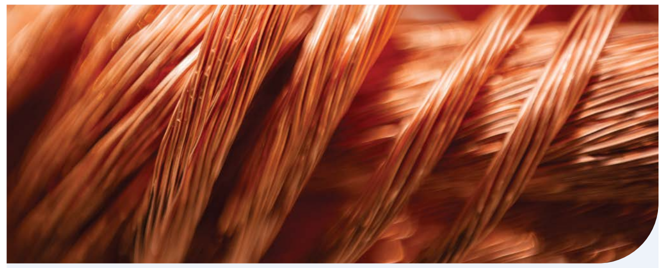
EBITDA

₹149 crore

Production Volume

67 kt

Ferro chrome



COPPER

One of the largest copper production capacity in India

Business

Copper India

Asset Highlights

- Tuticorin smelter and refinery are currently not operational
- Tuticorin Smelter Capacity: 400 KTPA
- Silvassa Refinery Capacity: 216 KTPA

Application Areas

- Used for making cables, transformers, castings, motors and alloy-based products

EBITDA

₹(4) crore

Production Volume

148 kt

Cathode

OUR INVESTMENT CASE

CAPITALISING ON INHERENT ADVANTAGES TO DELIVER LONG-TERM VALUE

India's natural resources industry is expected to contribute substantially to the country's economy and have a significant impact on the international commodity markets. As India's largest and most diversified natural resources company, we are well-positioned to play a major role in supporting India's economic growth. We are making the right investments for exponential growth. We have partnered with the government to promote inclusive development, raise environmental standards and build public support for the critical minerals and mining sector.

Uniquely positioned to deliver sustainable value

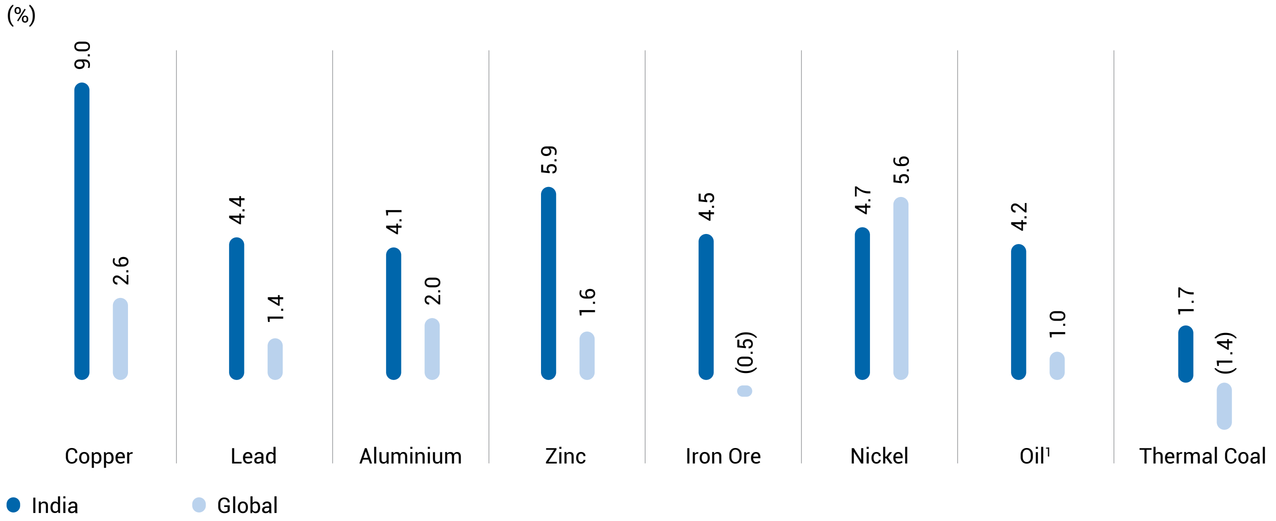
- Committed to ESG leadership in the natural resources sector
- World-class natural resources powerhouse with low cost, long-life and diversified asset base
- Well-placed to contribute to and capitalise on India's growth with an attractive commodity mix
- Proven track record of operational excellence with high productivity and consistent utilisation rates
- Focussed on digitalisation and innovation to drive efficiency and resilience
- Disciplined capital allocation framework with emphasis on superior and consistent shareholder returns
- Robust financial profile with strong ROCE and cash flow and a stronger balance sheet

World-class natural resources powerhouse with low cost, long-life and diversified asset base

Vedanta's large, diversified asset portfolio, with an attractive cost position in many of its core businesses, enables us to deliver strong margins and free cash flows through the commodity cycle. We have an attractive commodity mix, with strong fundamentals and leading demand growth with a keen focus on base metals and oil. Our cost positioning globally, across key segments, is driven by our resolute focus on structural cost reduction and operational efficiencies.

Vedanta continued its strong growth momentum and witnessed steady volume performance across all businesses, with aluminium and zinc delivering record performance.

Demand 2022-2030 CAGR
(%)



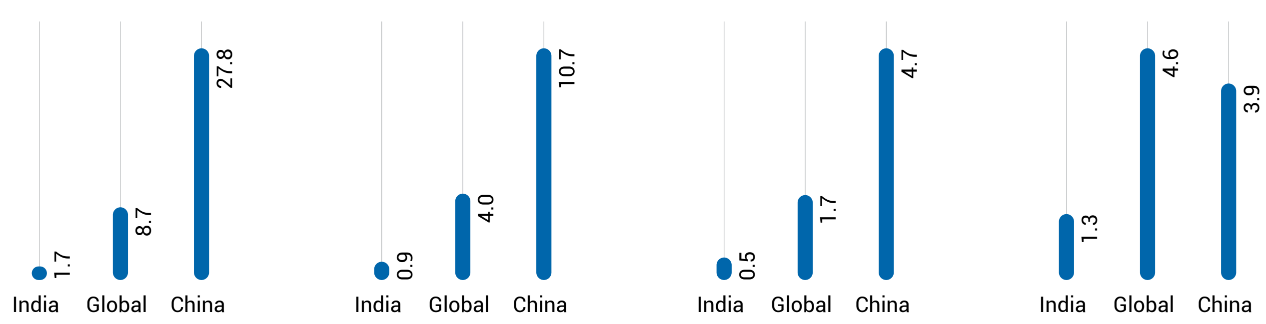
Source: Wood Mackenzie
1. OPEC World Oil Outlook 2022

Well-placed to contribute to and capitalise on India's growth with an attractive commodity mix

India is our core market, with huge growth potential, given that the current per capita metal consumption is significantly lower than the global average. Also, India's GDP, which registered a growth of 6.8% over the course of 2022, is expected to grow by 5.9% in FY 2024 (IMF; April 2023 estimate). Urbanisation and industrialisation, supported by government initiatives on infrastructure and housing, a strong response to COVID-19 and an increase in capital outlay announced in the Union Budget 2023-24 will continue to drive strong economic growth and generate demand for natural resources.

Vedanta's unique advantages:

- Operating a wide and scalable portfolio of commodities that grow the nation
- A strong market position as India's largest base metals producer and largest private sector oil producer
- An operating team with an extensive track record of executing projects and achieving growth



Source: Wood Mackenzie, IHS Markit, OPEC World Oil Outlook 2022
Note: All commodities' demand correspond to primary demand; figures are for 2022


Employee On-site

India mineral reserves ranking globally

7th Zinc
Reserves: 9.1 million tonnes

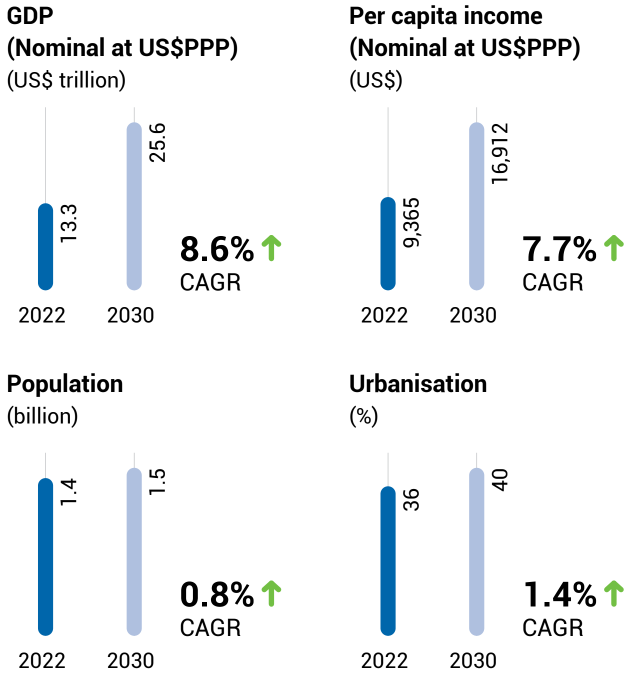
Crude Oil
Reserves: 3.7 billion barrel

7th Iron Ore
Reserves: 5.5 billion tonnes

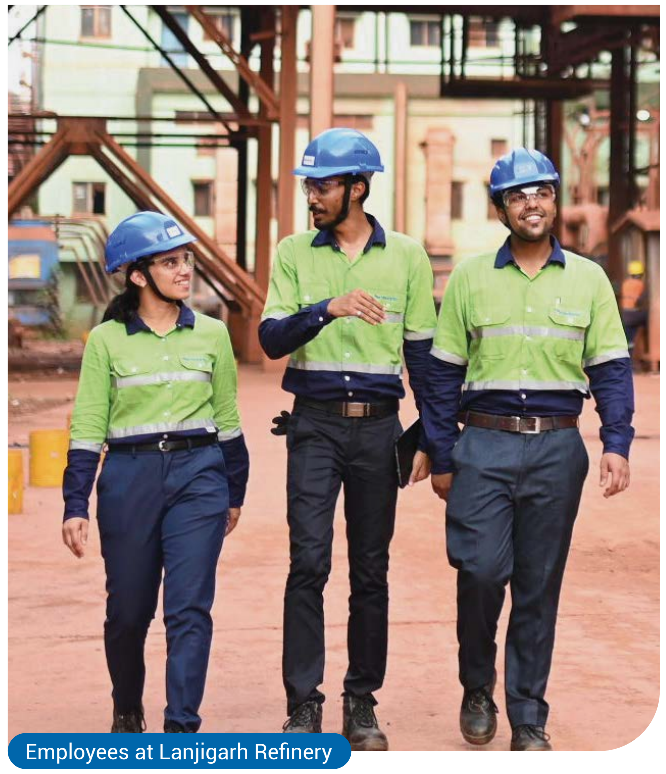
8th Bauxite
Reserves: 660 million tonnes

Source: USGS Mineral Commodity Summaries 2022, OPEC Annual Statistical Bulletin 2022

India Growth Potential



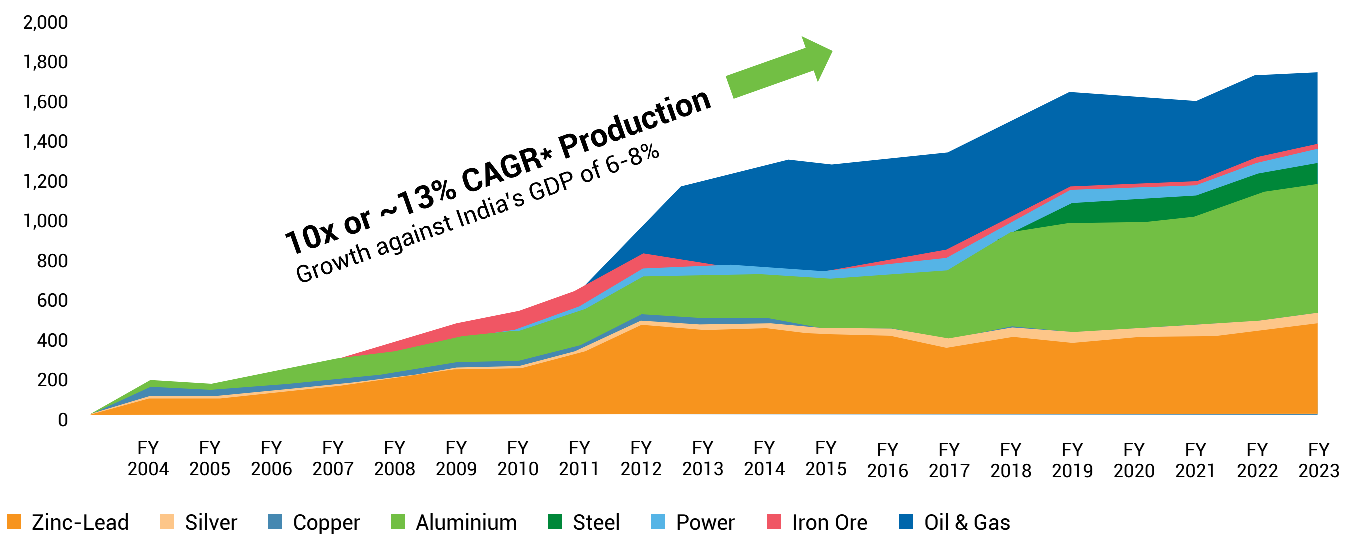
Source: IHS Markit


Employees at Lanjigarh Refinery

Proven track record of operational excellence with high productivity and consistent utilisation rates

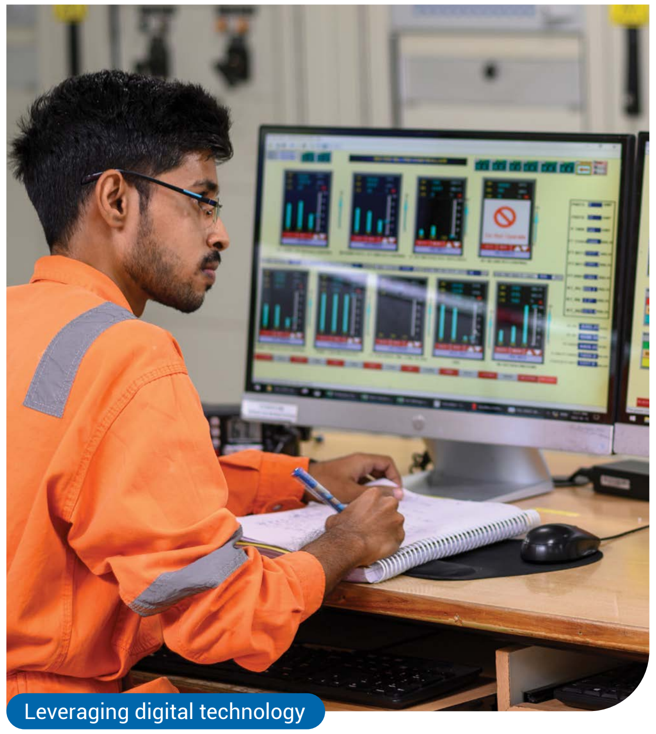
- Our management team has diverse and extensive sectoral and global experience. Drawing from this deep insight, the team ensures that operations are run efficiently and responsibly
- Disciplined approach to development; achieving steady production growth across operations with a focus on efficiency and cost savings
- Since our listing in 2004, our assets have delivered a phenomenal production growth

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 FY 2023. Power rebased using FY 2023 realisations, Copper custom smelting production rebased at TC/RC for FY 2023, Iron ore volumes refer to sales with prices rebased at realised prices for FY 2023*

Focussed on digitalisation and innovation to drive efficiency and resilience

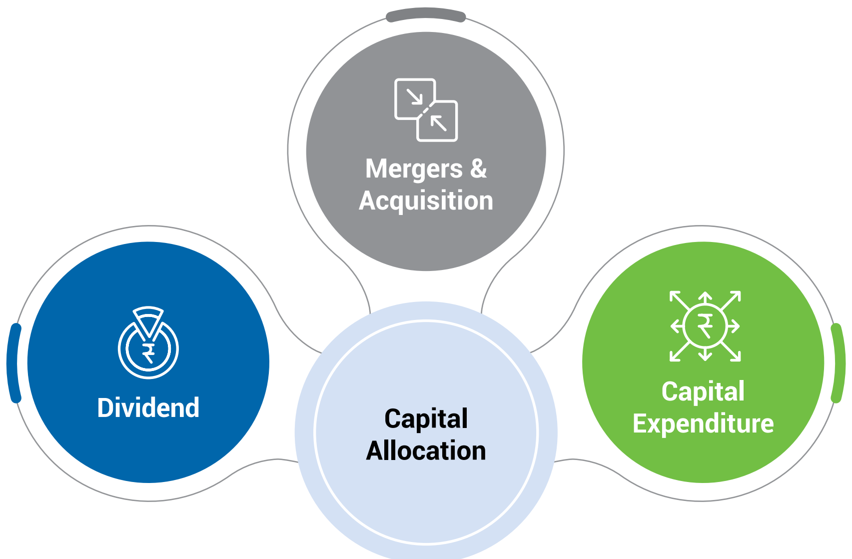

Leveraging digital technology

To optimise efficiency and ensure future-readiness in our operations, we are actively investing in Industry 4.0 technologies, and mainstreaming a digital-first culture throughout the organisation. This has helped to achieve a 100% digitally literate workforce, a consistent eye on tech-led innovation, strong collaboration with start-ups and partners and a continued unlocking of efficiency potential across our integrated value chain.

Project Pratham, aimed at significantly improving volume, cost and ease of doing business, has been a key step in this direction. Being implemented in partnership with global entities, it involves introducing emerging technologies throughout the Vedanta Industry 4.0 framework. The primary objectives of this project include EBITDA improvement, making gains on intangibles and reducing overall carbon footprint. Additionally, we are collaborating with technology start-ups, through the Spark programme, to leverage the power of cutting-edge technology for bringing large-scale impact.

Disciplined capital allocation framework with emphasis on superior and consistent shareholder returns

We have unveiled a structured capital allocation policy that prioritises growth and shareholder returns. The policy aligns three streams across capital expenditure, dividend policy and selective inorganic growth. It will be driven by a consistent, disciplined, and balanced allocation of capital with long-term balance sheet management, optimal leverage management and maximisation of total shareholder returns.

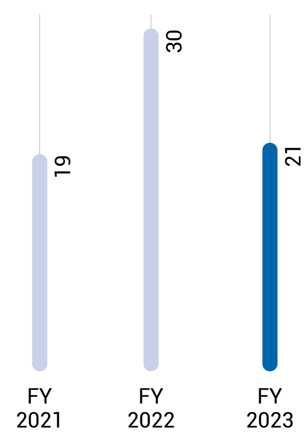


Robust financial profile with strong ROCE and cash flow and a stronger balance sheet

Our operating performance, coupled with the optimisation of capital allocation, has helped strengthen our financials:

- Revenues of ₹1,45,404 crore and EBITDA of ₹35,241 crore
- Strong ROCE of ~21%
- Deleveraging and extension of our debt maturities through proactive liability management exercises
- Strong and robust FCF (Post Capex) of ₹18,077 crore
- Cash and liquid investments of ₹20,922 crore
- A strong balance sheet, with respect to Net Debt/EBITDA and gearing, compared with our global diversified peers
- ₹37,730 crore of declared dividend in FY 2023

Return on Capital Employed
(%)



Committed to ESG leadership in the natural resources sector

- Being sustainable and the lowest cost producer in a sustainable manner
- Incorporated global best practices to transform communities, planet and workplace in alignment with our Group's objective of 'zero harm, zero waste and zero discharge'
- Implemented critical risk management across the business to improve workplace safety
- Promoting diversity at the workplace to build an inclusive work culture
- Attaining net zero carbon by 2050 and reducing absolute emissions by 25% by 2030 from the 2021 baseline. Levers being used for achieving this goal include 2.5 GW Round the Clock Renewable Energy (RE RTC) by 2030, promoting operational efficiency, changing fuel mix, decarbonisation of 100% of our Light Motor Vehicle (LMV) fleet by 2030 and 75% of our mining fleet by 2035, exploring greener business opportunities and development of a low carbon product portfolio
- Achieving water efficiency and net water positivity by 2030
- Retaining community welfare at the core of decision-making by implementing global best practices
- Positively impacting the lives of 100 million women and children through upskilling and education, nutrition and healthcare initiatives
- Improving transparency and completeness of disclosures in alignment with international best practices like GRI, TCFD etc.


Plantation drive at VZI

MESSAGE FROM THE CHAIRMAN

PURPOSEFUL PATH TO A PROSPEROUS FUTURE

Dear Stakeholders,

I am happy to take this opportunity to share my thoughts and express gratitude for your continued trust in Vedanta. Our journey of growth and shared value creation continued unabated during FY 2023 despite market volatility. We owe this success to our team whose agility in pursuing opportunities, thought leadership and decisive action brought us closer to achieving our ambitious goals.

We are pleased to have meaningfully addressed the needs of our stakeholders and communities while assuming a leadership position in tackling environmental issues. Our ESG strategy, 'Transforming for Good' has been instrumental in achieving this objective. We are now evolving this further with a more comprehensive approach of 'Transforming Together', to create a greater positive impact on our stakeholders and society at large. We are excited about the future and are progressing with greater energy and enthusiasm to create value for all.

India gains global prominence

FY 2023 has been an incredible year for India. The country outperformed and repositioned itself amongst the world's fastest-growing economies, even as most developed nations faced slower growth amidst high inflation. It posted an impressive 6.8% GDP growth in FY 2023, after delivering 9.1% growth in the previous fiscal year. It is indeed encouraging to witness this growth story unfold with a visible supply chain shift in India's favour and its manufacturing prowess getting due recognition globally.

India's improved outlook in many ways is attributable to the government's quest for self-reliance in manufacturing, minerals and resources. Its importance was accentuated in the aftermath of the pandemic and the Russia-Ukraine conflict, which saw heightened uncertainties and geopolitical tensions globally. Several countries have found themselves precariously positioned, given their dependence on others for key resources. Reassessment of supply chain strategies globally was thus inevitable. Already "China Plus One" policy is gathering momentum as companies and countries seek to diversify their reliance beyond China to other destinations.

India finds itself in an advantageous position, particularly in creating a resilient supply chain and indigenous manufacturing. Energy security and world-class infrastructure will be key to the success of this journey. This trinity of manufacturing, infrastructure and energy along with a focus on digitalisation can continue to propel India's economic growth, unlock new business opportunities and create jobs. It is expected that India's GDP will double to US$7.5 trillion during 2022-2031 with a substantial rise in the contribution from manufacturing.

The Union Budget 2023 also seems to have hit the right notes by prioritising green and digital economies and infrastructure creation through increased capital expenditure allocations. It further focusses on giving a boost to MSMEs with a revamped credit scheme.

The Indian economy remains on a strong footing, with unprecedented levels of optimism and multiple advantageous factors at play. The determined implementation of various positive policies and programmes will drive India's exceptional growth story for years to come.

Vedanta for a self-reliant India

As India's largest diversified natural resources company and one of the largest corporations globally with businesses spanning metals, mining and energy, Vedanta has a distinct advantage in India's journey of self-reliance. Our mining expertise powered by best-in-class technology and talented people along with a robust value-added portfolio positions us attractively to harness the evolving growth opportunity.

We envisage a greater role for us in the nation's growth story and in making India self-reliant for minerals and energy - an imperative given the growing population and rising industrial activity. Vedanta is already expanding its aluminium and zinc capacities. Our oil and gas operations, which account for nearly one-quarter of India's production, is also diversifying its reserves and resources portfolio towards a vision of contributing 50% to India's total Oil and Gas production. We have already invested US$1.2 billion in the form of growth capex in FY 2023 to augment our assets and production. We envisage committing another US$1.7 billion in FY 2024 towards growth projects.

Delivering all-round performance

This year, we operated against a difficult and uncertain macro-environment, driven by prolonged geo-political conflict, subsequent energy crisis and aggressive monetary policies adopted by central banks. Our teams delivered excellent operating performance despite the challenges posed by uncertain commodities markets and supply chain realignments. We reported a strong set of financial results, ₹1,45,404 crore in revenue

We reported a strong set of financial results, ₹1,45,404 crore in revenue and ₹35,241 crore in EBITDA. We have generated a healthy net-free cash flow of ₹18,077 crore. This all-round performance is a testament to our outstanding portfolio and accomplished leadership team.

Expanding Nand Ghar footprint

Vedanta is now ranked #6 among the top 10 diversified metal and mining peers on the Dow Jones Sustainability Index. Further, Vedanta and its various group companies received multiple awards in finance, operational excellence, CSR and HR categories across various recognised platforms.

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Vedanta is committed to growing responsibly, by ensuring that the communities in which we operate, thrive and grow with us. Our flagship programme 'Nand Ghar' has been working extensively to strengthen the Aanganwadi ecosystem in India and bridge the urban-rural gap with best-in-class services. We now have Nand Ghars across 14 states which have collectively uplifted 3.2 lakhs women and children through education, nutrition and healthcare.

In continuation of our 'net zero' journey, we have signed renewable energy power delivery agreements (PDAs) under the Group's captive policy during FY 2023. We have also moved a step closer towards realising our philosophy of "zero harm, zero waste, zero discharge" with three more of our business sites being declared water positive.

Our ESG efforts have led to significant improvements in our position across key external ratings platforms, like Dow Jones Sustainability Indexes, Sustainalytics, MSCI and CDP. Vedanta is now ranked #6 among the top 10 diversified metal and mining peers on the Dow Jones Sustainability Index. Further, Vedanta and its various group companies received multiple awards in finance, operational excellence, CSR and HR categories across various recognised platforms.

Quest to transform and grow together

Vedanta stands for the highest standards of excellence and integrity and strives to achieve sustainable and responsible growth together with all stakeholders. Our new theme, 'Transforming Together', embodies this commitment by fostering collective actions to achieve inclusive, responsible and value-accretive growth. These efforts will be underpinned by environmental stewardship, social equity and impact, besides good governance to deliver tangible benefits to all stakeholders.


Ensuring sustainable operations

Inclusive

It is our continuous endeavour to drive a more resource and minerals-secure world but with the utmost consideration for our people, stakeholders and communities at large.

We believe people are our greatest assets. Through our industry-leading, globally-benchmarked people practices, we promote a work culture that fosters an ecosystem of trust, high performance and inclusivity, with safety being a top priority. Diversity is an area where Vedanta has performed exceptionally with efforts around enhancing women's representation at higher levels including CXO positions, attracting talent from all regions and promoting an LGBTQ+ friendly workplace. Our efforts towards employees' well-being have earned us Great Place to Work® accreditation and the esteemed Kincentric Best Employer Award – India 2022.

We are making significant progress in our mission to combat malnutrition and achieve zero hunger. This year, Nand Ghar reached the 4,500 mark across 14 states. We also reached out to people, globally, to join us in the Run for Zero Hunger movement with the Vedanta Delhi Half Marathon and Vedanta Pink City Half Marathon. Hundreds of thousands of people joined us in this movement, and we pledged 2 million meals for a healthy and nourished India. In the International Year of Millets and in line with Poshan 2.0 initiative, Nand Ghar also launched a multi-millet nutribar for the holistic nourishment of every child.

We continue to positively transform the lives of our communities through targeted social impact interventions. I am happy to share that this year, we were able to touch the lives of 44 million community members across India and abroad.

Responsible

Climate change is a defining challenge in the current era. Vedanta seeks to address this. We have set ambitious goals, aligned with UN's Sustainable Development Goals, for environmental stewardship through decarbonisation, circular economy and water positivity. We are also working in partnership with trade bodies and governments to ensure all stakeholders push towards these goals.

In FY 2023, substantial progress was made towards net carbon neutrality. In a pioneering effort, we became the first corporate in South Asia to join the World Economic Forum's 1 trillion trees movement with a pledge to plant 7 million trees by 2030. We are taking steady steps to achieve 2.5 GW round-the-clock renewable energy (RE RTC) targeted capacity by 2030. We have also rolled out a unique industry-leading EV policy to incentivise employees to switch to EVs and are well on track towards decarbonising 100% of our light motor vehicles fleet by 2030.

Value-accretive

Vedanta's strategic investments and prudent financial management strategy are to ensure long-term sustainable growth and consistent shareholders' returns. With this strategic objective, we are investing in various projects for volume growth, backward integration and value-added products, as well as advancing digitalisation at pace.

The Company's healthy performance and progress in growth projects, helped us declare a total of ₹37,730 crore as dividend in FY 2023 in alignment with our capital allocation policy. This translated into a dividend yield of 30%, one of the best among peers.

We have an impeccable track record of honouring all capital market commitments. Vedanta Resources, which is the holding company of Vedanta Limited, has deleveraged by US$2 billion during FY 2023 against its commitment of US$4 billion deleveraging over three years.

Good governance

We place great importance on good governance practices with stringent policies and frameworks for implementation. In recognition of its governance practices, Vedanta was bestowed with the prestigious 'Golden Peacock Global Award for Excellence in Corporate Governance 2022'.

We are committed to raising the bar continually in this area. We have taken proactive steps to enhance our disclosure practices by voluntarily publishing the Annual Sustainability Report and the Tax Transparency Report and adopting the Integrated Reporting Practice. Demonstrating our dedication to climate matters, we have published our second Task Force on Climate-related Financial Disclosures (TCFD) report this year, while our Aluminium business released its inaugural TCFD report.


Uplifting community through Skill Training

Exciting times ahead

We are optimistic about an exciting journey ahead. The macroeconomic factors and risks faced by advanced economies going into recession may pose potential challenges to metal demand. Yet the overall sentiment towards mined commodities is improving as the pace of energy transition accelerates across the globe. Even in the macro backdrop, some green shoots are already visible with inflationary pressures beginning to ease and supply chain constraints showing signs of relenting. This will help to improve profitability and generate robust cash flows.

The demand side remains buoyant with the re-opening of China and the global trend towards a green economy and digital economy. India's focus on electric mobility, renewable energy and infrastructure creation is expected to drive domestic minerals demand and attract global investments.

We expect vast opportunities to unfold in the coming years. Our focus is on consolidating our leadership position and unlocking value through growth project execution, scaling innovation and digitalisation and progressing on ESG targets. We also remain committed to improving our financial profile and continue to make disciplined capital allocation decisions. On this positive note, I thank all our stakeholders for believing in our growth story. We seek your continued support in our efforts to create value for all and continue to be a partner in and contribute to India's remarkable economic rise.

Best regards,

Anil Agarwal
Chairman

We expect vast opportunities to unfold in the coming years. Our focus is on consolidating our leadership position and unlocking value through growth project execution, scaling innovation and digitalisation and progressing on ESG targets.

MESSAGE FROM THE CEO & MD

EXECUTING STRATEGY AND DEMONSTRATING OUR RESOLVE

Dear Stakeholders,

The Indian economy thrived during FY 2023, driven by healthy macroeconomic fundamentals and domestic consumption even as interest rates went up. Commodity prices, however, moderated, weighed down by global macroeconomic challenges. Amid this backdrop, Vedanta once again demonstrated resilience and commitment to excellence, emerging stronger through difficult times. Our team executed strategies to ensure steady operational performance and strong cost control, resulting in a commendable financial performance.

Throughout the year, our sustainability-focussed and integrated business model propelled value-creation, delighting our stakeholders. Vedanta declared the highest-ever dividend of ₹101.5 per share to its shareholders and contributed ~₹73,486 crore to the exchequer. We made significant advancements on crucial Environmental, Social and Governance (ESG) commitments besides expanding capacities and our portfolio of value-added products in line with global trends and India's journey of reliance. This positions us ideally to capitalise on emerging opportunities, and power the next phase of growth, which will be more sustainable and predictable through economic cycles.

The big leap in ESG

At Vedanta, FY 2023 was a year of remarkable progress on the ESG front led by our 'Transforming for Good' purpose. We positively touched more than 44 million lives, improved diversity, inclusion and governance practices and took major strides in the areas of carbon neutrality, water positivity and a greener business model. These actions propelled our ambitious ESG goals and earned us prestigious recognition. Vedanta Limited became the only company from India this year to get listed in The Dow Jones Sustainability™ World Index and The Dow Jones Sustainability™ Emerging Markets Index. Further, we ranked 6th globally and 2nd in Asia Pacific in the metal and mining sector of the S&P Global Corporate Sustainability Assessment 2022.

Across the Group, agreements for 788 MW of renewable energy (RE) round-the-clock (RTC) have been signed, which will take us closer to our 2.5 GW RE target and help reduce our carbon footprint significantly. Cairn India's iron ore business and Zinc International's Black Mountain Mines joined HZL to be certified water positive. High volume low toxicity (HVLT) wastes which can potentially harm human health and degrade the environment, have been better managed with unique efforts, resulting in their utilisation increasing to 162%.

Vedanta raised its first Sustainability Linked Loan (SLL) from leading international banks in FY 2023. The loans were granted basis our decarbonisation and safety performance parameters. The proceeds of US$250 million will be utilised for financing capex initiatives focussed on business growth and achieving a higher degree of backward integration.

The intent now is to scale up ESG actions with greater emphasis on inclusive, sustainable and responsible growth. This is the essence of our new 'Transforming Together' theme that will help us achieve ESG leadership and reinforce a value-accretive journey.

Stepping up zero harm culture

We place the utmost importance on the health and safety of our employees. Despite our continued efforts, I am deeply saddened by 13 tragic fatalities this year and the irreparable loss to their families, friends and colleagues. We have disseminated the findings of the investigation reports across Group companies, and I can assure you that we are fully focussed on ensuring workplace safety across our entire business.

The respective business CEOs have already stepped-up risk management efforts by implementing fatality learnings and are spending greater time on the field through Visible Felt Leadership (VFL) and personal safety programmes. Across the plants, safety infrastructure is being upgraded and training frequency has been increased. We have also fast-tracked the roll-out of the Critical Risk Management (CRM) module to mitigate three major risk areas of vehicle-pedestrian interaction, working at heights, and uncontrolled energy release.

Delivering resilient performance

We delivered an impressive performance across our businesses, reflecting our continual focus on establishing a high-performance, low-cost, long-life asset base. Our continued focus on high quality, asset optimisation and digital transformation, enabled us to maximise asset utilisation. We achieved robust production volumes and the highest-ever revenues.

I am delighted to report that we closed FY 2023 with an 11% growth in revenue to ₹1,45,404 crore, EBITDA for the year was ₹35,241 crore, with an industry-leading margin of 28%[1]. The dual challenges of high input costs and lower realisations led to a contraction in margins, which was partially offset by improved operational performance and strategic hedging gains. We are actively pursuing cost optimisation initiatives around improving linkage coal materialisation and operational efficiencies to make our profitability more predictable through commodity cycles.

As of 31 March 2023, our net debt stood at ₹45,260 crore. The balance sheet position remains strong with healthy cash and cash equivalents of ₹20,922 crore and a robust net debt to EBITDA ratio of 1.3x. The average term debt maturity is maintained at ~3.4 years.

Note 1: Excludes copper smelting at Copper Business

Our continued focus on high quality, asset optimisation and digital transformation, enabled us to maximise asset utilisation. We achieved robust production volumes and the highest-ever revenues.

Employee safety an utmost priority

In FY 2023, we delivered significant progress across all our businesses with record volumes in Aluminium, Zinc India and Zinc International businesses. Key cost reduction, capex and operational improvement projects enabled us to stay on course with our growth plans.

Investing in future

Vedanta's long-term focus is to grow in India, in sync with the country's robust economic and demand growth. We see new-age India to be more mineral-intensive. The emphasis on electric mobility, infrastructure creation, renewable energy and efforts to establish India as an electronics hub are all set to enhance demand for key metals and minerals.

Capitalising on these opportunities aligned to the nation's needs, Vedanta is expanding capacities across various businesses, which are in various stages of implementation. Further, projects aimed at achieving raw material security are also being pursued. A disciplined capital allocation approach is being followed across all projects to ensure higher returns while maintaining strong balance sheet.

Operational and strategic review

In FY 2023, we significantly progressed across all our businesses with record volumes in aluminium, Zinc India and Zinc International and steel business. Key cost reduction, capex and operational improvement projects enabled us to stay on course with our growth plans.

Aluminium

The business achieved the highest-ever aluminium production at 2.29 million tonnes in FY 2023, which included 59 kt of green aluminium (branded Restora and Restora Ultra). During the year, we pursued structural initiatives like optimising the coal and bauxite mix, improving capacity utilisation and implementing growth and vertical integration projects. We completed the Jharsuguda capacity ramp-up to 1.8 MTPA and going forward, Lanjigarh refinery expansion from 2 MTPA to 5 MTPA remains our key focus area. We also strengthened long-term coal supply at competitive prices by emerging as the successful bidder for the Ghogharpalli coal block. Jamkhani coal block has been operationalised. Commencement of Kuraloi (A) North and Radhikapur West mines is expected in the next 12-18 months. On the bauxite front, LOI has also been issued for the Sijimali bauxite block, with an estimated reserve of 311 million tonnes of bauxite. In an endorsement of sustainable operations, the business was ranked 2nd among DJSI's ranked aluminium peers.

Employees at Cairn, Oil and Gas

Zinc

Zinc India registered its best-ever mined metal production of 1,062 kt and refined metal production of 1,032 kt. Silver production grew by 10% to 714 kt. Despite rising input costs, it continues to be in the first quartile of the global cost curve. Key projects are under execution at RD Mines complex to expand MIC capacity to 1.25 MTPA. In line with our vision of increasing metal volumes to 1.2 MTPA, the installation of a new 160 KTPA Roaster in Debari, HZAPL alloy project, and 1.6 LTPA Fumer plant are major projects under execution. One of the most notable achievement has been the successful commissioning of a 3,200 KLD Zero Liquid discharge (RO-ZLD) plant at the Dariba smelter. Apart from that, Zawar mine (ZM) and Rampura Agucha mine ZLD projects of 4,000 KLD capacity each have been initiated to improve recycling and strengthen the zero discharge.

Zinc International recorded its highest-ever mined metal production of 273 kt, including 208 kt at the Gamsberg mine and 65 kt at BMM. Gamsberg achieved 12% reduction in the cost of production excluding Treatment Charge and Refining Charge (TcRc) during the year. For increasing MIC production from 300 KTPA to 600 KTPA, the Zn Concentrator Plant with 200 KTPA capacity and the 210 KTPA Smelter project are under execution.

Oil & Gas

In the Oil & Gas segment, our efforts were focussed on adding reserves and resources. The infill wells across producing fields have enabled us to mitigate a part of the production decline. We are working on development projects to unlock potential of our contingent resource base. Exploration activities across the portfolio have enabled us to generate prospects and add resources.

Iron Ore

The business seized opportunities with robust execution and agility to overcome market sluggishness on account of duty imposition and export ban. Post the withdrawal of export duty in December 2023, we became the first to complete an export shipment of Karnataka-origin ore. We also commenced ore production in our Liberia mine and completed its first-ever export shipment. The production of saleable iron ore at Karnataka was flat at 5.3 million tonnes and that of value-added pig iron was down by 12% to 696 kt.

Steel

ESL performed resiliently amidst challenges that were used as an opportunity to be future-ready by undertaking yield improvement, debottlenecking and plant maintenance initiatives. ESL registered an increase in saleable production to 1,285 kt with the highest ever net sales realisation, resulting in favourable EBITDA margins. It continued to prioritise its value-added portfolio, resulting in a 5% increase in its sales. ESL successfully operationalised two iron ore mines with 100% captive sourcing of iron ore.

FACOR

We successfully commenced production at new 60 KTPA furnace in February 2023, taking the total Fe-Cr alloy capacity to 140 KTPA. We also completed the merger of FACOR and FACOR Power Plant Limited. FACOR recorded the highest-ever chrome ore production at 290 kt in FY 2023, a 16% increase over the previous year. Ferrochrome production decreased by 11% to 67 kt.

Nicomet

In FY 2023, we successfully operationalised the Nicomet plant and were able to stabilise plant operations for producing premium quality products. Additionally, the nickel plant for producing Ni metal was commissioned later in the year. The first despatch of NiSo4 & Ni metal was executed in March 2023. Going forward, the focus is on developing our customer base in domestic and export markets.

Positioned to deliver long-term value

Vedanta has grown substantially in the past year. With our employee-centric approach, Vedanta has been recognised with the 'Kincentric Best Employer of the Year' award. We continue to upskill young leaders, and empower women and business partners through various flagship programmes. Our fundamentals are stronger, assets are more competitive and expansion projects are all set to enhance the life of assets and volume growth. We have reinforced our market-leading position in the natural resources sector, which has promising upside potential in the long run.

Employees at Operational sites

Drawing inspiration from these achievements, we are determined more than ever to aim higher. We will maintain an unrelenting focus on priorities to deliver on our ambition of transforming together to create shared value.

The safety of our people and other stakeholders will remain a top priority. It will require us to make incremental investments and bring revolutionary change to achieve and sustainably maintain the ambition of zero harm. At the same time, we are inspired to secure long-term growth and embedding ESG across every facet of business will be key to this. We will need to move with greater agility toward our goals of climate change, inclusive development and an equitable workplace. Lastly, we must maintain top-notch asset quality with operational stability and drive focussed volume growth to capitalise on potential growth opportunities. Our success will be dependent on our ability to balance these priorities and commitments so that we can contribute towards a better world together.

Best regards,

Sunil Duggal
Chief Executive Officer

Vedanta has grown substantially in the past year. With our employee-centric approach, Vedanta has been recognised with the 'Kincentric Best Employer of the Year' award.

Vedanta's centralised process system unlocks the power of automation and enables superior process controls

Electrosteel Steels Limited

ESL improves blast furnace performance with process digital twin

Problem statement

Blast furnace involves various integrated processes. Operators at ESL Steel typically relied on their experience to control burden distribution, blowing parameters and casting parameters. Considering the multiple parameters and wide variation in input conditions, such decisions sometimes proved inaccurate, causing brief production drops and increased fuel rates due to sub-optimal control.

Solution

ESL is implementing the process of digital twin technology to address the challenge. This uses artificial intelligence (AI), machine learning and high-performance computing to optimise the equipment and the manufacturing process. It will facilitate efficient control of blast furnace operations through predictive alerts and provide data-backed standard operating procedure (SOP) for all controllable parameters.

The tool includes four modules which will help in:

- Getting a data-backed digital SOP for ensuring better burden distribution
- Facilitating real-time root-cause analysis of fuel rate increase to identify the actions to control it
- Assisting to improve control and prediction of hot metal silicon prediction to minimise variations
- Achieving better, real-time visibility of coke and sinter average particle size using computer vision

Currently, two modules have been implemented, and the other two will be launched in Q1 FY 2024.

Targeted outcome

4-5%*

Increase in production

~2%*

Annual cost reduction

US$8.4 MILLION*

Annual savings

**Based on H1 FY 2023 baseline*

Next step

Fast-tracking implementation of the other two modules

Vedanta Aluminium Limited

Advanced process controller optimises efficiency and specific consumption at Lanjigarh

Problem statement

Alumina refining is a complex and highly interactive industrial process, necessitating advanced control strategies. Evaporation, in particular, is a critical aspect of the process, which utilises steam to concentrate the spent liquor from the process and effectively reutilises it, without disturbing process inventory. At Lanjigarh Refinery, this entire process was controlled in semi-automatic mode by operators, resulting in lower efficiency due to slow response time and operator-driven variance. It inevitably led to higher specific steam consumption (SSC).

Solution

Lanjigarh Refinery implemented the advanced process control (APC) technique across the refinery process to improve performance.

APC is a robust system that optimises the operational efficiency of a process and productivity, by maintaining optimal operating conditions and integrating all possible process constraints into a predictive controller. This action helps to maintain dependent (controlled) variables at targeted levels or within constraints, by manipulating the independent variables.

At Lanjigarh, APC was implemented by developing a predictive model for controlling and optimising specific steam consumptions across the evaporation units by minimising variability and driving efficiencies. The Refinery has benefited as follows:

- Tighter control of process parameters and elimination of manual errors in the process following automation
- Decline in process variations resulting in enhanced efficiency and reduction in the specific consumption
- Auto optimisation of process control strategies with predictive algorithms

Next step

We intend to proliferate APC utilisation across different units of the refinery. An APC Global Optimiser is planned for overall process control and coordination and for building the platform for digital twins.

Hindustan Zinc Limited

Transforming the planet with Miyawaki afforestation at Dariba smelting complex

Problem statement

Number of trees in the world has halved, and every passing year another 15 billion are lost. This has harmed global biodiversity and ecosystems, threatened health and food security, and has made the world less resilient to climate change impact.

Solution

Vedanta has pledged to plant 7 million trees as part of the World Economic Forum's '1 trillion trees' campaign or UN SDG Goal of 1 million plantations by 2025.

To implement this pledge, we have undertaken a tree plantation drive at Dariba Smelting Complex (DSC) using the Miyawaki afforestation method. It involves planting dozens of native species in the same area, resulting in 10x faster plant growth and 30x denser than usual plantation, leading to higher carbon sequestration. Such a plantation becomes self-sustaining after the first three years. Besides, it is chemical-free and supports local biodiversity. Until now, 12,000 trees across 65 different species have been planted covering an area of one hectare.

Miyawaki Afforestation at Dariba

Improved biodiversity

Through lowered temperature, better soil nutrition and wildlife support

Goals met

Vedanta Aim 6 innovation for greener business model

Next step

We plan to replicate the project across all units.

Sterlite secures 16 MW renewable energy contract for its green copper journey

Sterlite Industries (India) Limited

Sterlite Copper advances low-carbon journey with green copper

Problem statement

Sterlite aims to promote responsible and environmentally sustainable production of copper to achieve its goal of net zero carbon emissions from operations by FY 2030. Green copper will enable a reduction in our carbon footprint and ensure optimal utilisation of resources while caring for communities.

Solution

Sterlite Copper has embraced revolutionary changes in daily operations to achieve the objective of green copper and reducing its carbon footprint. These include:

- **Smart fuel optimisation project –** AI-ML driven solutions have been successfully deployed in shaft furnaces of (Rod Plant and Blister Plant) for optimising fuel consumption
- **Recycled copper production project –** Using fire-refined high conductivity (FRHC) technology to scale up recycled copper capacity by 20% to 4,000 tonnes/month at Silvassa and by 30% to 3,400 tonnes/month at Fujairah. Secondary copper is melted and oxidised in the furnace
- **Hybrid renewable energy (RE) contract –** Power development agreements have been signed for 16 MW RE RTC to switch off from conventional thermal power
- **Fleet decarbonisation –** The project, being implemented at the Chinchpada plant, Silvassa, involves the conversion of pool vehicles to EV/CNG, employee commute vehicles to CNG and electrification of forklifts. It is expected to be completed by June 2023

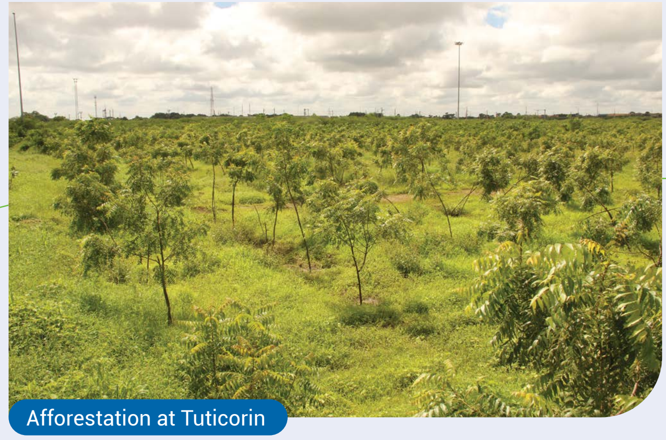
Targeted Outcome

57%
GHG emission reduction (from FY 2021 baseline)

3,554 tCO_2e
reduction through smart fuel optimisation

92,000 tCO_2e
reduction through recycled copper rod production

64,535 tCO_2e
reduction through hybrid renewable energy contract



Afforestation at Tuticorin

Hindustan Zinc Limited

Turning around lead smelter at Dariba Smelter

Problem statement

DSC's lead smelter is designed for an optimal production capacity of 108 KTPA lead cathode at 93% efficiency, running 350 days and utilising 6.8 kiloampere (kA) current.

However, its production was unstable. A major hit was witnessed in Q4 FY 2022 due to parameters disturbance (purity and chemical composition) due to an externally sourced input commodity, which went unnoticed. This caused rough dendritic deposition on cathodes, causing corrosion, poor current efficiencies and lower weight deposition.

Solution

The smelting team did a thorough analysis to improve the production. This included brainstorming, benchmarking with similar smelters, holding a dialogue with industry experts and conducting a multi-variability study of cell house parameters and deviation (to compare numbers) using six-sigma regression modelling. Lastly, based on the data, test cell experimentations were done.

The correction finally came with continuous heavy-dose additions of Glue and B-Naphthol which brought the dendrite depositions under control and improved lead deposition. This has resulted in consistent lead production with better efficiency.


Dariba Smelting Complex (DSC)

Outcome

65%

Increase in daily production rate to 330 tonnes from the lowest recorded level of 200 tonnes

Highest-ever annual production

at 112.6 KTPA in FY 2023

94.5%

Efficiency levels achieved, up from 90% average

Next step

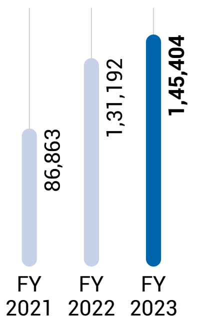
We are working on a long-term plan to upgrade the cell house with advanced automation control systems, to drive efficiency through better control of process parameters.

KEY PERFORMANCE INDICATORS

TESTAMENT TO SUSTAINED VALUE CREATION

GROWTH INDICATORS

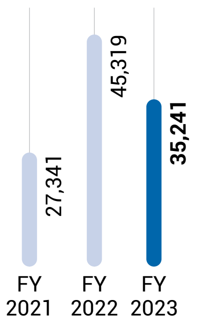
Revenue (₹ crore)



Description: Revenue represents the value of goods sold and services provided to third parties during the year

Commentary: In FY 2023, consolidated revenue was at ₹1,45,404 crore compared with ₹1,31,192 crore in FY 2022. This was primarily driven by higher volumes from copper and zinc and aluminium, rupee depreciation and partially offset by the slip in commodity prices majorly in aluminium and copper

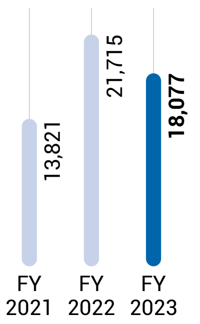
EBITDA (₹ crore)



Description: Earnings before interest, tax, depreciation and amortisation (EBITDA) is a factor of volume, prices and cost of production. This measure is calculated by adjusting operating profit for special items and adding depreciation and amortisation

Commentary: EBITDA for FY 2023 was at ₹35,241 crore, 22% lower YoY. This was mainly due to a slip in commodity prices of aluminium, lead and silver with a headwind in input commodity prices, partially offset by improved operational performance and strategic hedging gains

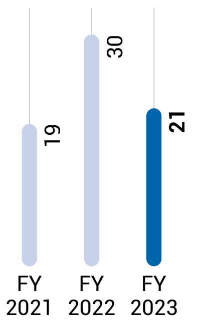
FCF post-capex (₹ crore)



Description: This represents net cash flow from operations after investing in growth projects. This measure ensures that profit generated through our assets is reflected by cash flow, in order to de-lever or maintain future growth or shareholder returns

Commentary: We generated FCF of ₹18,077 crore in FY 2023, driven by strong cash flow from operations and working capital release, partly offset by higher capex

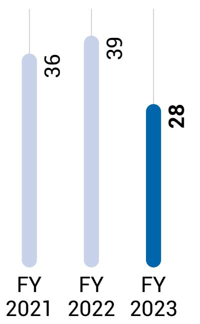
Return on capital employed (ROCE) (%)



Description: This is calculated on the basis of operating profit, before special items and net of tax outflow, as a ratio of average capital employed. The objective is to earn a post-tax return consistently above the weighted average cost of capital

Commentary: ROCE stood at 21% in FY 2023 (FY 2022: 30%), primarily due to decrease in EBIT

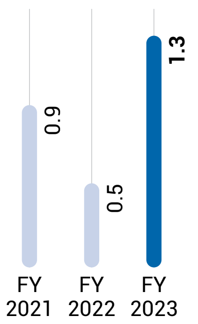
Adjusted EBITDA margin (%)



Description: Calculated as EBITDA margin excluding EBITDA and turnover from custom smelting at copper business

Commentary: Adjusted EBITDA margin for FY 2023 was 28% (FY 2022: 39%)

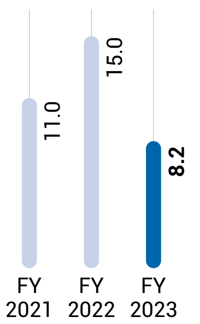
Net debt/EBITDA (consolidated)



Description: This ratio represents the level of leverage of the Company. It represents the strength of the balance sheet of Vedanta Limited. Net debt is calculated in the manner as defined in Note 16(c) of the consolidated financial statements

Commentary: Net debt/EBITDA ratio as of 31 March 2023, was at 1.3x well within approved capital allocation framework, compared with 0.5x as on 31 March 2022

Interest cover (%)

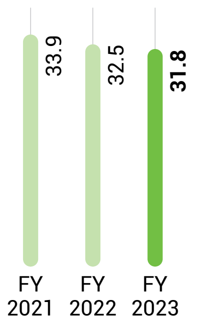


Description: This ratio is a representation of the ability of the Company to service its debt. It is computed as a ratio of EBITDA divided by gross finance costs (including capitalised interest) less investment revenue

Commentary: The interest cover for the Company was at 8.2 times, lower YoY on account of lower EBITDA and higher interest

KEY FINANCIAL RATIOS

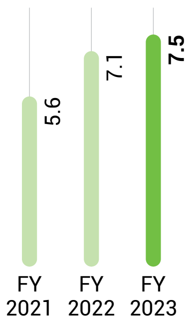
Debtors' turnover ratio*



Description: The debtors' turnover ratio is an accounting measure used to quantify a company's effectiveness in collecting its receivables. This is calculated as a ratio of revenue from operation to average trade receivables

Commentary: The debtors' turnover ratio was 31.8 times

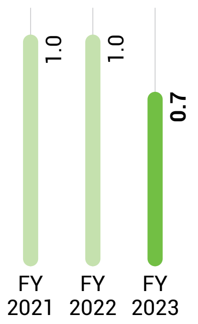
Inventory turnover ratio



Description: The inventory turnover ratio is an efficiency ratio that shows how effectively inventory is managed. This is calculated as a ratio of the cost of goods sold, to the average Inventory

Commentary: The inventory turnover ratio for the Company was at 7.5 times in FY 2023 as compared with 7.1 times in FY 2022

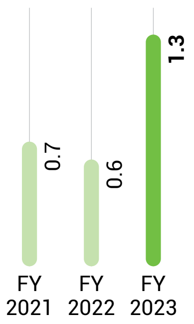
Current ratio



Description: The current ratio is a liquidity ratio that measures a company's ability to pay short-term obligations or those due within one year. This is calculated as a ratio of current assets to current liabilities

Commentary: The current ratio of the Company remained at 0.7 times

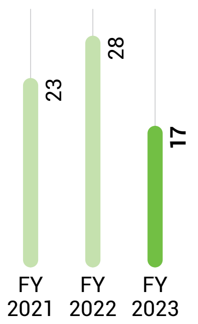
Debt-equity ratio



Description: This is a financial ratio indicating the relative proportion of shareholders' equity and debt used to finance a company's assets. This is calculated as a ratio of total external borrowing to total equity (share capital + reserves + minority)

Commentary: This ratio has increased to 1.3 times in FY 2023 primarily due to an increase in gross debt from the increase in borrowings at VEDL standalone and temporary borrowings at HZL

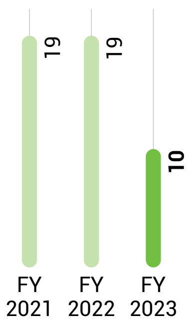
Operating profit margin (%)



Description: Operating profit margin is a profitability or performance ratio used to calculate the percentage of profit a company produces from its operations. This is calculated as a ratio of operating profit (EBITDA less depreciation) to revenue from operations

Commentary: The operating profit margin for the Company was lower in FY 2023 as compared with FY 2022, primarily due to lower EBITDA and higher depreciation in the current year

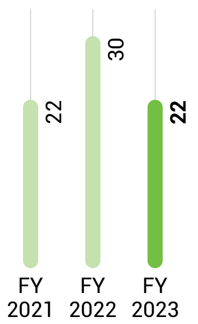
Net profit margin (%)



Description: This is a measure of the Company's profitability. It is calculated as a ratio of net profit (before exceptional items) to revenue from operations

Commentary: The net profit margin was at 10% in FY 2023 as compared to 19% in FY 2022

Return on net worth (%)



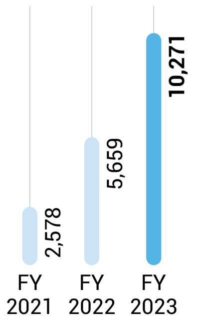
Description: This is also a measure of the Company's profitability. It is calculated as a ratio of net profit (before exceptional items) to average net worth (share capital + reserves + minority)

Commentary: The return on net worth has decreased, mainly on account of a decrease in EBITDA during the year

**Excluding power business*

LONG-TERM VALUE

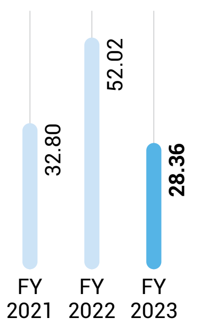
Growth CAPEX (₹ crore)



Description: This represents the amount invested in our organic growth programme during the year

Commentary: Our stated strategy is disciplined capital allocation on high-return, low-risk projects. Capital expenditure on expansion was ₹10,271 crore during the year

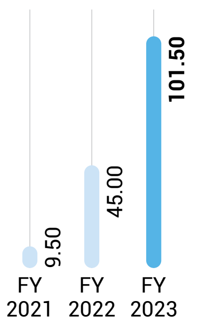
EPS (before exceptional items) (₹)



Description: This represents the net profit attributable to equity shareholders and is stated before exceptional items and dividend distribution tax (net of tax and minority interest impacts)

Commentary: In FY 2023, EPS before exceptional items was at ₹28.36 per share. This mainly reflects the impact of lower EBITDA and higher depreciation charges and finance cost

Dividend (₹/share)



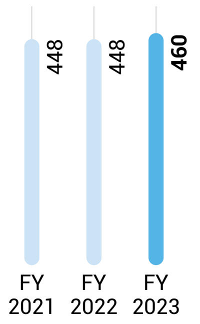
Description: Dividend per share is the total of the final dividend recommended by the Board in relation to the year, and the interim dividend paid out during the year

Commentary: The Board has recommended a total interim dividend of ₹101.5 per share this year compared with ₹45 per share in the previous year

Reserves and resources (R&R)

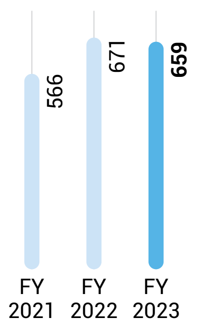
Description: Reserves and resources are based on specified guidelines for each commodity and region

Zinc India (million tonnes)



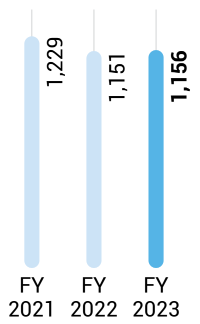
Commentary: During the year, combined R&R were estimated to be 460.1 million tonnes, containing 30.8 million tonnes of zinc-lead metal and 855.9 million ounces of silver. Overall mine life continues to be more than 25 years

Zinc International (million tonnes)



Commentary: During the year combined mineral resources and ore reserves estimated at 659.1 million tonnes, containing 34.9 million tonnes of metal

Oil & Gas (mmboe)

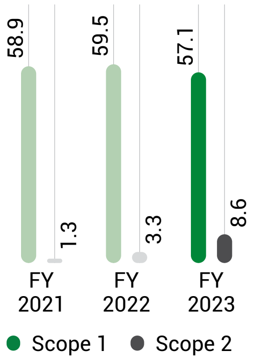


Commentary: During FY 2022, the gross proved, and probable reserves and resources stood at of 1,156 mmboe

SUSTAINABILITY KPIs

GHG emissions scope 1 & 2

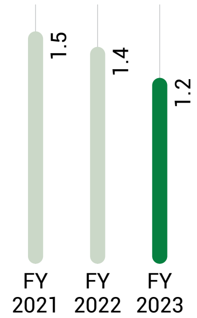
(million tonnes of CO_2e)



Description: Vedanta used Scope 1 and Scope 2 GHG emissions, measured in tonnes of CO_2e to track its carbon footprint

Commentary: We calculate and report Greenhouse Gas (GHG) inventory i.e.. Scope 1 (process emissions and other direct emissions) and Scope 2 (purchased electricity) as defined under the World Business Council for Sustainable Development (WBCSD) and World Resource Institute (WRI) GHG Protocol

TRIFR

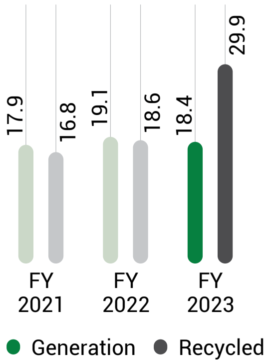


Description: The total recordable injury frequency rate (TRIFR), is the number of fatalities, lost time injuries, and other injuries requiring treatment by a medical professional per million hours worked

Commentary: This year, the TRIFR was 1.20. Safety remains the key focus across businesses

HVLT (high volume low toxicity)

(million tonnes)

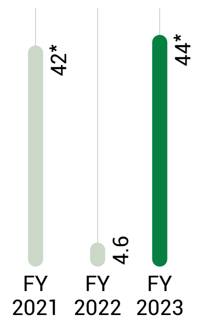


Description: High Volume Low Toxicity (HVLT) waste is present in large quantities and is usually stored in tailings dams/ash dyes or other secure landfill structures before being sent to other industries as raw materials. HVLT includes fly ash, bottom ash, slag, jarosite, and red mud

Commentary: In FY 2023, we have achieved ~164% recycling of our HVLT waste

CSR Footprint

(million beneficiaries)

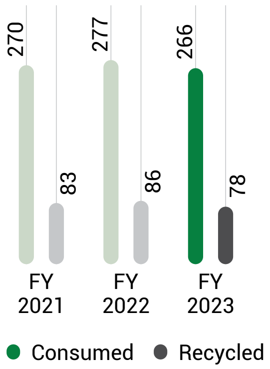


Description: The total number of beneficiaries through our community development programmes across all our operations

Commentary: We benefited ~44 million people this year through our community development projects comprising community health, nutrition, education, water and sanitation, sustainable livelihood, women empowerment and bio-investment

Water consumed & recycled

(million m^3)

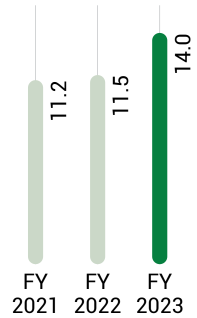


Description: Water consumed is the portion of water used that is not returned to the source after being withdrawn. Recycled water or reclaimed water means treated or recycled wastewater commonly used for non-potable (not for drinking) purposes, such as agriculture, landscape, public parks, and golf course irrigation (million m^3)

Commentary: In FY 2023, we recycled 78 million m^3 of water, equivalent to around 29.4% of consumed water

Gender diversity

(%)



Description: The percentage of women in the total permanent employee workforce

Commentary: We focus on diversity, equity and inclusion in the workplace. During the year, female employees made up 14.00% of the total workforce

*Note *Includes both direct and indirect beneficiaries*

VALUE CREATION MODEL

TRANSFORMING FOR BETTER OUTCOMES

Inputs

Financial capital
- Equity: ₹**372 crore**
- Gross Debt: ₹**66,182 crore**
- Net Worth: ₹**49,427 crore**
- Cash and Cash Equivalent: ₹**20,922 crore**
- Growth Capex: ₹**10,271 crore**

Manufactured capital
- Plant and Equipment: ₹**1,15,273 crore**
- Capital Work in Progress (WIP): ₹**17,434 crore**

Human capital
- Total Workforce: **87,513**
- HSE workforce (incl. contractors): **817**
- No. of geologists (incl. contractors): **188**
- No. of hours of training: **28,65,662**
- No. of hours of safety training: **21,07,035**
- Employees covered under mentoring and support programs: **2,199**

Social and relationship capital
- Community investment: ₹**454 crore**
- Rated by two domestic rating agencies: **CRISIL & India Rating**
- Strong network of global and domestic relationship banks: **30+**
- Independent Directors: **4**

Natural capital
- Energy consumption: **559 million GJ**
- Water consumed: **266 million m^3**
- Coal used: **34.5 million tonnes**
- HVLT waste generated: **18.4 million tonnes**
- Fly ash generated: **13.86 million tonnes**
- R&R Zinc India: **460 million tonnes, containing 30.8 million tonnes of zinc-lead metal and 855.9 million ounces of silver**
- R&R Zinc International: **659.1 million tonnes, containing 34.9 million tonnes of metal**
- R&R Oil & Gas: **1,156 mmboe gross proved, and probable reserves and resources**

Business Segments

Zinc | Aluminium | Oil and Gas | Iron Ore | Steel | Ferro Alloys | Copper

Processes

Explore

We invest selectively in exploration and appraisal to extend mine and reservoir life

Develop

We develop world-class assets, using the latest technology to optimise productivity

Extract

We operate low-cost mines and oil fields, with a clear focus on safety and efficiency

Process

We focus on operational excellence and high asset utilisation to deliver top-quartile cost performance and strong cash flows

Market

We supply our commodities to customers in varied industry sectors, from automotive to construction, with a product base ranging from energy to consumer goods

Creating Value for Stakeholders

Shareholders
₹**37,730 CRORE**
Dividend Declared

Communities
₹**454 CRORE**
CSR spend

Industries
₹**35,116 CRORE**
Local Procurement

Employees
87,513
Total Workforce

Governments
₹**73,486 CRORE**
Exchequer Contribution

Pg. 78

Outputs and Outcomes

Financial capital
- Turnover: ₹**1,45,404 crore**
- EBIDTA: ₹**35,241 crore**
- Total exchequer contribution: **~₹73,486 crore**
- Attributable PAT (before exceptional items): ₹**10,521 crore**
- Earnings per share (EPS) (before exceptional Items): ₹**28.4 per share**
- Dividends declared: ₹**37,730 crore**
- FCF post-capex: ₹**18,077 crore**
- RoCE: **21%**
- Net Debt to EBITDA: **1.3x**

Manufactured capital
- Zinc India: Mined Metal – **1,062 kt**
  Integrated Metal – **1,032 kt**
- Oil & Gas: **143 kboepd**
- Power: **14.8 bn kWh**
- Aluminium: Alumina – **1.8 million tonnes**
  Aluminium – **2.3 million tonnes**
- Pig Iron: **696 kt**
- Zinc International: **273 kt**
- Steel: **1,285 kt**
- Copper: **148 kt**

Human capital
- Attrition Rate: **8.86%**
- Diversity Ratio: **14.00%**
- Total Recordable Injury Frequency Rate (TRIFR): **1.20**

Social and relationship capital
- CSR beneficiaries: **~44 million**
- Nand Ghars built till FY 2023: **4,533**
- Dividend: ₹**101.5 per share**
- Contribution to the exchequer: **~₹73,486 crore**
- Youth benefited from employment based skills training: **8,354**

Natural capital
- GHG Emissions: Scope 1 - **57.1 million tCO_2e**
  Scope 2 - **8.6 million tCO_2e**
- Water recycled: **78 million m^3**
- HVLT utilised: **29.93 million tonnes**
- HVLT utilisation: **162%**
- Fly ash utilised: **28.25 million tonnes**
- Fly ash utilisation rate: **204%**

Our Core Value

Trust | Entrepreneurship | Innovation | Excellence | Integrity | Care | Respect

OPPORTUNITIES

A MULTI-FACETED APPROACH TO FUTURE-PROOFING

Global metal and mining industry is reshaping with rapidly-evolving externalities centred on decarbonisation, digitalisation, supply chain disruptions and market volatility. While necessitating change in the business model, these trends are expected to open up enormous potential and unleash mega opportunities. We are evaluating these trends to stay ahead of the curve and shape the future of our business.

T1

ESG as a gateway to unlocking value

Globally, markets and stakeholders are increasingly prioritising ESG alignment. This presents an opportunity for companies, especially those in the natural resources sector, to think holistically, embed ESG in their strategy and allocate capital in accordance with their commitments. Such a strategic approach can help the Company to stay ahead of the competition and evolving expectations, besides creating long-term value for all stakeholders.

Vedanta response

ESG has long been a priority at Vedanta, and we continue to make sustained investments in it. Last year, we introduced a repurposed ESG strategy – 'Transforming for Good', based on the pillars of communities, the planet and the workplace. We have defined various goals and roadmaps as part of our ESG strategy, including net carbon zero, water positivity and a greener business model, which are contributing to scalable results and making our business more sustainable in the long term. Continuing this journey, in FY 2023, we have proposed a more holistic theme, 'Transforming Together', to initiate collective action for shared value creation.

T2

Mapping benefits of circular economy

Global economies are gradually transitioning from linear to circular models, and metals and mining companies have a unique opportunity to lead this change. By building new capabilities and reconfiguring business models to incorporate circular initiatives like metals reprocessing, recycling or urban mining, early adopters stand to gain preferential access to responsible sourcing markets and investors. This strategic shift can also empower market players to influence downstream, lower costs and improve ESG scores.

Vedanta response

Progressing to greener business models with circular economy activities is part of our ESG strategy. We are undertaking R&D to identify newer ways to convert operational by-products into raw materials for application in other industries and internal consumption. We have partnered with Runaya, an emerging manufacturing start-up offering circular economy solutions, to improve aluminium recovery from dross up to 90%, and convert the residue into raw material for the steel industry. We are executing recycled copper projects using fire-refined high-conductivity technology. We are further working with cement companies and NHAI with an aim to increase HVLT waste utilisation to 100%.

T3

Multiple safety layers for greater sustainability

Safety in mining has evolved, with four aspects – physical, psychological, cyber and cultural – becoming prerequisites for sustainable mining activities. While physical safety has improved, others are also gaining importance to ensure people feel valued and included to achieve job satisfaction. By prioritising all four aspects, natural resources companies can attract, engage, and retain diverse talent to drive their success.

Vedanta response

We have robust physical safety mechanisms in place supported by world-class practices, digital initiatives and regular training and campaigns. This is being further enhanced with the launch of HSE digital, an incident management module, to automate and improve working with incident records. A critical risk management (CRM) module is being rolled out covering three major risks.

We are also undertaking initiatives to target other safety areas. Psychological safety is being notched up by implementing initiatives to provide greater opportunities and an improved work environment for all, along with ensuring a zero-discrimination workplace. Cultural safety is ensured through complying with local regulations, standards and cultural practices. A security community of practice has been instituted that will work towards improving the connect with local communities.

T4

Building an agile business model

Metal and mining companies depend on supply chains for various input raw materials to enable production, processing and services for daily operations. Supply chain security is therefore imperative to ensure the availability of inputs at the right costs. However, under the shadow of the COVID-19 pandemic and the Russia-Ukraine conflict, there are heightened challenges due to high transportation and logistical costs, labour and material shortages and increased prices.

Companies taking the initiative to fortify their supply chain by reassessing risks and implementing innovative practices and digital technologies, stand to benefit. Besides improved access to raw material supplies, these players can also unlock productivity gains to manage commodity volatility and increased costs. Such reassessment can open opportunities to sustainably reduce costs with measures like transitioning to renewable energy, innovations that make for a sustainable portfolio and implementation of strategic joint ventures for economies of scale.

Vedanta response

We are mitigating supply chain risks by undertaking vertical integration projects including acquiring coal mines and securing linkages to reduce import dependence. We are also strengthening inbound logistics. These efforts stand to reduce production costs.

We are further undertaking periodic vendor life cycle assessments to evaluate risks at every stage, and accordingly implement necessary actions.

To unlock productivity, we are focussed on achieving full capacity utilisation and improving operational efficiencies. Towards this goal, we have initiated the implementation of phase 2 digitalisation, which will make Vedanta a 100% automated and data-driven organisation. These initiatives will contribute to significant savings and productivity gains.

T5

Employer of choice as a differentiator

Labour markets around the world have evolved following the COVID-19 pandemic. New ways of work have become a key job requirement for employees globally, as they now seek more flexibility, purpose, complete well-being, personalised career opportunities and inclusiveness. Companies that are investing in innovative ways to fulfil these value propositions are well-positioned to become an attractive employer. This is especially true for mining and manufacturing companies, where physical presence and conventional ways of working have ruled the roost for a long time.

Vedanta response

Transforming the workplace is a top ESG priority at Vedanta. We have increased our focus on diversity, equity and inclusion, health and safety, besides skill development for employees. We are aligning our business with the nation's interest and the global exigency for addressing the issue of climate change, thereby creating opportunities for employees to contribute to nation-building and the betterment of communities and even the planet. We are breaking the gender barrier by encouraging women and LGBTQ+-friendly workplaces. We are also undertaking multiple programmes that support their career growth, in addition to using digital technologies to enrich their experiences.

T6

Social impact for sustainable success

Globally, the indigenous communities have growing expectations for greater accountability and responsibility from corporates in exchange for the social licence to operate. They seek newer ways to connect with corporate and assign responsibilities for not only contributing to the local economy but also addressing social and environmental issues. Natural resources companies, operating near these communities, have an opportunity to unlock business value and establish themselves as a socially and environmentally responsible corporate. By establishing novel ways, these players can forge a deeper connect with the communities for a better understanding of their operations. By ensuring sustained engagement with communities and aligning priorities, their needs and expectations can be identified and fulfilled.

Vedanta response

Vedanta is proactively bringing meaningful development in the communities where it operates with multi-dimensional efforts to address their most urgent needs. Our programmes for healthcare and hygiene, livelihood creation, women empowerment, environmental protection and child well-being and education while uplifting the community, are also enabling us to fortify our relations with them. Vedanta strives to be the preferred developer of choice in most regions of its core operations. We are embedding their welfare at the core of business decisions and continue to seek innovative ways to empower 2.5 million families with enhanced skillsets and uplift 100 million women and children. We are further strengthening our connect with them, by adhering to globally accepted human rights practices. We have also established a dedicated community of practice with defined key results areas.

T7

Digital leadership to unleash the potential

Automation, digitalisation and big data are revolutionising the way metals and mining companies operate. These methods are improving decision-making and the exploration and development of minerals with real-time information and a huge database. The ability to leverage the data using advanced technologies can help in many ways to unlock value across the mining life cycle, including better cost and asset utilisation and minimising environmental impact.

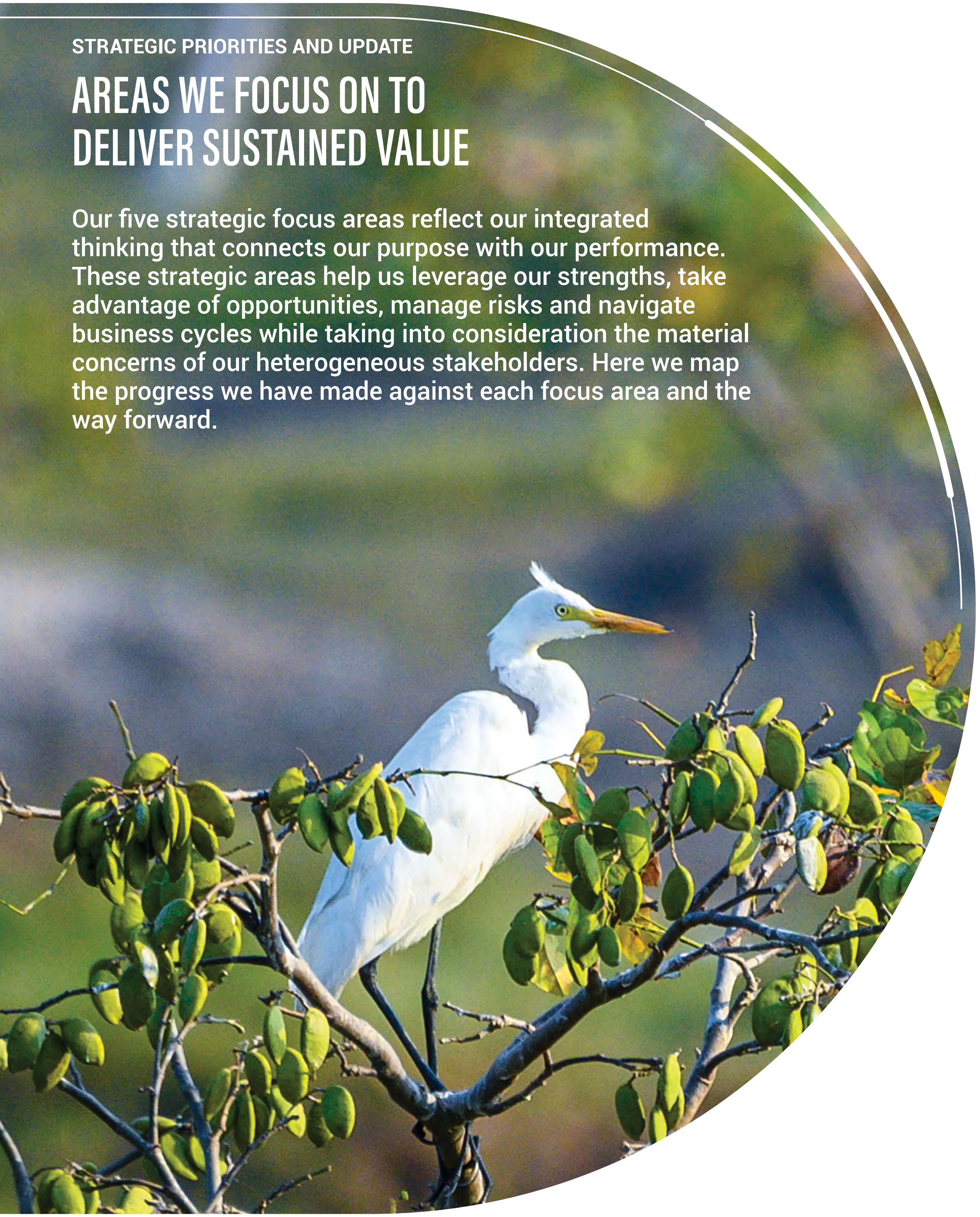
Vedanta response

Innovation is a key element of our strategy aimed at productivity, safety and sustainability. We are undertaking an organisation-wide digital transformation project, currently in phase-2, to become smarter and data-driven with a focus on smart operations and asset optimisation, workplace safety, logistics optimisation and enabling functions automation. Multiple tools like advanced process control, predictive analytics, asset performance monitoring and digital twin are being used towards these goals.

STRATEGIC PRIORITIES AND UPDATE

AREAS WE FOCUS ON TO DELIVER SUSTAINED VALUE

Our five strategic focus areas reflect our integrated thinking that connects our purpose with our performance. These strategic areas help us leverage our strengths, take advantage of opportunities, manage risks and navigate business cycles while taking into consideration the material concerns of our heterogeneous stakeholders. Here we map the progress we have made against each focus area and the way forward.



S1 Continued focus on world-class ESG performance

We operate as a responsible business with a focus on zero harm, zero discharge and zero waste. Our revised vision is "Transforming for Good" around three focus areas transforming communities, transforming the planet, and transforming the workplace. Through these focus areas, we work towards generating positive value for stakeholders and minimising the impact on the environment

FY 2023 Update

- Total Nand Ghar in FY 2023 – 4,533
- Skill-based training for 5,400 individuals
- GHG emissions increased by 4.6% YoY
- Water positivity ratio 0.62
- 162% HVLT waste utilisation
- 13 Fatalities
- LTIFR - 0.52
- TRIFR - 1.20
- Women employees - 14.0%
- Women in leadership positions - 9%
- ESG rating improvement in MSCI, DJSI, Sustainalytics and CDP water

Vision

Transforming Communities

Aim 1: Responsible business decisions based around community welfare

Aim 2: Empowering over 2.5 million families with enhanced skillsets

Aim 3: Uplifting over 100 million women and children through Education, Nutrition, Healthcare, and Welfare

Transforming the Planet

Aim 4: Net-carbon neutrality by 2050 or sooner

Aim 5: Achieving net water positivity by 2030

Aim 6: Innovating for a greener business model

Transforming the Workplace

Aim 7: Prioritising safety and health of all employees

Aim 8: Promote gender parity, diversity, and inclusivity

Aim 9: Adhere to global business standards of corporate governance

Objectives for FY 2025

- Target to enhance skillsets of ~1,600 families
- Target to positively impact ~13,000 women and children through programmes in education, healthcare, nutrition
- 20% reduction in metals and mining intensity
- 900 MW RE RTC in operations
- Investment in energy transition - ₹2,700 crore
- Water positivity ratio - 0.83
- Legacy waste - 29.6 million tonnes
- Habitat restoration - 2,300 hectares
- Zero fatalities
- LTIFR - 0.48
- Total women employees - 19%
- Women in leadership roles - 20%
- Zero governance issues

Objectives for FY 2030

- ~2.5 million families with enhanced skillsets
- 25% absolute reduction GHG emissions vs FY 2021 baseline
- 2.5 GW RE RTC in operations
- Water positivity ratio – 0.98
- Legacy waste - 7 million tonnes
- Habitat restoration - ~2,500 hectares
- Zero fatalities
- LTIFR - 0.15
- Total women employees - 20%
- Women in leadership roles - 40%
- Zero governance issues

KPIs

- Total Number of Nand Ghars
- Skillset imparted to families
- Impact of CSR programmes in education, healthcare, nutrition
- Annual GHG emissions
- RE power in operations
- Metals and Mining GHG intensity
- Annual waste utilisation
- Water positivity ratio
- Habitat restoration
- Fatalities
- LTIFR
- % of women employees
- % of women in leadership roles
- Zero governance-related issues
- Annual disclosures

Risks

R1 R9 R12 R13

S2 Augment our Reserves & Resources (R&R) base

We look at ways to expand our R&R base through targeted and disciplined exploration programmes. Our exploration teams aim to discover mineral and oil deposits in a safe and responsible manner and replenish the resources that support our future growth ambitions

FY 2023 Update

Zinc India

- Total Ore Reserves stand at 173.5 million tonnes (net of depletion of FY 2023 production of 16.7 million tonnes) at the end of FY 2023 (161.2 million tonnes at the end of FY 2022) due to heightened focus on resource-to-reserve conversion during the year. Exclusive Mineral Resource totalled 286.6 million tonnes
- Combined R&R were estimated to be 460.1 million tonnes, containing 30.8 million tonnes of zinc-lead metal and 855.9 million ounces of silver
- Overall mine life continues to be more than 25 years

Zinc International

- Combined mineral resources and ore reserves estimated at 659 million tonnes, containing 34.87 million tonnes of metal

Oil & Gas

- Secured 8 blocks in Discovered Small Fields (DSF)-III bid round and one block in special Coal Bed Methane (CBM) round 2021
- Exploration and appraisal wells drilled across PSC and OALP blocks
- Two exploration successes in Ravva Infill drilling campaign
- Drilled first shale exploration well in Rajasthan to unlock the potential in Barmer basin
- Gross 2P reserves and 2C resources of 1,156 mmboe

Objectives for FY 2024

Zinc India

- Target generation and drill testing: Zawar, RD-SK, RA Mine
- Exploration plan to enhance the mineral resource by 15 million tonnes Ore
- Acquiring new potential areas through auction
- Ore reserves upgradation for sustained mine production for next 10 years
- Use of AI & ML and Advance Geophysics for target generation
- Addition and upgradation of 34 million tonnes of ore (3 million tonnes metal)

Zinc International

- Execution of 40 km of drilling across greenfield and brownfield projects in RSA and Namibia

Oil & Gas

- Exploration and appraisal drilling across the portfolio in Rajasthan, Cambay, Northeast and Offshore blocks
- Shale studies and evaluation of pilot well to establish potential
- ASP pilot project in Bhagyam and Aishwariya fields
- Monetisation of Bhagyam Bio-degradable zone (BDZ), Satellite fields & Tight oil fields
- Infill wells across operating fields to augment reserve base

Objectives for FY 2025

Zinc India

- Securing new tenements for R&R growth
- Target generation through the application of AI & ML along with advanced geophysics
- Enhancement of the mineral resource by 40 million tonnes ore with contained metal of 2 million tonnes and upgrade ore reserves to 42 million tonnes, which will lead to total R&R of 500+ million tonnes with ~35 million tonnes metal
- Addition and upgradation of 68.0 million tonnes of ore (4 million tonnes of metal)

Zinc International

- Execution of 76 km of drilling across greenfield and brownfield projects in RSA and Namibia

Oil & Gas

- Establish the resource pool around OALP blocks to have incremental development opportunities in the portfolio
- Establish commercial potential of shale
- Establish the full potential of ASP in Mangala Bhagyam and Aishwariya for commercial development

Objectives for FY 2030

Zinc India

- Retain existing mining leases in HZL portfolio while acquiring new potential areas through auction
- Attain R&R metal of ~40 million tonnes in HZL portfolio

Oil & Gas

- Establish diversified R&R portfolio to support the vision of contributing to India's 50% of domestic O&G production

KPIs

- Total R&R in Zinc India and Zinc International
- Total 2P+2C Reserves & Resources in O&G

Risks

R1 R5 R9

S3 Delivering on growth opportunities

We are focussed on growing our operations organically/inorganically by developing brownfield opportunities in our existing portfolio. Our large, well-diversified, low-cost and long-life asset portfolio offers us attractive expansion opportunities, which are evaluated based on our return criteria for long-term value creation for all stakeholders.

FY 2023 Update

Zinc India

- Total mine development increased by 4% to 110.6 km in FY 2023
- Zawar Mines has achieved highest ever MIC of 165 kt in FY 2023
- Skip handling system upgradation resulting in capacity enhancement by 32% to 110 kt/month
- Rampura Agucha Mines achieved ever highest 534 kt MIC in FY 2023
- Highest-ever mined metal production 1,062 kt in FY 2023
- Highest-ever refined metal production at 1,032 kt in FY 2023
- Highest-ever silver production of 714 tonnes in FY 2023
- Successfully conducted a public hearing at Chanderiya to obtain EC for expansion of CLZS unit
- Increment of 20.5% production through complete cell house revamp at Zinc Smelter Debari (ZSD)
- Pantnagar Metal Plant producing green zinc using 100% renewable energy produced from hydropower
- Waste management through Jarosite utilisation in the cement industry by modification in present circuits

Zinc International

- Significant ramp up in Gamsberg production with 208 kt zinc MIC in FY 2023

Oil & Gas

- Exploration drilling ongoing across basins. Exploration success in Ravva Infill campaign
- Production commenced from Jaya discovery in OALP Cambay region
- Infill drilling in Bhagyam, Aishwariya, Tight Oil (ABH), Tight Gas (RDG), Satellite Field (NI) and Offshore (Ravva & Cambay) to augment reserves and mitigate natural decline
- 38 wells drilled across all assets

Aluminium

- Ramp up of Jharsuguda facility
- Commissioning of new 120 KTPA Billet line
- Operationalisation of Jamkhani coal mine
- Declared preferred bidder for Ghogharpalli coal block & CMDPA executed for Barra coal block
- LoI issued for Sijimali bauxite block

Objectives for FY 2024

Zinc India

- Further ramp-up of underground mines towards their design capacity of 1.2 MTPA
- Combined paste-fill and dry tailing plant at Rajpura Dariba, which will help increase ore production from 1.5 MTPA to 2 MTPA
- Migration to 100% mechanised charging at Zawar leading to improved safety, faster charging, increased pull per blast
- Construction and commissioning of new ZLD plant at Agucha and Zawar
- New beneficiation plant to start at RDM to increase treatment capacity from 1.1 MTPA to 1.5 MTPA
- Hydraulic fill plant hook up with Mill 2 at Zawar to expedite filling at Mochia & Balaria mines and improve ore recovery
- New portal commencement at Zawarmala to enhance production up to 2 MTPA
- With supporting MIC flow, smelters are geared to touch approx. 1,050 - 1,075 kt
- Capacity expansion through major overhauling of Roaster-3 and erection of Roaster-6
- Debottlenecking of Debari Cell house and other efficiency improvement initiatives to achieve overall FG production of 1.1 MTPA
- Best-in-class new HZDA production facility (HZAPL) to cater to demand of Indian market

Zinc International

- Gamsberg Phase 2 project approved by the Vedanta Board. Project includes the mining expansion from 4 MTPA to 8 MTPA and construction of new concentrator plant of 4 MTPA, taking the total capacity to 8 MTPA. MIC production will be 200 KTPA, taking the total South Africa production to >500 KTPA. Target date of completion of project is 21 months
- Skorpion Refinery conversion – awaiting confirmation of power tariff to take the final decision before beginning on-ground execution in FY 2024
- Black Mountain Iron Ore project intends to recover iron ore (magnetite) from the BMM tailings on track. Best quality iron ore will be produced from the new plant with Fe grade >68%. First production is expected in August 2023

Oil & Gas

- Exploration and appraisal drilling in OALP and PSC blocks to unlock resource potential
- Monetisation of discoveries notified in OALP blocks
- Commence ASP project execution in the Mangala field to monetise reserves
- Infill well projects across producing fields to add reserves and mitigate natural decline

Aluminium

- Commissioning of 3 MTPA alumina refinery
- JSG VAP expansion to 1.6 MTPA and Balco VAP expansion to 1 MTPA. To be completed by Q3 FY 2024
- Operationalise Kuraloi (A) North & operational readiness for Radhikapur West

Objectives for FY 2025

Zinc India

- Ramp-up of underground mines to reach 1.25 MTPA capacity
- Study on alternate access to the portal at RAM
- Commissioning of vertical conveyor at SKM to mine high-grade shaft pillar area
- Transition to one-third BEV deployment at RA & SK Mines
- Completion of Mill 3 at Zawar to increase beneficiation capacity
- Establishment of a new tailing dam at Zawar Mines
- Commissioning of Roaster-6
- Set up 510 KTPA Fertiliser plant in Chanderiya
- Up to 450 MW green energy sourcing in operations

Zinc International

- Full ramp-up of Gamsberg Phase 2 project in FY 2025
- Skorpion Refinery conversion – Completion of conversion project expected by FY 2025
- Gamsberg Smelter planned to treat all zinc concentrate from current operation. Planned first production in FY 2026. First phase planned to produce 300 KTPA

Oil & Gas

- Complete execution of Alkaline Surfactant Polymer (ASP) project at Mangala to deliver incremental volume
- Monetisation of discoveries from OALP, DSF and PSC block
- Commence ASP project execution in the Bhagyam and Aishwariya field to monetise reserves
- Commence shale monetisation
- Establish secondary methods of oil recovery in offshore fields

Aluminium

- BALCO 435 KTPA
- 100% value-added product portfolio
- Operationalisation of Radhikapur West Coal Block
- Start of supplies from Sijimali bauxite block

Objectives for FY 2030

Zinc India

- Ramp-up of underground mines from 1.5 MTPA capacity
- Look for new mining leases
- Advocacy for opening new mining sites
- Addition of one more smelter to take the overall capacity to 1.5 MTPA

Zinc International

- Gergarub mining and concentrator plant planned to be in production by FY 2025, delivering MIC of 100 KTPA
- Gamsberg mining operations from underground to increase throughput from 8 MTPA to 9 MTPA from current processing plants
- Iron Ore Phase 2: Construction of an additional plant to treat 2 MTPA of current tailings storage facility with opportunity to construct a pig iron plant

Oil & Gas

- Commence full field scale ASP project execution in Rajasthan field to monetise reserves
- Continuation of monetisation opportunities across asset portfolio (supported by organic and inorganic strategies)

Aluminium

- Debottleneck Lanjigarh Refinery Capacity from 5 to 6 MTPA
- Increase Jharsuguda capacity to 2 MTPA through debottlenecking & asset reliability projects
- Operationalisation of all requisite coal and bauxite blocks

KPIs

- Volume
- Revenue
- ROCE
- FCF post-capex
- Growth capex

Risks

R2 R9 R12

S4 Optimise capital allocation and maintain a strong balance sheet

Our focus is on generating strong business cashflows and maintaining stringent capital discipline in investing in profitable high IRR projects. Our aim is to maintain a strong balance sheet through proactive liability management. We also review all investments (organic and acquisitions) based on our stringent capital allocation framework to maximise shareholder returns

FY 2023 Update

- Free cash flow (FCF) at ₹18,077 crore
- Net debt at ₹45,260 crore
- Net Debt/EBITDA at 1.3x on a consolidated basis
- Dividend worth ₹101.5/share distributed by VEDL

Objectives for FY 2024

- Generate healthy free cash flow from our operations
- Disciplined capex across projects to generate healthy ROCE
- Improve credit ratings
- Reduce working capital

KPIs

- FCF post-capex
- Net Debt/EBITDA (Consolidated basis)
- EPS (before exceptional items)
- Interest cover ratio
- Dividend

Risks

R9 R10 R11 R13

S5 Operational excellence and cost leadership

We strive for all-round operational excellence to achieve benchmark performance across our business, by debottlenecking our assets to enhance production, supported by improved digital and technology solutions. Our efforts are focussed on enhancing profitability by optimising our cost and improving realisations through prudent marketing strategies

FY 2023 Update

Zinc India

- Record ore production of 16.7 million tonnes
- Mined metal production of 1,062 kt and refined zinc-lead production of 1,032 kt
- APC commissioned at all the beneficiation plants of RA
- Smelters achieving designed recovery
- Volume enhancement through operations of Pyro plant on Lead-Zinc mode for 7 months
- To mitigate higher coal costs, our CPPs were shut down and power was procured from the grid

Zinc International

- BMM achieved consistent production in FY 2023 (65 kt)
- Gamsberg ramped up significantly with 208 kt production in FY 2023 and several best performances in ore milled tonnes, mill throughput and plant availability
- Skorpion remained under care and maintenance following geotechnical instabilities in the open pit

Oil & Gas

- Average gross operated production of 143 kboepd for FY 2023, down 11% YoY, owing to natural field decline
- Signed 10-year extension up to 2030 for the Rajasthan block Production Sharing Contract (PSC)
- Onboarded partners for end-to-end management of Operations and Maintenance (O&M) across assets with an objective to leverage expertise, introduce best-in-class practice and adopt digitalisation

Aluminium

- Record aluminium production at 2,291 kt, up 1% YoY
- Highest ever domestic sales at 773 kt, 14% increase over previous best achieved
- Alumina production at Lanjigarh refinery at 1,793 kt, down 9% YoY due to shutdown of calciners
- Alumina COP up by 25% YoY due to increased rates of critical input commodities
- FY 2023 CoP for aluminium at US$2,324 per tonne, up by 25% YoY, due to increase in commodity prices, majorly coal and carbon
- Optimisation of gross working capital

Objectives for FY 2024

Zinc India

- Maintain cost of production between US$1,125 - US$1,175 per tonne through efficient ore hauling, higher volume and grades and higher productivity through ongoing efforts in automation and digitalisation

Zinc International

- Ramp up Gamsberg to design a capacity of 250 KTPA in FY 2024
- BMM debottlenecking plant to achieve 2 million tonnes ore production levels despite low grades
- Restart Skorpion post-completion of geotechnical studies and feasibility completion of imported zinc oxides

Oil & Gas

- Manage natural decline through near infill well programme across fields
- Stabilise end-to-end Operations and Maintenance (O&M) across assets with partners and deliver value accretion
- Continue to operate at a low cost-base and generate free cash flow post-capex

Aluminium

- Highest ever production from refinery, start of alumina production from 3 MTPA refinery
- Highest ever aluminium production projected at 2,280-2,350 kt
- Significant reduction in aluminium production COP, unlocking potential in operational & buying efficiency
- Improve raw material security & local materialisation (bauxite & coal)
- Increased focus on asset integrity and optimisation, quality, innovation, and digitalisation through Centre of Excellence

Objectives for FY 2025

Zinc India

- Maintain cost of production at a low level through efficient ore hauling, higher volume and grades and higher productivity through ongoing efforts in automation and digitalisation
- Engineering of Dariba Lead Cellhouse to reduce cost and increase efficiency and recovery

Zinc International

- 500 KTPA production from South Africa at a low cost of production
- 150 KTPA metal production from Skorpion

Oil & Gas

- Increase production from existing assets through the use of leading-edge technologies, large-scale AIML (artificial intelligence and machine learning enabled base)
- End-to-end output-based Operations and Maintenance (O&M) model
- Continue to operate at a low cost-base and generate free cash flow post-capex

Aluminium

- Lower hot metal cost of production through increased domestic Alumina & captive coal consumption
- Continued focus on quality, asset reliability and optimisation, digitalisation, and R&D

Objectives for FY 2030

Zinc India

- Maintain cost of production at below US$1,000 per tonne through efficient ore hauling, higher volume & grades and higher productivity through ongoing efforts in automation and digitalisation
- Elimination of waste generation by gainful utilisation and recycling
- Deploy new innovation and technology for holding benchmark operation

Oil & Gas

- Leverage win-win partnership models for operations through global technology leaders to achieve best-in-class operational efficiencies
- Continue to operate at a low cost-base and generate free cash flow post-capex

Aluminium

- 100% backward and forward integration: 3 MTPA Aluminium, 6 MTPA Alumina, 100% VAP, 100% coal & bauxite security (Captive + Linkage)

KPIs

- EBITDA
- Adj. EBITDA margin
- FCF post-capex
- ROCE

Risks

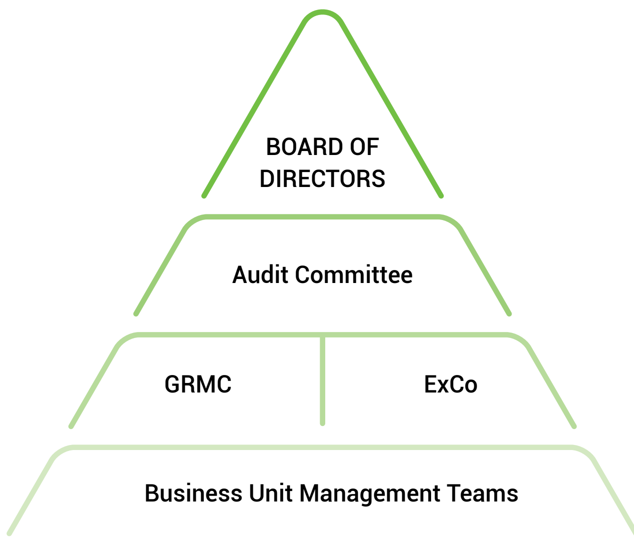
R1 R3 R7 R11

RISK MANAGEMENT

MANAGING RISKS AND OPPORTUNITIES AMIDST A DYNAMIC EXTERNAL ENVIRONMENT

As our operations are spread globally, our businesses are exposed to a variety of risks. Our multi-layered risk management system and robust governance framework help us align our operating controls with the Group's overarching vision and mission. This, in turn, helps us deliver on our strategic objectives.

Risk Governance Framework



Enterprise risk management

For our existing operations and ongoing projects, we identify risks at the individual business-level by way of a consistently applied methodology. We undertake business-level review meetings at least once every quarter to discuss risk management formally. Within the Group, every business division has created and evolved its risk matrix and developed its risk registers. The respective business divisions review the risks, changes in the nature and extent of major risks since the last assessment and control measures, and then decide on further action plans. These risks are then reviewed by the Business Management Committee.

The business management teams also periodically review control measures stated in the risk matrix in order to verify their effectiveness. The CEOs of respective businesses chair these meetings, which are also attended by CXOs, senior management and the functional heads. At the business and Group level, the role of Risk Officers is to create awareness among the senior management on risks and to develop and nurture a risk-management culture within the businesses. An integral part of KRAs and KPIs of process owners is to come up with risk mitigation plans. The governance of the risk management framework is anchored with the leadership teams of individual businesses.

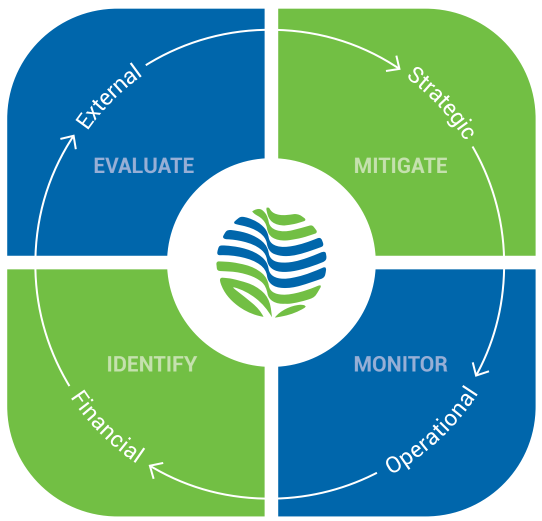
By identifying and assessing changes in risk exposure, reviewing risk-control measures and approving remedial actions, wherever appropriate, the Audit & Risk Management Committee aids the Board in its risk management process. This Committee is supported by the Group Risk Management Committee (GRMC), which helps evaluate the design and operating effectiveness of the risk mitigation programme and control systems. This analysis discusses risks and mitigation measures, reviews the robustness of our framework at an individual business level and maps progress against actions planned for key risks by meeting at least four times annually.

The GRMC, which meets every quarter, discusses key events impacting the risk profile, relevant risks and uncertainties, emerging risks and progress against planned actions. This committee comprises the Group Chief Executive Officer, Group Chief Financial Officer and Director-Management Assurance. The Group Head - Health, Safety, Environment & Sustainability are also invited to attend these meetings.

The risk management framework, which is simple and consistent, provides clarity on managing and reporting risks to the Board. Our management systems, organisational structures, processes, standards and Code of Conduct and ethics together represent our internal control systems. These internal control systems govern how the Group conducts its business and manages associated risks.

The Board shoulders the ultimate responsibility for the management of risks and for ensuring the effectiveness of these internal control systems. The Board's responsibility includes a review of the Audit & Risk Management Committee's report on the risk matrix, significant risks, and mitigating actions. A regular review is conducted of any systemic weaknesses identified and addressed by enhanced procedures to strengthen the relevant controls.

Group Risk Management Framework



Risk management is embedded in business-critical activities, functions and processes. This is also critical to deliver on the Group's strategic objectives. The Company's risk management framework is designed to manage, not eliminate, the risk of failure to achieve its business objectives. The framework provides reasonable, (not absolute), assurance against material misstatement or loss. The key considerations of our decision-making are materiality and risk tolerance.

Every manager and business leader is responsible for identifying and managing risks. The key risk governance and oversight committees in the Group are as below:

- The Board is supported by the Committee of Directors (COD), comprising the Vice Chairman and Group CFO, by considering, reviewing and approving the borrowing and investment-related proposals within the overall limits approved by the Board. The CEO, Business CFOs, Group Head Treasury and BU Treasury Heads, based on the agenda, are invited to these committee meetings
- The Audit and Risk Management Committee, along with Sustainability Committee, review sustainability-related risks
- Various group-level ManCom such as Procurement ManCom, Sustainability - HSE ManCom, and CSR ManCom work on identifying specific risks and working out mitigation plans


Control Room at VZI

Every business has developed its risk matrix, which is reviewed by the respective management committee/ executive committee, chaired by its CEO. In addition, depending on the size of its operations and the number of SBUs/locations, every business has developed its risk register. Across these risk registers, the risks are aggregated and evaluated, the Group's principal risks are identified, and an adequate response mechanism is formulated.

It is this element which is an important component of the overall internal control process, from which the Board obtains assurance. The scope of work, authority and resources of the Management Assurance Services (MAS) are regularly reviewed by the Audit Committee. Recommending improvements in the control environment and reviewing compliance with our philosophy, policies and procedures are the key responsibilities of MAS.

It is from the risk perspective that the planning of internal audits is approached. Inputs are sought from the senior management, business teams and members of the Audit Committee and reference is made to the risk matrix while preparing the internal audit plan. The past audit experience, financial analysis and prevailing economic and business environment are also referred to in the process.

In the section that follows, the order in which risks appear does not necessarily reflect the likelihood of occurrence or the relative magnitude of their impact on Vedanta's businesses. For each risk, the risk direction is reviewed based on the events, economic conditions, changes in the business environment and regulatory changes during the year.

The Company's risk management framework has been formulated to help the organisation meet its objectives. However, there is no guarantee that the Group's risk management activities will mitigate these risks or prevent them, or other risks, from occurring.

With the assistance of the management, the Board conducts periodic and robust assessments of principal risks and uncertainties of the Group, while also testing the financial plans associated with each.

Sustainability Risks

R1 Health, safety and environment (HSE)

Impact: The resources sector is subject to extensive health, safety and environmental laws, regulations and standards. Evolving requirements and stakeholder expectations could result in increased costs or litigation or threaten the viability of operations in extreme cases. Large-scale environmental damage is amongst the top 10 risks, as per the World Economic Forum's Global Risk Report 2023 for the next 2 years, which can lead to global policy changes

Emissions and climate change

Climate change mitigation and adaption failure is ranked amongst the top 10 risks as per World Economic Forum's Global Risk Report 2023 over the next 2 years to 10 years. Our global presence exposes us to a number of jurisdictions in which regulations or laws have been, or are being, considered to limit or reduce emissions. The likely effect of these changes could be to increase the cost of fossil fuels, imposition of levies for emissions in excess of certain permitted levels and increase administrative costs for monitoring and reporting. Increasing regulation of greenhouse gas (GHG) emissions, including the progressive introduction of carbon emissions trading mechanisms and tighter emission reduction targets, is likely to raise costs and reduce demand growth

Mitigation

- HSE is a high-priority area for Vedanta. Compliance with international and local regulations and standards, protecting our people, communities and the environment from harm, and our operations from business interruptions, are the key focus areas
- Policies and standards are in place to mitigate and minimise any HSE-related occurrences. Safety standards are issued or continue to be issued to reduce the risk level in high-risk areas. Structured monitoring, a review mechanism and a system of positive compliance reporting are in place
- BU leadership continues to emphasise on three focus areas: visible felt leadership, safety-critical tasks and managing business partners
- The process to improve learning from incidents is currently being improved to reduce the re-occurrence of similar incidents
- A Vedanta Critical Risk Management programme will be launched to identify critical risk controls and to measure, monitor and report control effectiveness
- The Company has implemented a set of standards to align its sustainability framework with international practices. A structured sustainability assurance programme continues to operate in the business divisions covering environment, health, safety, community relations and human rights aspects. This is designed to embed our commitment at the operational level
- All businesses have appropriate policies in place for occupational health-related matters, supported by structured processes, controls and technology
- To provide incentives for safe behaviour and effective risk management, safety KPIs have been built into the performance management of all employees
- The carbon forum has been re-constituted with updated terms of reference and representation from all businesses. Its mandate is to develop and recommend the carbon agenda for the Group to the Executive Committee (ExCo) and Board
- Enhanced focus on renewable power obligations
- The Group companies are actively working on reducing the intensity of GHG emissions in our operations
- A task force team is formulated to assess end-to-end operational requirements for the FGD plant. We continue to engage with various stakeholders on the matter

Decrease in risk profile Same as last year Increase in risk profile

R2 Managing relationship with stakeholders

Impact: The continued success of our existing operations and future projects is partly dependent on the broad support and healthy relationships with our local communities. Failure to identify and manage local concerns and expectations can have a negative impact on relations and, therefore, can affect the organisation's reputation and social licence to operate and grow

Mitigation

- Our CSR approach to community programmes are governed by the following key considerations relating to the needs of the local people and the development plan in line with the new Companies Act in India; CSR Guidelines; CSR National Voluntary Guidelines of the Ministry of Corporate Affairs, Government of India; and the UN's Sustainable Development Goals (SDGs)
- Our BU teams are proactively engaging with communities and stakeholders through a proper and structured engagement plan, with the objective of working with them as partners
- A group-level CSR management committee meets every fortnight to review and decide on strategic CSR Planning, its execution and communication
- Business Executive Committee (ExCo) factor in these inputs, and then decide upon the focus areas of CSR and budgets, in alignment with strategic business priorities
- All BUs follow well-laid processes for recording and resolving all community and external grievances as well as standard processes for social investment
- Every business has a dedicated Community Development Manager, who is a part of the BU ExCo. They are supported by dedicated teams of community professionals
- Our business leadership teams have periodic engagements with the local communities to build relations based on trust and mutual benefit. Our businesses seek to identify and minimise any potentially negative operational impact and risks through responsible behaviour – that is, acting transparently and ethically, promoting dialogue and complying with commitments to stakeholders
- Stakeholder engagement is driven basis the stakeholder engagement plan at each BU by the CSR and cross-functional teams. Regular social and environmental risk assessment discussions happen at the BU-level
- Strategic CSR communication is being worked upon for visibility. Efforts continue to meet with key stakeholders, showcase our state-of-the-art technology, increase organic followers and enhance engagement through social media
- CSR communication and engagement with all stakeholders – within and outside communities

R3 Tailings dam stability

Impact: The release of waste material can lead to loss of life, injuries, environmental damage, reputational damage, financial costs and production impacts. A tailings dam failure is considered to be a catastrophic risk – i.e., a very high severity, but very low-frequency event and is a continuous risk. Hence, it receives the highest priority

Mitigation

- The Risk Management Committee included a tailings dam on the Group risk register with a requirement for an annual internal review and a three-yearly external review
- Operation of the tailings dam is executed by suitably experienced personnel within the businesses
- Third party has been engaged to review tailings dam operations, including the improvement opportunities and remedial works required in addition to the application of Operational Maintenance and Surveillance (OMS) manuals in all operations. This is an oversight role in addition to the technical design and guidance arranged by respective BUs. Technical guidelines are also being developed
- Vedanta Tailings Management Standard has been reviewed, augmented and reissued, including an annual, independent review of every dam and a half-yearly CEO sign-off that dams continue to be managed within the design parameters and in accordance with the last surveillance audit. Move towards dry tailings facilities has commenced
- Those responsible for dam management receive training from third parties and will receive ongoing support and coaching from international consultants
- Management standards implemented with business involvement
- BUs are expected to ensure ongoing management of all tailings facilities with ExCo oversight with independent third-party assessment on the YoY implementation status of Golder recommendations
- Digitalisation of tailings monitoring facilities is being carried out at the BUs
- Tailing management standard is updated to include latest best practices in tailing management. The UNEP/ICMM Global Tailings Standard was incorporated into Vedanta Standard during FY 2021

Operational risks

R4 Challenges in Aluminium and Power business

Impact: Our projects have been completed and may be subject to a number of challenges during operationalisation. These may also include challenges around sourcing raw materials and infrastructure-related aspects and concerns around ash utilisation/evacuation

Mitigation

- Despite the fluctuation in LME along with pressure on cost, best-ever production outcomes have resulted in a sustained performance in the Aluminium sector
- Despite improvement in costs QoQ, along with improved raw material security, alumina refinery expansion from 2 MTPA to 5 MTPA is being pursued
- Tapping of new coal mines and sourcing of bauxite have been beneficial for plant operations
- Continue to pursue new coal linkages to ensure coal security
- Inbound and outbound supply chains across rail, road and ocean including manpower are functioning well, with no major risks foreseen
- Local sourcing of bauxite and alumina from Odisha Jharsuguda facilities ramped up satisfactorily
- Project teams in place for ash pond, red mud, railway infrastructure and FGD
- Dedicated teams working towards addressing the issue of new emission norms for power plants
- Global technical experts inducted to strengthen operational excellence
- Continuous focus on plant operating efficiency improvement programme to achieve design parameters, manpower rationalisation, logistics and cost reduction initiatives
- Continuous augmentation of power security and infrastructure
- Strong management team continues to work towards sustainable low-cost production, operational excellence and securing key raw material linkages
- Talwandi Saboo (TSPL) power plant matters are being addressed structurally by a competent team

R5 Discovery risk

Impact: Increased production rates from our growth-oriented operations create demand for exploration and prospecting initiatives so that reserves and resources can be replaced at a pace faster than depletion. Failure in our ability to discover new reserves, enhance existing reserves or develop new operations in sufficient quantities to maintain or grow the current level of our reserves could negatively affect our prospects. There are numerous uncertainties inherent in estimating ore and oil and gas reserves, and geological, technical, and economic assumptions that are valid at the time of estimation, may change significantly when new information becomes available

Mitigation

- Exploration Executive Committee has been established to develop and implement strategy and review projects group-wide
- Dedicated exploration cell with a continuous focus on enhancing exploration capabilities
- Appropriate organisation and adequate financial allocation in place for the exploration
- Strategic priority is to add to our reserves and resources by extending resources at a faster rate than we deplete them, through continuous focus on the drilling and exploration programme
- Continue to make applications for new exploration tenements in countries in which we operate under their respective legislative regimes
- Exploration-related systems are being strengthened and standardised across the Group, and new technologies are being utilised wherever appropriate
- International technical experts and agencies are working closely with our exploration teams to enhance our capabilities

Decrease in risk profile | Same as last year | Increase in risk profile

R6 Breaches in IT/cybersecurity

Impact: Like many global organisations, our reliance on computers and network technology is increasing. These systems could be subject to security breaches resulting in theft, disclosure, or corruption of key/strategic information. Security breaches could also result in misappropriation of funds or disruptions to our business operations. A cybersecurity breach could impact business operations

Mitigation

- Group-level focus on formulating necessary frameworks, policies, and procedures in line with best practices and international standards
- Implementation and adoption of various best-in-class tools and technologies for information security to create a robust security posture
- RCM (Risk Control Matrix) and IT General Controls (ITGC) under SOx framework are performed as per defined frequency and effectiveness
- Structured and well-defined cyber security awareness program to cover all classes of stakeholders, including employees and the leadership
- Special focus to strengthen the security landscape of plant technical systems (PTS) through various initiatives
- Adoption of various international standards related to information security, disaster recovery and business continuity management, IT risk management and setting up of internal IT processes and practices in line with these standards
- Work towards ensuring strict adherence to IT-related SOPs to improve operating effectiveness, continuous focus on mandatory employee training on cybersecurity awareness
- Periodic assessment of entire IT system landscapes and governance framework from vulnerability and penetration perspective, undertaken by reputed expert agencies and addressing the identified observations in a time-bound manner
- Structured and well-defined cyber security awareness programme in place to cover all classes of stakeholders from employees to leadership and will include Board members too

R7 Loss of assets or profit due to natural calamities

Impact: Our operations may be subject to a number of circumstances not wholly within the Group's control. These include damage to or breakdown of equipment or infrastructure, unexpected geological variations or technical issues, extreme weather conditions and natural disasters – any of which could adversely affect production and/or costs.

Mitigation

- Vedanta has taken an appropriate Group insurance cover to mitigate this risk and an Insurance Council is in place to monitor the adequacy of coverage and status of claims
- An external agency reviews the risk portfolio and adequacy of this cover and assists us in reviewing our insurance portfolio
- We engage underwriters from reputed institutions to underwrite our risk
- Established mechanisms of periodic insurance review in place at all entities. However, any occurrence not fully covered by insurance could have an adverse effect on the Group's business
- Continuous monitoring and periodic review of security and insurance function
- Continue to focus on capability building within the Group

R8 Cairn-related challenges

Impact: Cairn India has 70% participating interest in Rajasthan Block, the production sharing contract (PSC) of which was valid till 2020. The Government of India has granted its approval for a 10-year extension at less favourable terms, pursuant to its policy for extension of Pre-New Exploration and Licensing Policy (NELP) Exploration Blocks, subject to certain conditions. Ramp-up of production compared with what was envisaged may impact profitability

Mitigation

- Rajasthan PSC extension for 10 years from 15 May 2020 to 14 May 2030 has been executed by the parties to the PSC on 27 October 2022
- The applicability of the Pre-NELP Extension Policy to the RJ Block is currently sub judice
- Focussed efforts on managing production decline through:
  - Infill wells across producing fields
  - Enhanced recovery projects in key producing fields
  - Exploration drilling across the portfolio to add resources
- Project Management Committee and Project Operating Committee were set up to provide support to the outsourcing partner and address issues on time to enable better quality control and timely execution of growth projects

Compliance risks

R9 Regulatory and legal risk

Impact: We have operations in many countries around the globe. These may be impacted because of legal and regulatory changes in the countries in which we operate, resulting in higher operating costs, and/or restrictions such as the imposition or increase in royalties or taxation rates, export duty, impact on mining rights/bans, and changes in legislation.

Mitigation

- The Group and its business divisions monitor regulatory developments on an ongoing basis
- Business-level teams identify and meet regulatory obligations and respond to emerging requirements
- Focus on communicating our responsible mining credentials through representations to government and industry associations
- Continue to demonstrate the Group's commitment to sustainability through proactive environmental, safety and CSR practices. Ongoing engagement with local community/media/NGOs
- SOx-compliant subsidiaries
- Common compliance monitoring system being implemented in Group companies. Legal requirements and a responsible person for compliance have been mapped in the system
- Legal counsels within the Group continue to work on strengthening the compliance and governance framework and the resolution of legal disputes
- A competent in-house legal organisation is in place at all the businesses; these legal teams have been strengthened with the induction of senior legal professionals across all Group companies
- SOPs implemented across our businesses for compliance monitoring
- Greater focus on timely closure of key non-compliances
- Contract management framework was strengthened with the issue of boilerplate clauses across the Group, which will form a part of all contracts. All key contract types have also been standardised
- Framework for monitoring performance against anti-bribery and corruption guidelines is in place

Decrease in risk profile Same as last year Increase in risk profile

R10 Tax related matters

Impact: Our businesses are in a tax regime and changes in any tax structure, or any tax-related litigation may impact our profitability.

Mitigation

- Tax Council reviews all key tax litigations and provides advice to the Group
- Continue to engage with authorities concerned on tax matters
- Robust organisation in place at the business and Group-level to handle tax-related matters
- Continue to consult and obtain opinions from reputable tax consulting firms on major tax matters to mitigate tax risks on the Group and its subsidiaries
- Strengthened governance in foreign subsidiaries

Financial risks

R11 Price (metal, oil, ore, power, others), currency and interest rate volatility

Impact: Prices and demand for the Group's products may remain volatile/uncertain and could be influenced by global economic conditions, natural disasters, weather, pandemics, such as the COVID-19 outbreak, political instability, and so on. Volatility in commodity prices and demand may adversely affect our earnings, cash flow and reserves.

Our assets, earnings and cash flow are influenced by a variety of currencies due to our multi-geographic operations. Fluctuations in exchange rates of those currencies may have an impact on our financials.

Mitigation

- The Group's well-diversified portfolio acts as a hedge against fluctuations in commodities and delivers cashflow through the cycle
- Pursue low-cost production, allowing profitable supply throughout the commodity price cycle
- Vedanta considers exposure to commodity price fluctuations to be integral to the Group's business and its usual policy is to sell its products at prevailing market prices. Its policy is not to enter into price hedging arrangements other than for businesses of custom smelting and purchased alumina, where back-to-back hedging is used to mitigate pricing risks. Strategic hedge, if any, is taken after appropriate deliberations and due approval from ExCo
- Our forex policy prohibits forex speculation
- Robust controls in forex management to hedge currency risk liabilities on a back-to-back basis
- Finance Standing Committee reviews all forex and commodity-related risks and suggests necessary course of action to business divisions
- Seek to mitigate the impact of short-term currency movements on businesses by hedging short-term exposures progressively, based on their maturity. However, large, or prolonged movements in exchange rates may have a material adverse effect on the Group's businesses, operating results, financial condition and/or prospects
- Notes to the financial statements in the Annual Report provide details of the accounting policy followed in calculating the impact of currency translation
- Any sharp movements in commodity prices are discussed at the Group commercial and marketing Mancoms and suitable actions are discussed, deliberated and implemented

R12 Major project delivery

Impact: Shortfall in the achievement of stated objectives of expansion projects, leading to challenges in achieving stated business milestones – existing and new growth projects.

Mitigation

- Project management organisation cell set up at a Group level with the objective of monitoring growth project progress, extracting useful insights through market research, leveraging data analytics and benchmarking with best-in-class projects
- Empowered organisation structure in place to drive growth projects; project management systems streamlined to ensure full accountability and value stream mapping
- Strong focus on safety aspects in the project
- Geo-technical audits conducted by independent agencies
- Engaged global engineering partner to do complete life of mine planning and capital efficiency analysis to ensure that the project objectives are in sync with the business plan and growth targets
- Standard specifications and SOPs were developed for all operations to avoid variability; reputed contractors engaged to ensure the completion of the project on indicated timelines
- Use of best-in-class technology and equipment to develop mines, ensuring the highest level of productivity and safety. Digitisation and analytics help improve productivity and recovery
- Stage gate process to review risks and remedy at multiple stages on the way
- Robust quality control procedures implemented to check the safety and quality of services/design/actual physical work
- Use of a reputed international agency for Geotech modelling and technical support, wherever required

R13 Access to capital

Impact: The Group may be unable to meet its payment obligations when due or may be unable to borrow funds in the market at an acceptable price to fund actual or proposed commitments. A sustained adverse economic downturn and/or suspension of its operations in any business, affecting revenue and free cash flow generation, may cause stress on the Company's ability to raise financing at competitive terms.

Mitigation

- Focussed team continues to work on proactive refinancing initiatives with an objective to contain cost and extend tenure
- Team is actively building the pipeline for long-term funds for near-to-medium term requirements, both for refinancing and growth capex
- Track record of good relations with banks, and of raising borrowings in the last few years
- Regular discussions with rating agencies to build confidence in operating performance
- Business teams ensure continued compliance with the Group's treasury policies that govern our financial risk management practices
- CRISIL and India ratings maintained ratings at "AA" with the outlook revised to negative from stable

Decrease in risk profile · Same as last year · Increase in risk profile

CYBERSECURITY

EMPOWERING CYBERSECURITY IN A CONNECTED WORLD

In the age of digitisation and online working environments, businesses are faced with significant technological challenges due to the dual demands of increasing dependence on remote work and faster digitalisation of information. Widespread cybercrime and cyber insecurity are now one among the top 10 global risks identified by the World Economic Forum.

Cybersecurity is also one of Vedanta's most significant business risks due to the growth of cyber-related threats such as phishing attacks and ransomware. Vedanta's consistent investment in technology and stringent processes has thwarted cyber threats and prevented any major disruption to our business. The Company remains committed to maintaining cybersecurity to protect its technology, confidential information, data integrity, and business continuity.

Robust Leadership & Governance Structure

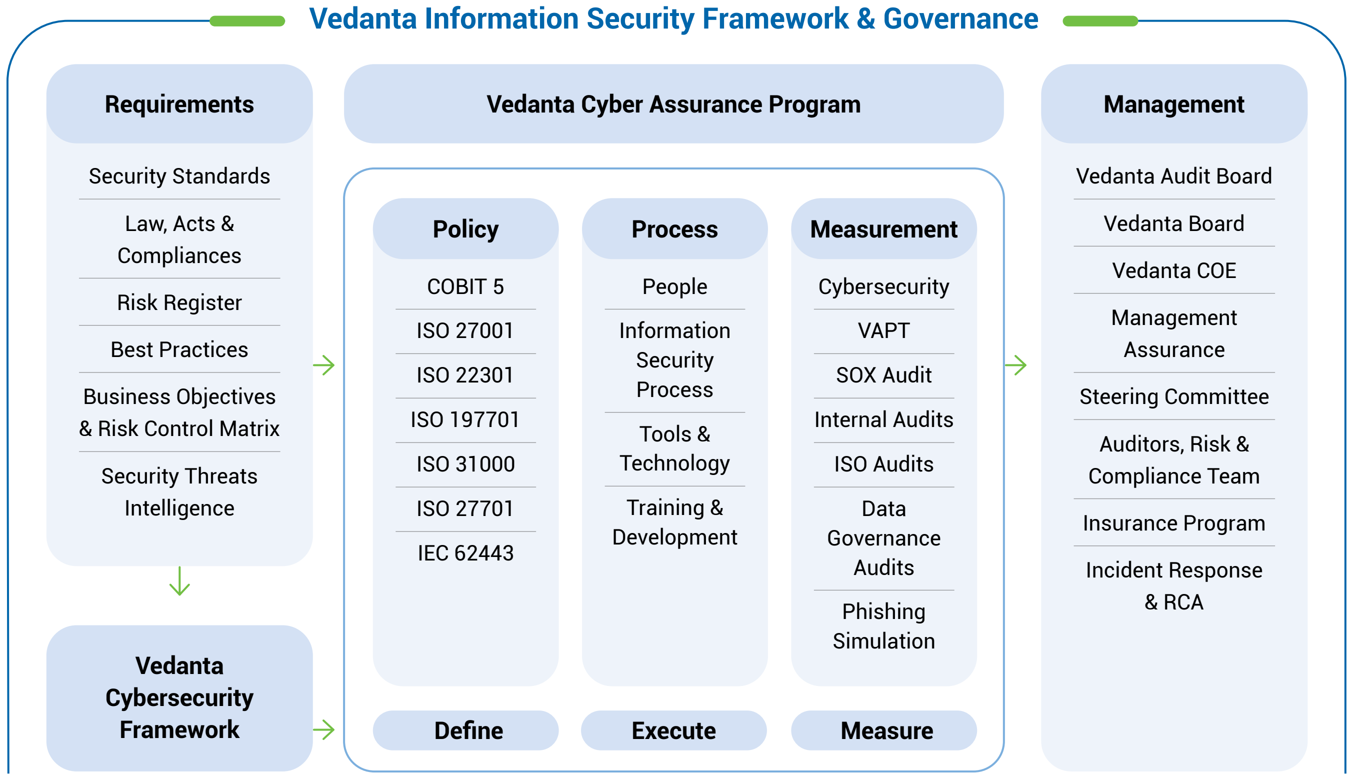
The cybersecurity governance is overseen by the Audit and Risk Committee of the Board, while the Vedanta Executive Committee (Vedanta ExCo), chaired by the CEO and leaders from all business functions, is responsible for cybersecurity. The Chief Information Officer (CIO) sets the cybersecurity vision and strategy and is accountable to Vedanta ExCo and the Board's Audit and Risk Committee. The Chief Security Officer (CSO) drives the cybersecurity programs to achieve business objectives, and the Chief Information Security Officer (CISO) ensures their operational success. Moreover, the CSO is responsible for physical security, including information assets.

Information Security Management Framework

Vedanta has established a robust Information Security Management Framework, which includes Policies, Standard Operating Procedures (SOP) and Technology Standards. The Information Security Framework is reviewed annually by the Vedanta Information security team.

Vedanta's Oil & Gas, Zinc-Lead-Silver, Aluminium, Iron Ore, Steel, Copper, Ferro Alloys and Power received Certification ISO 27001 (Information Security), some of the businesses received ISO 22301 (DR & BCP), ISO 31000 (Risk Management) and ISO 27701 (Privacy Management).

The overall Information Security Framework & Governance layer adopted by Vedanta is presented below:



Highlights

Vedanta implemented ISO 22301 Disaster Recovery & Business Continuity Management Framework to prevent any interruption in operations of the Company's critical IT systems

Vulnerability Assessment (VA) and Penetration Testing (PT) are carried out twice in a year with a combination of various automated tools and manual testing as appropriated

Surveillance Audit conducted under ISO 27001, ISO 22301, ISO 31000 and ISO 27701 Framework Requirements (Through Surveillance Audit Partner)

Phishing simulations are carried out quarterly for 100% of users, assigning a cyber awareness score based on the results, and include a variety of simulations like General Phishing, Spear Phishing, Whaling, Smishing, and Vishing

In addition, Vedanta has strong information security policy that aligns with various management frameworks related to information security, risk management, disaster recovery, business continuity management, and data privacy. This policy has been adopted by all business units to ensure compliance with the Vedanta Information Security Policy. Policies adopted by the Company align with national regulations including Information Rules, 2011 and the Information Technology Act, 2000.

Vedanta's cyber programme focusses on the following seven strategic areas to enhance cybersecurity capabilities:

- Detailed risk management for the entire business
- Annual vulnerability assessment as per the vulnerability management policy
- Tracking information security administration as a part of CIO's review
- Management of cyber & data incidents through SIEM (Security Incident and Event Management) services, monitoring data movement through DLP (Data Leakage Prevention) tools
- Disaster Recovery & Business Continuity Management Framework to prevent any disruption to critical IT systems
- Consequence management in case of non-compliance
- Incidence Response & Emergency Preparedness Plan to respond to cybersecurity crisis

Cybersecurity Awareness Planning & Training

Vedanta's Cybersecurity Awareness Plan educates employees on IT and OT security and data governance, with a focus on sensitising them to prevailing threats and risks and helping them learn about mitigation aspects. The programme is framed to emphasise the importance of collectively ensuring cybersecurity to protect the organisation from cybercrimes.

Performance

Performance evaluation of Information Security is carried out based on People, Process and Technology aspects. Our workforce has defined KRAs/KPIs aligned with Information Security Goals as part of their Annual Performance Management process, and the performance is measured against these goals.

Escalation Process

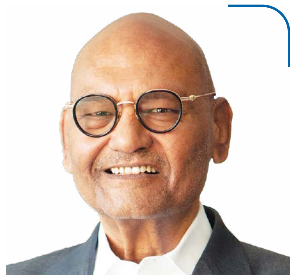
In FY 2022-23, Vedanta experienced zero cybersecurity breaches.

Cyber incidents reported through SIEM (Security Incident and Event Management) and by End Users are evaluated by BU CISO. Data incidents reported through DLP and by End Users are evaluated by BU DGPO/BU CISO and are further reviewed by BU CIO. Based on the criticality and impact, these observations and incidents are reported and discussed in following forums for direction and support to address them.

- BU ExCo
- Vedanta Group ExCo
- BU Audit & Risk Committee
- Vedanta Audit & Risk Committee

Compliance to observations as per agreed due dates is reported on a quarterly basis.

BOARD OF DIRECTORS



Mr. Anil Agarwal
Non-Executive Chairman

Mr Anil Agarwal is the Non-Executive Chairman of Vedanta Limited and founder of Vedanta Group. Since March 2005, he has been the Executive Chairman of Vedanta Resources. With his four decades of entrepreneurial experience, he has helped to shape the strategic vision of the Company and contribute to the larger purpose of uplifting communities.

Under his leadership, Vedanta Limited has grown from an Indian domestic miner to a global natural resources group, with a world-class portfolio of large and diversified assets in oil and gas, zinc, silver, aluminium, copper, nickel, iron and steel and power that are capable of generating strong cash flows.

Mr. Agarwal's vision is to empower the nation by achieving self-sufficiency in natural resources. Over the years, he has invested over US$35 billion in the development of the natural resources sector in India and has been a strong advocate for the growth of the MSME sector and start-ups in India.

Mr. Agarwal believes businesses must give back to society and help them prosper and hence, has pledged 75% of his wealth for social good. He has signed The Giving Pledge, a movement of global philanthropists who have committed to giving away a majority of their wealth towards philanthropic and charitable causes. With a view to promoting the well-being of communities with a special focus on women and child development, he started his dream project Nand Ghar to develop model anganwadis across India that are focussed on eradicating child malnutrition, providing education, healthcare, and empowering women with skill development. As part of his commitment to nurturing the youth and grassroots talent through the promotion of sports, Mr. Agarwal has contributed by developing state-of-the-art sports infrastructure in India.

The Anil Agarwal Foundation is committed to empowering communities, transforming lives and facilitating in nation-building through sustainable and inclusive growth. The Foundation has teamed up with the Bill & Melinda Gates Foundation to improve health and nutritional outcomes.

Mr. Navin Agarwal
Executive Vice Chairman

Mr. Navin Agarwal has been associated with the Vedanta Group since its inception and has four decades of strategic executive experience. Under his stewardship, Vedanta Limited has achieved a leadership position in all the major sectors in which it operates.

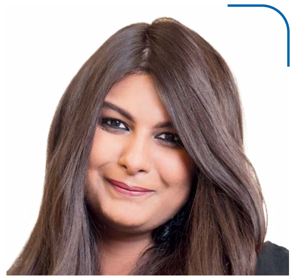
Over the years, he has been instrumental in building a highly successful meritocratic organisation. He has been spearheading the Company's strategy through a mix of organic growth and value-accretive acquisitions leading to Vedanta's transformation into a globally diversified natural resources company.

He is passionate about developing leadership talent and has been responsible for creating a culture of excellence at Vedanta through the application of advanced technologies, digitalisation and global best practices. He drives Vedanta's unwavering commitment to uphold the highest standards of corporate governance.

His vision is to gradually unlock the enormous potential of the natural resources sector and make it an engine of growth for India.

In recognition of his exceptional service in the fields of business and entrepreneurship and his contribution to the natural resources sector, he was conferred with the 'Industrialist of the Year' Award by the Bombay Management Association in 2018. He is a fervent advocate of sustainable development and is committed to advancing the inclusive growth of communities as well as the promotion of culture and sports at all levels.

A graduate of commerce from Sydenham College, Mumbai, he has completed the President Management Programme at Harvard University.



Ms. Priya Agarwal Hebbar
Non-Executive Non-Independent Director

Ms. Priya Agarwal Hebbar is a Non-Executive Director at Vedanta Limited and the Chairperson of Hindustan Zinc Limited. She is also the Director of the Anil Agarwal Foundation.

She holds a Bachelor's degree in Psychology and Business Management from the University of Warwick in the UK. Priya anchors the ESG, Investor Relations, Corporate Communications, Human Resources, Digital and Social Impact for Vedanta Limited.

She is deeply passionate about the environment and sustainability and has been playing an instrumental role in the ESG transformation at Vedanta Limited. With focussed action plans on decarbonisation, water positivity, workplace safety, community welfare and workforce diversity, Priya's leadership is driving Vedanta Limited on a transformative journey to emerge as an industry leader in ESG.

Under her leadership, Vedanta has modernised over 4,000 anganwadis across the country through its flagship project Nand Ghar which aims to ensure that seven crore children and two crore women get opportunities even in the remotest parts of the country. Making significant progress in the mission to combat malnutrition and achieve zero hunger, Priya also drives the Run for Zero Hunger movement with the Vedanta Delhi Half Marathon and Vedanta Pink City Half Marathon.

Following her love for animals, Priya founded YODA - Youth Organisation in Defence of Animals, a Mumbai-based NGO, in 2010. She is also leading India's first state-of-the-art animal welfare project TACO (The Animal Care Organization) under Anil Agarwal Foundation which will bring leading academicians, medical professionals, and the community together to create a more holistic approach to animal care in India.

Mr. Upendra Kumar Sinha
Non-Executive Independent Director

Mr. Upendra Kumar Sinha served as the Chairman of the Securities and Exchange Board of India (SEBI) from February 2011 to March 2017. He was instrumental in bringing about key capital market reforms. Under his leadership, SEBI introduced significant regulatory amendments to various Acts and enhanced corporate governance and disclosure norms. Prior to his role in SEBI, he was the Chairman & MD of UTI Asset Management Company Pvt. Ltd. He has also worked for the Department of Economic Affairs under the Ministry of Finance, Government of India.

Mr. Dindayal Jalan
Non-Executive Independent Director

Mr. Dindayal Jalan is a Chartered Accountant and has over 40 years of extensive experience in managing business and finance in large metal and mining companies.

He is currently an entrepreneur and an Independent Director on the Boards of some prominent companies. In his previous role, before superannuation in 2016, he was the Group CFO of London-listed Vedanta Resources Plc., and an Executive Director and CFO of Vedanta Limited.

Mr. Jalan started his corporate journey in 1978 with Aditya Birla Group's Hindustan Gas & Industries Limited as a management trainee and subsequently rose to the rank of Finance & Commercial Head. He was instrumental in transforming the iron ore business and setting up a greenfield SME business for Essel Mining, an associate company.

In 1996, he moved to Birla Copper to lead the Finance & Commercial function. He was part of the core team and was instrumental in setting up and operationalising the greenfield copper smelting project as a robust operating business. He was responsible for raising finance, building the finance team, putting in place strong business processes and systems, negotiating stable sources for long-term raw material supplies, setting up the commodity hedging desk and building a robust marketing organisation.

In 2001, he moved to Sterlite Industries (now Vedanta Limited) as CEO of its copper mining business in Australia for 18 months. He led the turnaround of the business by working in a multicultural environment. In 2003, he was appointed the CFO of Sterlite Industries. In 2005, he was elevated to the position of CFO of Vedanta Resources Plc., an FTSE 250, London-listed company. In this role, he provided strategic leadership to the finance function with a clear focus on enhancing shareholders' value by improving capital management, governance framework, systems and processes, and developing a robust Finance team. He closely worked with the CEO to drive business performance.

Mr. Sunil Duggal
Whole-Time Director & Chief Executive Officer

Mr. Sunil Duggal was appointed as the Interim CEO of Vedanta Limited, effective 6 April 2020, and subsequently CEO, effective 1 August 2020, and Whole-Time Director from 25 April 2021. Prior to this, he was the CEO & Whole-Time Director of Hindustan Zinc Limited (HZL), a subsidiary of the Company from 2015 to July 2020. He had been associated with HZL since 2010 as Executive Director and thereafter, became the Chief Operating Officer in the year 2012 and Deputy CEO in 2014. He is a result-oriented professional with over 37 years of experience in leading high performance teams and more than 20+ years in leadership positions.

He is known for his ability to calmly navigate through tough and challenging times, nurture and grow business, evaluate opportunities and risks, and successfully drive efficiency and productivity whilst reducing costs and inefficiencies and delivering innovative solutions to challenges. His thrust on adopting best-in-class mining and smelting techniques, state-of-the-art, environment-friendly technologies and mechanisation, automation and digitalisation of operational activities has enhanced Vedanta's industry leadership.

Born and brought up in Amritsar, he has an Electrical Engineering degree from Thapar Institute of Engineering & Technology, Patiala. He is an Alumnus of IMD, Lausanne Switzerland and IIM Calcutta and worked at Ambuja Cement before joining Vedanta Limited. He is serving as Vice Chairman-International Zinc Association and President - Indian Lead Zinc Development Association. Recently, he was appointed as the Chair - Confederation of Indian Industry (CII) National Committee on Mining, Chair - FIMI Non-Ferrous Metals Committee, Co-Chair - FICCI Non-Ferrous Metals Committee-2018 and Chairman - Skill Council for Mining Sector, India.

Mr. Akhilesh Joshi
Non-Executive Independent Director

Mr. Akhilesh Joshi was appointed to the Board with effect from 1 July 2021. He completed his Bachelor's in Mining from MBM Engineering College, Jodhpur. He holds a Diploma in Economic Evaluation of Mining Projects from the Paris School of Mines. Mr. Joshi has over 44 years of professional experience in mining and has an exemplary track record of nurturing one of the world's largest integrated zinc, lead and silver-producing organisation. His emphasis on a high-performance culture brings out the best in employees, propelling meticulous execution and delivering extraordinary results.

Mr. Joshi served as Chief of Mining Operations at Rampura Agucha Mines and successfully executed mine planning and production ramp-up, which positioned it as the world's #1 zinc-lead mine for eight consecutive years since 2009.

He was the CEO of Hindustan Zinc Limited (HZL) from 2012 to 2015 and was also appointed the President of the Global Zinc Business. From 2004-2005, he provided guidance to gold mines in Armenia. He worked closely with companies such as SRK/AMC etc. for benchmarking and mining methodology evaluations. Currently, he serves on the Boards of HZL, Rajasthan State Mines & Minerals Limited, Ferro Alloys Corporation Limited and FACOR Power Limited.

Mr. Joshi is a senior executive of global repute with a proven track record. In his long global career, he has been recognised with numerous awards including the National Mineral Award by the Government of India for his outstanding contribution to mining technology in 2006, Business Today CEO Award, HZL Gold Medal Award by the Indian Institute of Metals. In 2012, he was also felicitated by the Hon'ble Finance Minister, Pranab Mukherjee, for his excellent contribution to the mining sector. He is also a member of the Institution of Engineers (India), Mining Engineers Association of India (MEAI), Mining Geological & Metallurgical Institute of India (MGMI) and Indian Institute of Mineral Engineers (IIME).

He is the co-author of a book titled 'Blast Design Theory and Practice' and has written various technical papers in relation to exploration and mining since 1995.

Ms. Padmini Sekhsaria
Non-Executive Independent Director

Ms. Padmini Sekhsaria is a Principal at the Narotam Sekhsaria Family Office, where she leads several investment and philanthropic activities. She oversees businesses in technology, education, FMCG, agriculture, construction materials, commodities, and financial services, that directly employ over 3,600 employees. Her experience in youth education, health and vocational skilling spans over 20 years.

She started the Salaam Bombay Foundation in 2002, one of the largest school-based preventive health programmes in India. She also heads the Narotam Sekhsaria Foundation, a family philanthropy that is engaged in health, education, and livelihood programmes with interventions in rural and urban areas focussed on community health, preventive and promotive healthcare, capacity building, policy advocacy and systemic change. She serves on the Boards of various non-profit organisations including Ambuja Cement Foundation, Harvard T.H. Chan School of Public Health-India Centre, Sherborne Foundation in the UK, Vassar College and the India Youth Fund in New York. She is an alumnus of the London School of Economics and holds a postgraduate degree in Financial Economics.

EXECUTIVE COMMITTEE

Mr. Sunil Duggal
Whole-Time Director & Group Chief Executive Officer

Mr. Sunil Duggal was appointed as the Interim CEO of Vedanta Limited, effective 6 April 2020, and subsequently CEO, effective 1 August 2020, and Whole-Time Director from 25 April 2021. Prior to this, he was the CEO & Whole-Time Director of Hindustan Zinc Limited (HZL), a subsidiary of the Company from 2015 to July 2020. He had been associated with HZL since 2010 as Executive Director and thereafter, became the Chief Operating Officer in the year 2012 and Deputy CEO in 2014. He is a result-oriented professional with over 37 years of experience in leading high performance teams and more than 20+ years in leadership positions.

Refer to page 70 to read his detailed profile

Ms. Sonal Shrivastava
Chief Financial Officer

Sonal Shrivastava was appointed as Chief Financial Officer at Vedanta effective June 2023. Sonal brings more than 26 years of financial leadership across sectors as the Company continues its next phase of growth. Sonal joins Vedanta from Holcim Group where she worked as the CFO for Asia Pacific, Middle East & Africa operations. In her role as CFO, Sonal will spearhead the Group's financial strategy and be responsible for accounting, tax, treasury, investor relations, financial planning and analytics, while driving digitalisation and profitability. She will work with all internal and external stakeholders to develop and deliver business goals. Sonal holds a Bachelor's degree in Chemical Engineering from BIT, Sindri and a Master's degree in Business Administration from the Jamnalal Bajaj Institute of Management Studies.

Ms. Madhu Srivastava
Chief Human Resources Officer (CHRO)

Ms. Madhu Srivastava was appointed as the CHRO of Vedanta in December 2018. She has been associated with Vedanta since 2012 including as CHRO of Cairn – Oil & Gas business and leading Talent Acquisition and Diversity and Inclusion functions for Vedanta. She is a strategic leader and an outcome-driven professional, known for taking and implementing tough decisions with grace.

Ms. Srivastava has over 23 years of rich and diverse experiences across human resources (HR), sales, marketing and operations spanning industries like FMCG, Telecom, Banking and Natural Resources. She started her career in 1999 with Godrej, handling sales for Gujarat and Maharashtra and later moved to Corporate Sales and Marketing. She then worked with GE Capital and Reliance in Operations and Marketing. She started her HR journey in 2006 as Assistant Vice President, Talent Acquisition at Genpact and then led recruitments for Citibank India operations as Vice President, Human Resources. She has been bestowed with 'Top HR Thought Leader' and 'Great Manager Awards' by Economic Times, and 'Top HR Leader Award' by HRD Congress. She led the organisation to win HR accolades like 'Kincentric Best Employer' and 'Great Place to Work' for progressive talent management, employee engagement and performance management frameworks. Ms. Srivastava is an alumna of IIM Ahmedabad with a postgraduate Diploma in Marketing and Sales.

Mr. Arun Misra
Chief Executive Officer (CEO), Zinc Business (HZL)

Arun Misra has been appointed as Chief Executive Officer, HZL effective 01 August 2020 and was elevated to the role of Chief Executive Officer, Zinc Business in June 2022. Prior to this, he held the position of Deputy Chief Executive Officer, HZL since joining the Company on 20 November 2019. In his previous role, he was associated with TATA Steel Limited as Vice President of Mining Division. He has 34 years of rich and diverse experience in leading various strategic positions within TATA Steel. Arun Misra has a bachelor's degree in electrical engineering from IIT Kharagpur, a diploma in mining and beneficiation from University of New South Wales, Sydney and a diploma in general management from CEDEP, France. Arun Misra has been elected as Chairman of International Zinc Association in January 2022, first ever Indian and Asian to be elected to this position.

Mr. Rahul Sharma
Deputy Chief Executive Officer, Aluminium Business

Rahul Sharma is the Deputy Chief Executive Officer of Vedanta's Aluminium Business since 24 November 2020. Prior to his current role, he was the Chief Executive Officer of the Alumina Business from April 2019 and Director — Corporate Strategy (Aluminium and Power). Mr. Rahul Sharma has diverse experience of over 25 years, and he has been with the Group since 1998. During this tenure he has held key leadership positions at Vedanta Limited and Sterlite Technologies Ltd. where he was Chief Marketing Officer (Domestic and International) and Business Head of System Integration Business. Mr. Sharma is also the office bearer of various eminent industry associations, including the current President of Aluminium Association of India (AAI), Chairman of Indian Captive Power Producers Association (ICPPA), and Co-Chair of FICCI's Non-Ferrous Metal Committee. For his exemplary leadership, he has been conferred with various awards and accolades including 'The Extraordinaire – Business Leader 2020-21' at the Brand Vision Summit 2022, 'People's CEO of the year award 2020' by People First Limited and 'Business Leader of the year award' at International Conference on Non-Ferrous Metals-2017 for his contribution to India's Metal and Mining industry. Mr. Rahul Sharma is an alumnus of IIM–Ahmedabad Executive General Management program, has an MBA in Marketing and a B.E. in Electronics and Communication.

Mr. Nick Walker
Chief Executive Officer, Cairn Oil & Gas

Nick Walker was appointed as CEO, Cairn Oil & Gas in January 2023. He is steering Cairn's growth strategy towards producing 50% of India's oil & gas needs and adding Reserves and Resources to achieve Energy Aatma-Nirbharta, whilst maintaining the highest level of Safety, Sustainability and Governance standards. He has over 30 years of rich, global experience in technical, commercial, and executive leadership roles. Prior to joining Vedanta, he has worked with BP, Talisman Energy, Africa Oil and Lundin Energy. He holds degrees in Mining Engineering from Imperial College London, Computer Science from University College London as well as an MBA from City University Business School, London.

Mr. Sanjeev Gemawat
General Counsel

Dr. Sanjeev Gemawat was appointed as the General Counsel of Vedanta in June 2022. He brings with him three decades of rich experience in wide ranging industries like manufacturing, automobile, real estate and hospitality. Dr. Gemawat has been recognised among the Top General Counsels of India in various prestigious General Counsel lists. He is one of the founders of the GCAI and has been inducted in to the 'Global Hall of Fame' for his contribution to the legal eco system in India and the world. Dr. Gemawat is a postgraduate and doctorate in law, a qualified Chartered Accountant, a Cost Accountant, and a Chartered Secretary from India & the UK.

Ms. Ritu Jhingon
Director, Corporate Communications and Corporate Social Responsibility

Ritu Jhingon is the Director - Corporate Communications and CEO of Vedanta's flagship CSR project "Nand Ghar", which aims to transform the lives of 7 crore children and 2 crore women across 13.7 lakh anganwadis in India. Joining Cairn Oil & Gas in 2010, a Vedanta Group company, Ritu has worked extensively in Corporate Communications and CSR, focussing on strategising Vedanta Group's positioning, defining narratives, and driving brand communications while anchoring Group's marquee social impact initiatives. As part of the management at Vedanta, she has been furthering an environment fostering entrepreneurial thinking and actively positioning the Company through brand initiatives and driving impact communications at national and international fora. With an experience spanning 3 decades, Ritu has previously worked with Hindustan Times Media Ltd., New Delhi and Ogilvy & Mather (Sri Lanka, Mumbai and Delhi). Ms. Jhingon holds an MBA in Marketing and B.Com (Hons.) from Sri Ram College of Commerce, University of Delhi. A national level swimmer, Ritu is also an avid photographer and her works have been part of many national exhibitions. Ms. Jhingon has featured in 'Top 100 Global Influencers' list by Provoke Media and is also a member of CII National Council on CSR.

Mr. Shrikant Saboo
Director – Group Commercial and Marketing

Shrikant Saboo was appointed as Director - Commercial, Marketing & Risk in August 2022. His key priorities include designing and driving the Commercial, Marketing, E-Commerce & Hedging strategies across the business portfolios, in line with global best practices and peer benchmarking, to unlock value for the organisation. His focus is on building strong Commercial & Marketing teams in the businesses and at the Group level along with driving strategic business partner relationships to achieve growth and profitability. He is a Chartered Accountant and MBA from Emory University, Goizueta Business School, USA. He brings 30 years of rich and diverse multicultural experience across Procurement & Supply Chain, Finance, Treasury, Commodity & Forex risk management, Mergers & Acquisitions, Business Strategy & Development and Project Management. He held global leadership roles and has worked with Hindalco Industries Ltd in India and with Novelis Inc in the US. Prior to joining Vedanta, he was with Indorama Ventures PCL in Thailand as a Senior Vice President where he was leading the global procurement of key raw materials & supply chain Asia, and had also supervised the global Aromatics finance team, and strategised the sales of specialty products.

Mr. Sunil Gupta
Chief Executive Officer, Vedanta Limited, Jharsuguda

Sunil Gupta was appointed as the Chief Executive Officer of Jharsuguda, effective from 31 January 2022. In this role, Mr. Gupta has the critical responsibility of providing leadership to the Aluminium business at Jharsuguda, with a strong focus on HSE, ESG, volume, cost, organisation, talent, and technology, and implementing best-in-class practices. He brings over 27 years of rich experience from the cement industry, where he worked extensively in operations, project implementation, strategic planning, logistics, commercial & marketing transformation, and the execution of various critical projects for ACC and KJS Cements. He holds a B. Tech degree in Electrical Engineering from the Government Engineering College, Ujjain, Madhya Pradesh.

Mr. Rajesh Kumar
Chief Executive Officer & WTD, BALCO

Rajesh Kumar is the CEO of Bharat Aluminium Company Limited (BALCO) and has been a valued member of Vedanta since 2023. With 36 years of experience in operations, maintenance, project implementation, and productivity improvement in Tata Steel's Indian and Thai units, he brings a wealth of expertise to his role at BALCO. As CEO, he is responsible for a wide range of functions across Mines, Aluminium Smelters, and Power plants. His key areas of focus include driving volume, managing costs, ensuring adherence to environmental, social, and governance (ESG) practices, spearheading growth projects, managing business partnerships, driving digitisation and innovation, leveraging technology, nurturing employee development, and benchmarking against industry best practices. He has made significant contributions to the implementation of large projects, mergers, and acquisitions and extended his visionary leadership in achieving world-class production, productivity, and quality benchmarks in multiple manufacturing units highlighting his capabilities. Mr. Kumar holds a bachelor's degree in Mechanical Engineering (B. Tech) from Banaras Hindu University (IIT BHU) and a Master's in Business Administration (MBA) with a gold medal in finance from XLRI, Jamshedpur.

Mr. Navin Jaju
Chief Executive Officer, Sesa Goa Iron Ore

Navin Kumar Jaju was elevated to the role of Chief Executive Officer, Sesa Goa on December 2022. In his current role, Navin Jaju is responsible for overall Business performance, growth & expansion of Vedanta's Sesa Goa Business, which has footprints across 5 states across India and overseas operations at Liberia - West Africa. Prior to this, he was handling the critical role of Chief Financial Officer - Iron and Steel Sector as appointed on September 2021, after taking up the position of Chief Financial Officer - Iron Ore Business in April 2020. He joined Vedanta Group in March 2005, and prior to joining the Iron Ore Business of Vedanta, Navin Jaju has worked in Vedanta's Group Companies such as HZL, BALCO and Corporate Office. Navin Jaju is a well-seasoned executive with extensive diversified experience of over 18 years in Metals & Mining sector. He brings demonstrated leadership experience in multiple business verticals ranging from financial planning & analysis, Risk management to M&As and achieving business growth vision with utmost focus on strategic directions, exceptional P & L results, sustainable business, and people best practices. Navin Jaju is a B. Com graduate from St. Xavier's College and a Chartered Accountant from the Institute of Chartered Accountants of India.

Mr. Ashish Gupta
Chief Executive Officer, ESL Steel

Ashish Gupta was appointed as the CEO, ESL Steel on September 2022. Prior to this, he was the Managing Director in Texmaco Rail and Engineering Limited from November 2020 to September 2022. He was also the Managing Director of TMILL (Tata Steel JV), from June 2017 to November 2020 and was the Chairman of TKM India and ISL, Dubai which are subsidiaries of TMILL. He was also a Board Member of Tata NYK, Singapore. He has a total of 29 years of experience. Mr. Gupta completed his General Management Program-CEDEP from INSEAD France in 2018. He is also an alumnus of XLRI, Jamshedpur, 1998, and IIT Roorkee, 1993, where he did his B.E in Electrical Engineering.

Mr. Vibhav Agarwal
Chief Executive Officer, Talwandi Sabo Power Limited (TSPL)

Vibhav Agarwal was appointed the CEO - Power in June 2022. He is a seasoned professional with over 22 years' experience in Power and Infrastructure Sector with core competence in Strategy, Regulatory Affairs, Policy Advocacy, Financing, M&A, Legal, Commercial, Operations, Project Management & Execution, Corporate Affairs and Talent Management. With strong cross-functional leadership skills, and ability to drive decision-making, Vibhav has risen through the ranks and acquired top leadership positions in a short span of time in the biggest corporates in India. Prior to his current role, Vibhav was Managing Director of Rattan India Power Limited, and has spent 17 years in Reliance Group at various leadership position. He is a B.Tech. from NIT Warangal, MBA from NITIE Mumbai and holds a certificate from ISB Hyderabad in Leadership & General Management.

Mr. Rajinder Singh Ahuja
Head – Health, Safety, Environment (HSE) and Sustainability

Rajinder Singh Ahuja was appointed as Head – HSE & Sustainability, for Vedanta on 20 July 2021. He was Deputy CEO, TSPL prior to being elevated to this role and brings 25 years of rich and diverse leadership experience across Metal & Mining, Cement and Power industry. He has worked with Hindustan Zinc and Aditya Birla group in the past. In his current role, he is currently leading a transformational journey to establish Vedanta as ESG leader in metal and mining space and implement globally best practices in the field of health, safety, ESG and governance through Technology, Automation, Digitisation across function. He works closely with Leadership, Business CEOs, IR/Communications teams and internal and external stakeholders to drive the implementation of ESG across Vedanta. Rajinder has been associated with Vedanta since 2003 and has been instrumental in establishing benchmark practices in HSE & Sustainability as HSES head of our Zinc business. Rajinder holds a bachelor's degree in electrical engineering from Maulana Azad College of Technology (NIT Bhopal) and has been part of our Leadership development program by AON Hewitt and had been professionally trained on Safety by Dupont.

Mr. Pankaj Kumar Sharma
Chief Executive Officer, FACOR

Pankaj Kumar Sharma currently holds the position of Chief Executive Officer in FACOR since June 2023, one of India's leading producers and exporters of Ferro Chrome, with 150 KTPA Ferro chrome production capacity along with 6 Captive Chrome Ore Mines and a 100 MW Power Plant. A valued member of the Vedanta team since 2018, he has made notable contributions to the field of metal operations and functions, focussing on advancements that have significantly enhanced the industry. In his current role, he provides strategic direction and overall leadership to ensure exceptional business performance at FACOR. His responsibilities encompass driving multifold growth across Mines, Charge Chrome Plant, and Power Plant, with a strong focus on Volume, Cost, ESG, Growth Projects, Business Partner Management, Digitisation, Innovation and Technology, People Development, and Benchmarking with Best Practices. Before joining FACOR business, he held significant leadership roles at HZL and BALCO, where he made substantial contributions. With an impressive professional journey spanning 24 years, he has garnered experience across esteemed companies such as JSW Cement, Century Textile Industry Limited, Lafarge Holcim, and ACC Ltd. He holds a degree in Mechanical Engineering and is a certified Total Quality Management (TQM) professional from AOTS Japan.

Mr. Puneet Khurana
Deputy Chief Executive Officer, Copper Operations

Puneet Khurana was appointed as the Deputy CEO of our Copper Operations (Fujairah and Silvassa) on 6 August 2021. In his role he is responsible for an overall US$125 million bottom line. He has been associated with Vedanta since 2006, and has been instrumental in driving an increase in Market share, Net sales realisation, Margin, Free cash flow, and reducing gross working capital and cost, through various roles in Vedanta Group companies such as Sterlite Industries, Cairn Oil and Gas, and Fujairah Gold where he has held different profiles in Sales & marketing and Supply Chain Management. Puneet has a Masters of Business Administration (MBA) from ICFAI Business School Hyderabad, and a Bachelors of Technology (B.Tech) in Computer Science and Engineering from AKG Engineering College, Ghaziabad.

Mr. Rohit Agarwal
Director – Management Assurance Services (MAS)

Rohit Agarwal was appointed as Director – MAS in December 2022. He leads the overall Assurance vertical as the custodian of ethics and integrity, thus ensuring zero leakages across the organisation with specific focus on right people, right partners, right material and right practices. His priorities are to unlock value through business partnering, use of latest technology & data analytics and enhance internal controls, compliance & governance framework. Rohit is a qualified Chartered Accountant and has been with the Group for over 18 years with a brief stint outside the Group. He joined as a Management Trainee in 2005, worked in various businesses across Group including overseas (Armenia and Australia) in various capacities and rose to the ranks of CFO of TSPL in 2018 through various internal Act-up programs/ Chairman Growth workshops. He has been part of various key transformational projects in finance domain over the years and has contributed immensely in the growth journey of Vedanta.

STAKEHOLDER ENGAGEMENT

EFFECTIVE ENGAGEMENT AND BUILDING STAKEHOLDER TRUST

At Vedanta, we ensure constructive stakeholder engagement across multiple industries and geographies. This builds successful, long-lasting relationships by identifying and addressing material problems that help us to anticipate emerging risks, opportunities and challenges that reinforce our competitiveness for long-term value creation.

The table below sets out how we engaged with our stakeholders during the year to address their concerns and meet their expectations.

Stakeholder	Key Expectations	How We Engage	Initiatives in FY 2023	Value Created
Local Community	• Undertaking need-based community infrastructure projects • Increasing reach of community development programmes • Provision of jobs & other means of livelihood • Improving grievance mechanism	The Group has established a comprehensive social framework as a key to engaging with local communities. The Social Performance Steering Committee (SPSCs) employs a cross-functional approach to community engagement through community group meetings and village council meetings Community needs/social impact assessments are developed to undertake need-based community projects. We are increasing our community outreach via public hearings, grievance mechanisms and cultural events. Vedanta Foundation supports community engagement by supporting them philanthropically	• Completed baseline, need, impact and SWOT assessments in all BUs • Community grievance process followed at all operations	**₹454 crore** of CSR investment **~44 million** community members benefited
Employees	• Safe workplace • Improved training on safety • Increased opportunities for career growth • Increasing the gender diversity of the workforce	The Group undertakes employee performance management and employee feedback as the primary mode of engaging with employees. We follow a multi-dimensional approach to career and leadership development through V-Lead and ACT-UP programmes Chairman's workshops, Chairman's/ CEO's townhall meetings and plant-level meetings are organised periodically to improve performance on material issues pertinent to Vedanta Limited Event management committee and welfare committee to assist in the training, organisation and supervision of employee engagement initiatives	• Identification of top talent and future leaders through workshops • Recruitment of global talent through hiring from top global universities • Strengthening gender and regional diversity with V-Lead and V-Engage respectively • Dedicated hiring drive for women	**2.11 million man-hours** of safety training **>30%** of all new hires are women

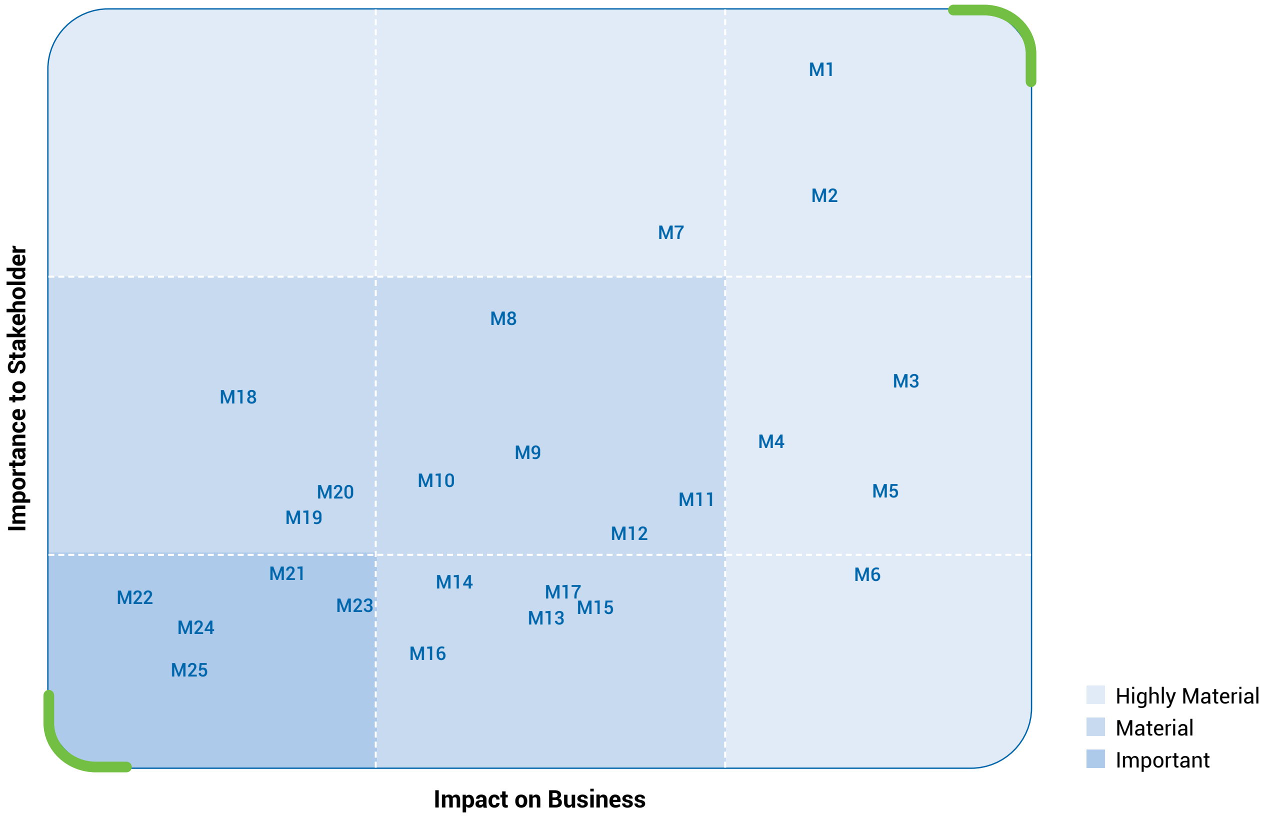
Stakeholder	Key Expectations	How We Engage	Initiatives in FY 2023	Value Created
Shareholders, Investors, & Lenders	• Consistent disclosure of economic, social, and environmental performance	The Group has an active investor relations team that consistently provides disclosures on economic, social and environmental performance. The team provides regular updates to stakeholders through investor meetings, site visits, conferences and quarterly result calls The Company organises annual general meetings to engage with our key financial audience i.e., shareholders, investors & lenders. For stakeholders to raise their concerns, a dedicated contact channel has been assigned – ir@vedanta.co.in and esg@vedanta.co.in	• Sustainability assurance audits conducted through Vedanta Sustainability Assurance Programme (VSAP) • Bi-weekly investor briefings and proactive engagement with the investor community on ESG topics	**₹101.5 per share** dividend
Civil Society	• Expectations of being aligned with the global sustainability agenda • Compliance with Human Rights	The Group has implemented multi-stakeholder initiatives and partnerships with international organisations to align with the expectations of the global sustainability agenda. Any key concerns or trends from engagements with international, national and local NGOs are reported to the relevant community of practice. Conferences and workshops are conducted as needed	• Membership of international organisations including the United Nations Global Compact (UNGC), The Energy and Resources Institute (TERI), Confederation of Indian Industry (CII), The World Business Council for Sustainable Development (WBCSD), and Indian Biodiversity Business Initiative (IBBI) • Alignment with Sustainable Development Goals • Compliance with the Modern Slavery Act	**3,80,320** Total beneficiaries through sports **5,400** No. of people trained through our skill training programmes
Industry (Suppliers, Customers, Peers, Media)	• Consistent implementation of the code of business conduct & ethics • Ensuring contractual integrity, data privacy	The Group ensures consistent implementation of the code of business conduct via in-person visits to customers, suppliers and vendors. To ascertain contractual integrity, a vendor scorecard is maintained. We strive to improve the overall customer experience through continual customer satisfaction surveys and meetings	• Active hotline service and email ID to receive whistle-blower complaints • Vendor meets to understand vendors and supplier's issues	**₹35,116 crore** Local Procurement
Governments	• Compliance with laws • Contributing towards the economic development of the nation	Engagement with regulatory bodies includes participation in government consultation programmes. The Group engages with - national, state, and regional - government bodies at the business and operational levels both directly and through industrial associations	• Partnership with UP government to eradicate state's malnutrition by 2024 • Partnership with Rajasthan government to modernise 25,000 anganwadis	**₹73,486 crore** paid to the exchequer

MATERIALITY

IDENTIFYING MATTERS MOST RELEVANT

To gain insight into challenges, perceptions, expectations and interests in a dynamic social landscape, Vedanta Limited prioritises conducting materiality exercises through effective stakeholder engagement that ultimately helps to shape our sustainability strategy. For this financial year, we undertook a detailed engagement exercise to identify new material issues that involve various ESG KPIs under Vedanta's three pillars and nine aims.

Materiality matrix



Highly material issues

- **M1** Community Engagement & Development
- **M2** Water Management
- **M3** Health, Safety & Wellbeing
- **M4** Business Ethics & Corporate Governance
- **M5** Climate Change & Decarbonisation
- **M6** Diversity & Inclusion
- **M7** Air Emission & Quality

Material issues

- **M8** Biodiversity & Ecosystems
- **M9** Waste Management
- **M10** Labour Practices
- **M11** Long Term Growth & Profitability
- **M12** Innovation & R&D
- **M13** Tailings Management
- **M14** Responsible Advocacy
- **M15** Talent Attraction & Retention
- **M16** Learning & Development
- **M17** Sustainable and Inclusive Supply Chain
- **M18** Indigenous People & Cultural Heritage
- **M19** Land Acquisition, Rehabilitation & Closure
- **M20** Human Rights

Important issues

- **M21** Data Privacy & Cyber Security
- **M22** Pandemic Response & Preparedness
- **M23** Material Management & Circularity
- **M24** Product Stewardship
- **M25** Macro-economic & Geopolitical Context

Sr. No.	High Priority Issues	Key KPI's	FY 2023 Performance	Targets/Initiatives for FY 2024	SDG Alignment
1	**Community Engagement and Development**	• Total community spend • Total outreach • Nand Ghars in operations	• ₹454 crore • Outreach - ~44 million total beneficiaries • Nand Ghars - 4,533	• Outreach to 5.5 million direct beneficiaries • Nand Ghars - >9,000	
2	**Water Management**	• Recycling % • Freshwater reduction • Water positivity ratio	• Water recycling at 29.4% • 11.7% YoY reduction in fresh water consumption • 4 sites water positive • Water positivity ratio - 0.62	• Water positivity ratio - 0.7	
3	**Health, Safety and Well-Being**	• Zero fatalities • TRIFR • LTIFR • CAPA compliance target	• 13 fatalities • TRIFR = 1.20 • LTIFR = 0.52 • CAPA compliance 91%	• Zero fatalities • TRIFR - 0.76	
4	**Business Ethics and Corporate Governance**	• Zero issues related to corporate governance • Transparent disclosures	• Zero issues related to corporate governance • Transparent disclosures done through Sustainability, TCFD, IR, and BRSR reports	• No major issues in corporate governance • Include TNFD in the disclosures list	
5	**Climate Change and Decarbonisation**	• GHG emissions • RE power in operations • Biomass usage	• GHG emissions 65.7 million tCO_2e • RE PDAs in place - 788 MW RE RTC • 78,000 tonnes of Biomass	• RE RTC - >1,000 MW RE RTC • Biomass usage - ~1,25,000 tonnes	
6	**Diversity and Inclusion**	• Women employees in organisation • Women employees in leadership positions	• 14.0% • 9.1%	• 18% • 16%	
7	**Air Emissions and Quality**	• SOx emissions • NOx emissions • SPM	• All operations conforming to statutory limits for SOx & NOx • HZL has introduced Battery Electric Vehicles in underground mining which will help to reduce SPM and other emissions • VAL J is operating the largest fleet of electric forklifts which has helped reduce diesel consumption	• Maintain all operations below statutory limits of air emissions • Increase deployment of EVs at site • FGD installation at VAL-L new power units	

OPERATIONALISING ESG WITHIN VEDANTA

TRANSFORMING FOR GOOD

"Transforming for Good" encapsulates our ambition to embed ESG-thinking into every business decision we make. As our business continues to grow and create impact, we take on the role of global partners and align our vision to the UN's Sustainable Development Goals (UN SDGs) by addressing challenges such as the climate crisis, water stress, biodiversity loss, equity, inclusion, human rights, and social development.

Our three sustainability-focussed pillars are depicted in the diagram below. There are nine goals listed under these three pillars that attest to our dedication to minimising harm. With the help of our ESG approach, the Company is able to meet the demands of its important stakeholders in the areas of climate change, human rights, secure working conditions, environmental stewardship, diversity and inclusion, and sound governance. It builds upon the strong foundation of world-class policies and standards that the Company has built over the last decade.

ESG Governance:

At Vedanta Limited, the ESG Board Committee is the top decision-making body for all ESG matters. Together with our Group Sustainability and ESG function, it is responsible for implementing, promoting, and monitoring initiatives under our 'Transforming for Good' agenda.

To ensure effective oversight and timely implementation of ESG initiatives, we have established dedicated forums at all levels of management and ESG-themed communities at each Business Unit (BU) and Strategic Business Unit (SBU). These communities are responsible for owning specific ESG Key Performance Indicators (KPIs) and driving their successful implementation.

Commitments and targets

Transforming communities	Transforming the planet	Transforming the workplace
Aim 1 Keep community welfare at the core of business decisions	**Aim 4** Net-carbon neutrality* by 2050 or sooner	**Aim 7** Prioritising the safety and health of all employees
Aim 2 Empowering over 2.5 million families with enhanced skillsets	**Aim 5** Achieving net water positivity by 2030	**Aim 8** Promote gender parity, diversity, and inclusivity
Aim 3 Uplifting over 100 million women and children through Education, Nutrition, Healthcare and Welfare	**Aim 6** Innovating for a greener business model	**Aim 9** Adhere to global business standards of corporate governance

** As per UNFCCC, net-carbon neutrality refers to the idea of achieving net zero greenhouse gas emissions by balancing those emissions, thus, they are equal (or less than) the emissions that get removed through the planet's natural absorption*

ESG GOVERNANCE AT VEDANTA

Board of Directors
↓
Board ESG Committee
↓
ESG Board Sub-Committee
↓

Group ESG ExCo (Part of Group ExCo)	ESG Management Committee	Corporate Transformation Office (TO)	Transformation Office - BU & Functional	Communities of Practice (CoPs)
Monthly forum with Group ExCo to update on overall ESG progress (overall MIS and updates)	**Fortnightly meeting to oversee** Programme update (9 aims - Corp & BU targets against actual) Key decisions (strategic direction, cross-functional support)	**Weekly TO meeting with GCEO** to drive and accelerate the high impact project implementation	**9 BU TOs, Functional TOs and 1 reporting & disclosure TO running on a weekly/fortnightly level** to monitor progress and drive implementation across the organisation	**15 CoPs, overall CoP leaders, 250+ Community members** identified across all BUs/SBUs to drive agenda within communities

We have 15 Communities of Practice, led by senior, experienced professionals within the organisation, to drive specific ESG KPIs. This robust ESG management approach will ensure that our commitment to sustainability is fully integrated into our business practices and that we continue to transform for good.

Communities of Practice at Vedanta

While Communities of Practice, drive implementation of our ESG aims across BUs and functions, their progress is governed by the ESG ManCom and the Board-level ESG sub-committee.

ESG Advisory Committee

The Company benefits from the advice of external ESG advisers, who have been on-boarded to assist decision-making bodies such as the ESG ManCom. These senior advisers have led ESG functions across the world at leading metals and mining operations and have extensive global experience in dealing with ESG issues. These include ESG governance, social stakeholder management and the adaptation of global best practices such as the International Council on Mining and Metals (ICMM) and the Voluntary Principles on Security and Human Rights (VPSHR), among others.

The ESG advisers provide valuable insights and inputs at the highest decision-making level. Their expertise and guidance ensure that our ESG initiatives are aligned with global best practices, enabling meaningful progress towards our sustainability goals.

Capacity Building of Senior Management on ESG

Leadership commitment and people are key enablers of ESG. We have successfully completed a basic ESG training programme, Sustainability 101, for our top 100 senior managers. It has now been extended to the rest of the organisation via the online mode. The programme, designed to provide a better understanding of ESG-related issues, challenges, opportunities, and their relevance to our business, will help increase sensitivity and awareness amongst employees in working towards our ESG goals. The training will help our leaders and employees make more informed decisions and drive our sustainability agenda forward. We remain committed to investing in our employees and building a culture of sustainability within our organisation.

Robust Model to Drive ESG Actions

To ensure standard implementation of sustainability practices across all our businesses, Vedanta introduced the "Vedanta Sustainability Framework" (VSF) in 2011. The VSF is supported by an annual audit program called the "Vedanta Sustainability Assurance Program" (VSAP). Collectively, VSF and VSAP have helped establish the foundation for the implementation of sustainability practices across the Group companies.


Management Team at BALCO

Vedanta Sustainability Framework (VSF)

- Aligned with ICMM, International Finance Corporation (IFC), and UNGC
- Encompasses 9 Vedanta Sustainability Policies, 92 standards (for safety, technical, tailings dams, environmental performance, social performance and management) and guidance notes for various ESG and HSE-related issues

Vedanta Sustainability Assurance Framework (VSAP)

- Annual VSAP audit across all business locations to ensure VSF compliance, making it critical for measuring and improving sustainability performance
- VSAP results reviewed by top management, and relevant actions taken to improve processes
- 15% of executives' total variable pay linked to business' VSAP score (70 or higher), to incentivise compliance and sustainability
- VSAP scores are discussed at Board meetings, with inputs from Board ESG Committee, to ensure that sustainability remains a priority for Board and executive leadership

Reinforcing VSF

In FY 2023, we have initiated updating our standards and rationalising them to better reflect our ESG vision. New standards are being added to address emerging sustainability challenges, for meeting or exceeding global best practices. It will facilitate decision-making and execution, besides ensuring that sustainability remains at the core of our operations.

ESG Scorecard

As part of our ongoing commitment to 'Transforming for Good' by transforming the planet, communities and workplace, we have developed an ESG scorecard to track our progress towards our aims and targets. This helps us monitor our performance and take corrective action where necessary.

Transforming Communities

Aim 1 Responsible business decisions based on community welfare

Key performance indicators	FY 2025 Goals	FY 2030 Goals	FY 2023 performance	Material matters	UN SDGs
Impact Management	Zero social incidents category 4 and above			Community Development	8.3
Transparency & Trust	Signatories and participants in VPSHR		Security CoP was formed and initial work started		
	Set up an external SP advisory body		External ESG advisory body with two global experts		
	Annual human rights assessment across all the businesses				

Aim 2 Empowering over 2.5 million families with enhanced skillsets

Key performance indicators	FY 2025 Goals	FY 2030 Goals	FY 2023 performance	Material matters	UN SDGs
Skilling (Number of families to be impacted through skill development and training)	1.5 million	2.5 million families	0.6 million families skilled	Community Development	2.3, 2.4, 4.4, 8.3

Aim 3 Uplifting over 100 million women and children through Education, Nutrition, Healthcare and Welfare

Key performance indicators	FY 2025 Goals	FY 2030 Goals	FY 2023 performance	Material matters	UN SDGs
Nand Ghar (Number of Nand Ghars to be completed)	29,000	29,000	4,533+ Nand Ghars built till 31 March 2023	Community Development	2.1, 2.2, 4.1, 4.2 2.3, 2.4, 4.4, 8.3
Education, Nutrition, Healthcare and Welfare (No. of women and children to be uplifted by Nand Ghar initiatives)	48 million	-	11.74 million women and children uplifted		

Transforming Planet

Aim 4 Reduction in carbon emission intensity by 25% by 2030, and net-carbon neutrality by 2050 or sooner

Key performance indicators	FY 2025 Goals	FY 2030 Goals	FY 2023 performance	Material matters	UN SDGs
Absolute GHG emissions (% reduction from FY 2021 baseline)	-	25%	9% higher than FY 2021 baseline	Climate change and decarbonisation	7.2, 12.2, 13.2
GHG Emissions Intensity (% reduction from FY 2021 baseline)	20%	-	6.24 tCO_2e/tonne of Metal vs 6.45 tCO_2e for FY 2021 (base year)		
Renewable Energy	500 MW RE RTC or equivalent	2.5 GW of RE RTC or equivalent	230 MW RTC or equivalent		
LMV Decarbonisation (% LMVs)	50%	100%	Biodiesel trials with 30% blend at Balco, VAL- J		
Capital Allocation for transition to net zero	-	US$5 billion			
Hydrogen as fuel	-	Commitment to accelerate the adoption of hydrogen as a fuel and seek to diversify into H2 fuel or related businesses	No work was undertaken in this area in FY 2023		

Aim 5 Achieving net water positivity by 2030

Key performance indicators	FY 2025 Goals	FY 2030 Goals	FY 2023 performance	Material matters	UN SDGs
Net Water Positivity	-	Net water positivity	Water positivity ratio: 0.62	Water management	6.3, 6.4, 6.5, 6.b
Freshwater consumption (% reduction from FY 2021 baseline)	15%	-	12.1% from FY21 baseline		
Water Related Incidents	Zero category 4 and 5 incidents related to water		Zero		
Water Recycling (%)	33%	-	29.4%		

Aim 6 Innovations for greener business model

Key performance indicators	FY 2025 Goals	FY 2030 Goals	FY 2023 performance	Material matters	UN SDGs
Fly ash (utilisation)	Sustain 100% utilisation		204%	Solid Waste Management	12.5
Legacy Fly ash	-	Zero legacy ash	44.42 million tonnes		
Waste Utilisation (High volume, low toxicity)	100%	100%			
Tailings dam audit and findings closure	All tailing facilities were audited, and actions were closed with real-time monitoring	-	Site assessment completed 60% closure of findings of stage 1 study	Tailings Dam Management	
Biodiversity Risk	Review of site biodiversity risk across all our locations	-	Baseline studies to determine biodiversity risk completed	Biodiversity	15.1, 15.2, 15.9
Biodiversity	Determine the feasibility for commitment to No-Net-Loss or Net-Positive-Impact (NNL/NPI) targets	Roadmap to achieve No-Net-Loss or Net-Positive-Impact in place	Target for NNL/NPI to set by 1QFY 2024		

Transforming Workplace

Aim 7 Prioritising the safety and health for all employees

Key performance indicators	FY 2025 Goals	FY 2030 Goals	FY 2023 performance	Material matters	UN SDGs
Fatalities (No.)	Zero		13	Health and Safety	8.8
Lost Time Injury Frequency Rate (LTIFR)	10% reduction (year-on-year)		0.52		
Total Recordable Injury Frequency Rate (TRIFR)	0.98 (30% reduction from FY 2021 baseline)	0.8 TRIFR per million man hours	1.20		
Occupational Health Management Systems	Health performance standards implemented and part of VSAP	-	In progress		
Exposure Monitoring	Employee and community exposure monitoring to be completed	-	To be undertaken		
Exposure Prevention	-	No employee exposure to red zone areas	In progress		
Employee Well-being	Mental health programme in place for all employees	-	100% completed		
	100% of eligible employees to undergo periodic medical examinations				

Aim 8 Promote gender parity, diversity and inclusivity

Key performance indicators	FY 2025 Goals	FY 2030 Goals	FY 2023 performance	Material matters	UN SDGs
Gender diversity (% women in the FTE workforce)	Equal Opportunity for everyone	20%	14.0%	Diversity and Equal Opportunity	5.1, 5.5, 5.c
Gender diversity (% women in leadership roles in FTE workforce)	-	40%	9.1%		
Gender diversity (% women in decision-making bodies in FTE workforce)	-	30%	28.34%		
Gender diversity (% women in technical leader/shop floor roles in FTE workforce)	-	10%	13%		

(FTE denotes full-time employees)

Aim 9 Adhere to global business standards of corporate governance

Key performance indicators	FY 2025 Goals	FY 2030 Goals	FY 2023 performance	Material matters	UN SDGs
Safety Programme for Business Partners	Rubaru is to be introduced at all Business Units across Vedanta	TRIFR - 1.04	Critical risk management programme rolled at all BU sites	Supply Chain Sustainability	8.7
Supply Chain GHG transition	Work with our long-term, tier 1 suppliers to submit their GHG reduction strategies	Align our GHG reduction strategies with our long-term tier-1 suppliers	Commercial CoP is constituted to address supplier chain-related ESG issues (including GHG emissions)		
Training on Code of Conduct	Continue to cover 100% of employees				
% Independent Directors on Board	50% Independent Directors on Board as per SEBI requirements				
% gender diversity on the Board	25%				

TRANSFORMING COMMUNITIES

Communities give us the licence to operate and therefore are a top priority in our efforts to strengthen our bonds and gain their trust and support. We continually engage with the surrounding communities to respond to their needs, adapt our actions to the evolving landscape and ensure stringent adoption of globally-recognised human rights principles. Our community engagements, which include our CSR programs, are designed to bring positive change into the lives of the local communities, including scalable socio-economic development.

Social Governance at Vedanta

Our social governance structure is founded on a social framework that includes management and technical standards and guidelines that are an integral part of the Vedanta Sustainability Framework (VSF). This social ethos is aligned with the International Finance Corporation (IFC) performance standards and based on industry best practices from organisations such as the International Council on Mining and Metals (ICMM).

To ensure the effective implementation of our CSR initiatives, we have established a CSR Council, consisting of senior business leaders, CSR Heads and CSR Executives from all our business units. The Council meets monthly to discuss and make decisions on important matters related to CSR. The CSR Council is accountable to our Board CSR Committee, which approves the CSR budget, plans and reviews progress

Empowering Communities with Focussed Action

At Vedanta Limited, we have identified focussed community development areas, where we undertake dedicated efforts to drive holistic and scalable development. In FY 2023, we spent ₹454 crore on various community programmes benefiting ~44 million people. In the last five years, we have spent more than ₹1,750 crore on community development actions. Further, we participate in initiatives of national importance such as disaster mitigation, rescue, relief and rehabilitation. Since the last three years of the COVID-19-triggered emergency, we have been undertaking efforts to protect our employees and communities under the Vedanta Cares programme.

Vedanta CSR impact in FY 2023

8 focussed-areas one mission – transforming communities

Healthcare
2.70 million people benefited
33 initiatives

Drinking Water & Sanitation
0.62 million people benefited
17 initiatives

Community Infrastructure
0.63 million people benefited
15 initiatives

Sports & Culture
0.36 million sports persons and culture enthusiasts benefited
13 initiatives

Livelihood
0.1 million people benefited
11 initiatives

Women's Empowerment
44,503 women benefited
7 initiatives

Environmental Protection & Restoration
0.42 million people benefited
3 initiatives

Children's Well-Being & Education
38.7 million children benefited
28 initiatives

Making Community Welfare a Priority

Aim 1: Keep community welfare at the core of business decisions	**Governance:** Site-based Social Performance Steering Committees	**Review Frequency:** Determined by site-teams	**SDG impacted:**

Social Performance and Social Licence to Operate:

At Vedanta, we are building systems that will help build trust with local communities and thereby enhance our social licence to operate. Our processes are meant to regularly engage with community members and ensure that they are consulted/made aware of aspects of corporate performance that may impact their lives.

Under the aegis of "Social Performance", we have constituted "Social Performance Steering Committees" (SPSCs) across all our sites. The SPSCs have been created to ensure that site management has comprehensive visibility to all community expectations and concerns and respond in a co-ordinated manner that helps build community trust.

Communities near Lanjigarh Refinery

All sites have grievance mechanism cells and well-laid-down procedures to handle community grievances transparently and in a timely manner. The SPSCs also help ensure that:

i. All social incidents are investigated and closed in a systematic manner

ii. The site takes mitigative and pre-emptive action on any operational elements that may cause harm to the community

iii. There are strategies in place to ensure local procurement and local employment

iv. There is a coordinated stakeholder engagement strategy that involves the relevant internal teams such as CSR, External Affairs, and Security among others

v. All social incidents are investigated and closed in a systematic manner

To further enhance our performance and governance on security matters, we have established a security Community of Practice (CoP). This CoP has been tasked to implement the recommendations of the Voluntary Principles on Security and Human Rights (VPSHR), which are recognised as global best practices for managing private and public security forces.

Highlights for FY 2023:

- Local procurement[1] improved to 40% from 35% YoY
- Social Performance pilot project completed at VAL-Lanjigarh
- Completion of a human rights self-assessment across all BUs
- Programs being developed to hire women into the workforce from local and neighbouring communities

Note 1: Procurement done within/from the same State of operations

Enabling Brighter Futures and Quality of Life

Aim 2: Empowering over 2.5 million families with enhanced skillsets	**Governance:** Community of Practice (CoP)	**Review Frequency:** Monthly	**SDG impacted:**

We aim to improve the earning potential and quality of life of families within the communities near our plants and areas of operations through various skill-building and social interventions. We are committed to upskilling and empowering youths to obtain jobs through our skill centres. We assist farmers in improving agricultural practices for enhancing crop yield and quality and also to earn a second income through animal husbandry-related interventions. Additionally, we support more than 69,000 youth sports persons across Rajasthan, Goa, Odisha and Jharkhand with our sport-related works. This ensures them a better future while bringing laurels to their community, state and country.

Highlights for FY 2023:

- Micro-Enterprise Development Programme at HZL – (2 brands | 14 production units | 200+ products | 382 women employed | ₹2.26 crore turnover)
- 4,533 Nand Ghars completed
- TSPL: ~2,000 farmer beneficiaries and ~2,000 women beneficiaries under Project Navidisha and Project Tara respectively

Case study

BALCO Creates Pathway to Prosperity

Problem statement –

Limited job opportunities for youth and women around the Balco area.

Solution

Vedanta Skills School has been at the forefront of bringing change by imparting skills-based education to women, youth and dropout students in the Balco vicinity. Vedanta Skill School is a premium institute of BALCO Vocational Skill Centre, which imparts training in six different trades along with residential facilities besides providing placement in a reputed institute. This project is aligned with UN SDG 8.

Impact

765 people skilled and successfully employed in FY 2023.

Ensuring Transformational Change with Holistic Development

Aim 3: Lives of over 100 million women and children uplifted through Education, Nutrition, Healthcare and Welfare	**Governance:** Community of Practice (CoP)	**Review Frequency:** Monthly	**SDG impacted:**

We collaborate with several NGOs to run programmes for enabling healthcare, education, nutrition, economic empowerment and digital governance for the local communities. Our flagship project, Nand Ghar, is an important pillar of this work. Currently, we have established 4,533 Nand Ghars that cater to 3.2 lakh women and children annually. Our target is to continue with these programmes and achieve breadth and depth of reach.

Highlights for FY 2023:

- Launch of Nutribar: A millet-based supplement to eradicate malnourishment in six months
- Sesa Technical School: 67 students in the second year of the vocational training course have completed their final year and passed out with a 100% placement rate

TRANSFORMING THE PLANET

At Vedanta, we recognise our crucial role in addressing climate change and enabling a better and safer tomorrow. We are continually improving our practices to ensure that our operations and supply chain are more sustainable thereby setting benchmarks with pioneering initiatives around decarbonisation, circular economy, water positivity and increasingly efficient processes.

Building a Climate-Resilient Future

Aim 4: Net-carbon neutrality by 2050 or sooner	**Governance:** Energy & Carbon CoP, Biomass Working Group	**Review Frequency:** Monthly	**SDG impacted:** 7, 12, 13

In FY 2022, Vedanta committed to decarbonise its operations and achieve net-carbon neutrality (net-zero carbon for Scope 1 & Scope 2 GHG emissions) by 2050 or sooner. Our GHG reduction strategy consists of four-levers, (i) Increasing the share of renewable energy, (ii) Switching to low-carbon or zero-carbon fuels, (iii) Improve the energy efficiency of our operations, and (iv) Offsetting residual emissions. In FY 2023, we have made progress in levers (i) – (iii). We only plan to purchase carbon offsets if we are unable to reduce our GHG emissions to target levels in 2030 and subsequently in 2050.

Our GHG reduction roadmap consists of 4 stages:

In stage 1 (FY 2021-FY 2025), we plan to reduce to GHG intensity (tCO_2e/tonne) of our metals businesses by 20% by FY 2025 (from a FY 2021) baseline.

In stage 2 (FY 2021-FY 2030), we will deploy the renewable energy capacity to ensure that we will have 2.5 GW of Round-the-Clock renewable power by 2030.

In stage 3 (FY 2026-FY 2030), we anticipate a reduction in our absolute GHG emissions in line with our target to reduce our absolute GHG emissions by 25% by FY 2030 (from a FY 2021 baseline).

In stage 4 (beyond 2030), we aim to deploy emerging technologies at scale and expand our renewable energy capacities to become a net-zero carbon business by 2050.

Note: Due to significant capacity expansion projects underway, we anticipate that our energy consumption will increase, thus peaking our greenhouse gas (GHG) emissions around FY 2026-27.

In FY 2023, we initiated multiple measures to help achieve our mid-term targets. Over the past two years, our efforts have resulted in avoided emissions of 4.17 million tCO_2e based on the FY 2021 baseline and 14.62 million tCO_2e based on the initial FY 2012 baseline.

Key Highlights, FY 2023

Lever 1: Increasing Renewable energy

By the end of FY 2023, Vedanta has signed 788 MW (RTC) renewable energy (RE) power delivery agreements (PDAs). Implementation of these PDAs will result in RE power consumption in operations increasing to ~ 6,900 million units, thereby avoiding 6.6 million tCO_2e in the atmosphere per year. With this, we shall meet 32% of our RE target of using 2,500 MW of RE RTC (eq.) power by 2030. An RE Steering Committee has been set up to coordinate efforts between different business entities.

Lever 2: Switch to low-carbon/zero-carbon fuels

Transitioning from coal to biomass is the mainstay of our fuel switch strategy. Our goal is to substitute 5% of the coal used in thermal power plants with biomass, a net zero-carbon fuel. In FY 2023, we used ~78,000 tonnes of biomass in our operations, a ~4x increase over FY 2022 levels (18,000 tonnes), resulting in a 0.2% coal switch. The biomass working group is creating a 3-year roadmap to use 5% biomass in operations.

We have also made positive progress on reducing emissions from LMV and mining fleet, through electrification and other measures. HZL and ESL have initiated the use of electric vehicles. HZL has launched the first battery-powered electric underground vehicle and LNG-powered 55-tonne heavy-duty trucks. A large electric forklift fleet of 27 is operating at our Jharsuguda location. Biofuel trials have started at BALCO and VAL-Jharsuguda and planning is underway to start trials at Sterlite Copper and Sesa Value-Added Business (VAB).

Lever 3: Improving the energy and process efficiency of our operations

Our commitment to the plan drives our efforts towards energy efficiency and process improvement, which are areas of keen focus. In the pursuit of these goals, we have undertaken some major projects in the aluminium sector that are expected to boost our efficiency levels. Some of these projects include:

- 100% Graphitisation with copper inserted collected bar (potential 1 million tCO_2e/year)
- Vedanta pot controller implementation (potential 0.2 million tCO_2e)
- Commissioning of TRT and BPRT at ESL (potential 82,000 tCO_2e/year)
- Natural gas usage at Lanjigarh Alumina Refinery (potential 1,20,000 tCO_2e/year)

While these are projects under progress, there are some major energy efficiency projects we have completed at our sites:

- R&M of 1 unit of 600 MW at VAL Jharsuguda (3,70,000 tCO_2e/year)
- VAL Lanjigarh Evaporation - 1 Calendria 1 and 2 tubes replacement (18,000 tCO_2e/year)
- VAL Lanjigarh Boiler 2 junior APH replacement (16,000 tCO_2e/year)
- ESL Fuel crushing index improvement (31,000 tCO_2e/year)
- ESL LD gas recovery project completion (18,000 tCO_2e/year)

Lever 4: Purchasing carbon offsets for residual emissions

We have currently not initiated work on our fourth lever of GHG reduction i.e. carbon offset and will consider purchase or investment options for residual/hard-to-abate GHG emissions at the end of our target period.

FY 2023 Key Achievements

439 MW of New RE RTC PDAs signed in FY 2023 taking the total to 788 MW RE RTC till FY 2023

2 billion units of RE power consumption

Biomass usage ~78,000 tonnes

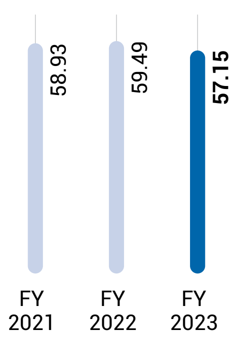
Introduction of battery vehicles in HZL, biodiesel trials at BALCO/VAL Jharsuguda

Introduction of an Internal carbon pricing (ICP) across all businesses

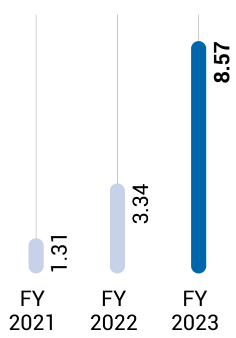
Introduction of EV policy for our employees

FY 2023: Emission Performance

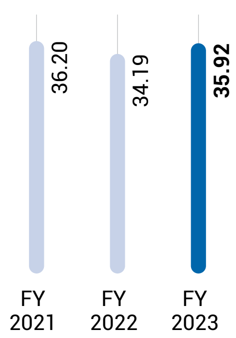
Scope 1 Emissions



Scope 2 Emissions



Scope 3 Emissions



Absolute GHG Emissions: Our Scope 1 & Scope 2 GHG emissions have increased marginally by 4.6% increase from last year, however, our combined Scope 1, 2, & 3 emissions have flat-lined compared to FY 2022. As mentioned above, we anticipate a reduction in our Scope 1 & 2 GHG emissions after FY 2026.

GHG Intensity: We are on track to achieve a reduction in the GHG intensity of our metals business by 20%. In FY 2023, we were able to achieve a reduction of 3%.

Scope 3 targets: Currently, we do not have Vedanta-wide reduction targets for our Scope 3 GHG emissions. These will be finalised in FY 2024. However, two of our businesses have taken Scope 3 reduction targets:

1. HZL has the target of reducing scope 3 emissions by 20% by 2027 over the 2017 baseline
2. Aluminium sector has taken the target of a 25% reduction in scope 3 emissions over the 2021 baseline

Internal Carbon Price (ICP): Vedanta has set an Internal Carbon Price of US\$15/tCO_2e. This is a shadow price that will be deployed for any project that has a budget of ₹50 million or more. We also have BU-specific ICPs.

Financing our Net Zero transition: As part of its net-zero commitments, Vedanta aims to spend US\$5 billion over the next decade. While the allocations are still under planning, the goal is to spend more than 60% on increasing the use of renewable energy in our operations. The remaining 40% will be split almost evenly between energy efficiency, fuel switch, fleet decarbonisation, and carbon offset projects.

More details about Vedanta's decarbonisation strategy can be found in our FY 2023 TCFD Climate Change Report.

Striving for a Water-Positive World

Aim 5: Achieving Net Water Positivity by 2030	**Governance:** Water CoP	**Review Frequency:** Monthly	**SDG impacted:**

Vedanta defines net water positive impact as the ratio of Water Credit (water given back to natural water bodies) and Water Debit (water taken from natural water bodies).If the ratio is >1, then the site is said to be water positive. We have undertaken significant initiatives to progress towards becoming water positive, which has resulted in a 2% reduction in our overall water consumption in FY 2023 from FY 2021 baseline. Site-specific roadmaps are being developed, which involve identifying projects both within and outside our premises to improve our water positivity ratio.

To ensure consistency and accuracy in our calculations, we have also developed and approved standard operating procedures (SOP) related to water positivity.

Key Highlights, FY 2023

Freshwater reduction

We are banking on technology deployment across our sites to reduce freshwater usage through process improvement and recycling of wastewater. Out of our total water projects pipeline, 77% are focussed on reducing waste from operations as well as reusing wastewater in operations.

Replacing fresh water with alternate sources

We have resorted to alternative water sources like municipal wastewater and saline water or even harnessed the power of rainwater harvesting for usage in our operations. Nearly 10% of our projects are related to this lever.

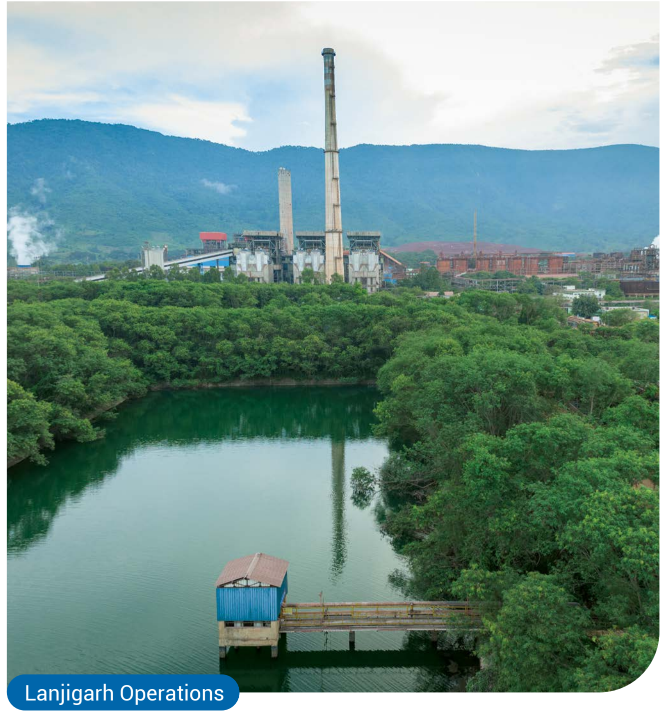
Giving back to the community

We are creating rainwater harvesting and groundwater recharging projects for our communities to improve freshwater availability and retain biodiversity in the area. Almost 13% of our water-related projects are in these areas.

RE-led water consumption reduction

The increased usage of RE power in our operations at major locations like HZL, VAL Jharsuguda and BALCO are helping to improve our water positivity ratio. It has helped reduce coal power generation, which currently requires a large amount of fresh water.

Effluent Treatment Plant at Dariba Smelting Complex


Lanjigarh Operations

FY 2023 Key Achievements

- Improvement in water positivity ratio from ~0.51 to ~0.62 YoY
- Four sites have attained water-positive status (HZL, IOB, Cairn India and BMM)
- Site-wise detailed water study completed for each major site including long-term basin study for water availability (2030 and beyond)
- Standard operating procedure prepared to calculate water positivity ratio
- 40+ water bodies restored by the aluminium sector

Case study

Dariba Smelting Complex Digital mapping of water consumption

Problem statement

DSC was unable to get water consumption information across different plant areas due to design issues and the unavailability of digital flow meters. This led to inefficiency in operations, water usage and planning.

Solution

DSC joined hands with the start-up, Promethean Energy, to improve operational efficiency. The following measures were implemented:

- Centralisation of water flow data acquisition on a common platform
- Use of wireless hardware to acquire data from remote analogue flowmeters and fusing it with available online data, to get a clear picture of water generation and consumption

Impact

- Better understanding of water intake and consumption in different subunits amongst on-ground employees and leadership
- Clarity on focus areas
- Identification of areas and projects for consumption reduction, which will result in a targeted 2-3% water savings

Enabling a Cleaner, Greener and Sustainable Tomorrow

Aim 6: Greener Business Model	**Governance:** Waste to Wealth CoP	**Review Frequency:** Monthly	**SDG impacted:** 

A greener business model translates into efficient management of natural resources and improvement in the circularity of our business, reducing the impact of our operations on biodiversity besides evaluating new green business growth opportunities.

Key Highlights, FY 2023

Circular business models

We are improving the circularity of our businesses by maximising utilisation of the high-volume-low-toxic (HVLT) wastes generated in our operations.

In FY 2023, nearly 164% of our HVLT wastes were reutilised. Fly ash, which forms the bulk of these wastes, saw 200% utilisation. Our goal is to ensure that by 2035, we utilise 100% of the generated waste and reduce to zero the legacy waste stored at our sites.

We are working with the cement industry to utilise operational waste as raw material and with the National Highways Authority of India (NHAI) to use the waste as substrate for road construction.

HVLTs such as red mud contain traces of Rare Earth Minerals (REE) and Research and Development projects are underway to enable the economical extraction of these minerals. Trials are also underway to use this waste as an alternative to sand. We are collaborating with CSIR, CRRI, IIT Kharagpur, IMMT, and NITI Aayog on these projects.

Reducing biodiversity impact

During the year, we established the biodiversity baseline for our sites. This will help us to understand the impact of our operations on biodiversity and guide the actions to be initiated to achieve No Net Loss (NNL)/Net Positive Impact (NPI) impact in the long term. We can accordingly update our biodiversity management plan (BMP). In FY 2024, we intend to finalise actions and timelines to reach the No Net Loss state, to kickstart relevant actions on the ground.

FY 2023 Key Achievements

- 29.8 million tonnes HVLT waste utilisation (162% for FY 2024)
- 28.1 million tonnes utilisation for Fly Ash (203%)
- Legacy waste reduced from 62 million tonnes to 45 million tonnes
- Lab scale feasibility study completed with CSIR-Central Road Research Institute (CSIR-CRRI) for utilisation of red mud in highway construction
- Biodiversity baseline study was completed for all sites


Bricks developed from Waste

TRANSFORMING THE WORKPLACE

Employees are key to propelling our business growth through their competencies, skills and knowledge. Vedanta thus encourages a work culture that ensures their health, well-being and safety, supports diversity and inclusivity and provides equal opportunity to all its people. These values enable us to attract the best talent and unlock their full potential, thereby making us an employer of choice.

Safety First, Safety Always

Aim 7:	Governance:	SDG impacted:
Prioritising safety and health of all employees	Safety CoP **Review Frequency:** Monthly	8 Decent work and economic growth

We regret to report that 13 tragic fatalities occurred in FY 2023, which is an area of utmost concern for our organisation. With a sincere commitment to improving our safety performance, we have already implemented a focussed approach to reducing fatalities and improving overall workplace safety.

Our analysis of fatal injuries indicates that man-machine interaction, vehicle driving and structural stability were the top three causes of fatalities this year. We recognise the importance of addressing these critical areas to prevent future incidents and have implemented steps to improve safety measures in these areas.

Key Highlights, FY 2023

We have identified three levers to improve our safety performance and prevent fatal injuries in the future:

Implementation of Critical Risk Management (CRM)

We have implemented a scientific approach to analysing the root causes of fatalities, learning from them, and implementing actions on the ground. Currently, we are focussing on three areas of risk at the work site: vehicle-pedestrian segregation, man-machine interaction and work at heights.

Improving safety infrastructure

We recognise the importance of providing a safe work environment to our employees and have therefore prioritised improvements in our safety infrastructure. We are installing walking pathways with guiderails, roads with markers and traffic signals and separate roads for ash dumpers. Our focus is on ensuring that there are no fatal injuries due to the lack of safe infrastructure in place.

Employee and business partner training

We recognise the value of ensuring the safety of all our employees and business partners. We are therefore organising on-site trainings, virtual webinars and group CEO sessions to reinforce the importance of working safely and stopping work in case of any unsafe situation on the ground. Our goal is to foster a culture of safety for our employees and business partners.

Case study

Improving Mines Safety through Slope Stability Radar

Problem Statement

Open cast mining poses a risk of slope failure which can hamper the safety of man and machine in nearby areas. One such slope failure occurred at our FACOR Ostapal Chromite Mines, Southwestern (SW) corner of the pit area, on 15 August 2022.

Solution

Pre-empting the risk of slope failure in advance, our FACOR in-house geotechnical team assessed the complete area and installed Slope Stability Radars (SSR) at strategic mine locations covering the whole pit and dump area. This state-of-the-art technology can measure slope deformation with the highest accuracy. There are only 10 such systems installed in India at present. The technology helps to detect slope anomalies in advance and prevent the possibility of accidents.

Time of events

- July 2022 – Team assessed the hazard in different areas and installed SSR to monitor the particular SW corner location
- 11 August 2022 – Slope deformation was observed in the SW corner area through SSR. Subsequently, the area was checked physically but no significant abnormality was observed. An alert was communicated to the Mines shift in-charge to avoid man-machinery movement in the influence zone
- 12 August 2022 – Some crack on the surface area was observed beyond the mine lease boundary
- 14 August 2022 – Total deformation of 250 mm (average) was observed and a high alert was raised. After observing further spurt of deformation, we completely restricted man-machinery in that area including the influence zone
- 15 August 2022 – At 04:07 PM, slope failure occurred at the Southwestern Corner of the pit area from 144 mRL to 96 mRL (~1.5 lakh m^3 of rock)

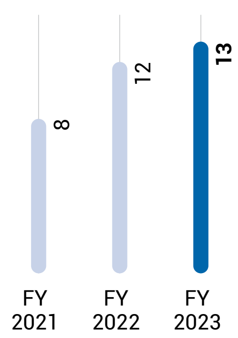
Impact

No accident/injury to any personnel or equipment/vehicle occurred in this case of slope failure due to pre-empting of risk. Now, the system is also being deployed by other businesses like Iron Ore Business in Karnataka and Hindustan Zinc Limited in Rampura Agucha Mines.

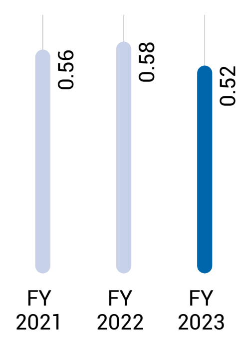
FY 2023 Key Achievements

- CRM implementation started
- New standard rolled out for lift maintenance
- Overhaul of safety standards under VSF, under progress

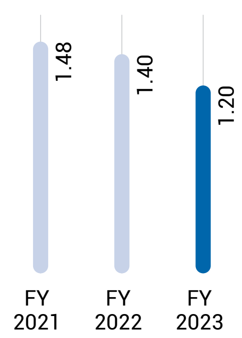
Fatal injuries



LTIFR



TRIFR



Breaking Barriers, Building Multi-Dimensional Workforce

Aim 8: Promote gender parity, diversity and inclusivity

Governance: D&I Council

Review Frequency: Monthly

SDG impacted:

We are committed to improving gender diversity in our workforce and have implemented several initiatives to achieve this goal. Our aim is to ensure gender diversity at all levels of the organisation, including recruitment, decision-making and leadership. Overall, we believe that our initiatives to improve gender diversity in the workforce will result in a more inclusive and diverse workplace. Our commitment to implement additional initiatives ensures that we continue to attract and retain the best talent from diverse backgrounds.

Key Highlights, FY 2023

Enhancing Women Participation

We have set a target of recruiting more than 50% of women employees to improve the gender ratio in the workplace. We are providing opportunities to women employees with relevant experience to become part of decision-making bodies like ManCom and ExCo.

To groom the top 100 high-performing women employees in the organisation for CXO roles, we have introduced the V-Lead programme, which will involve mentoring by senior business leaders.

We are also creating a second line of leaders in the organisation through early identification of talent through structured processes like ACT-UP, V-Reach and other similar programmes.

Encouraging Inclusivity

We have undertaken steps to improve workforce inclusivity performance and in FY 2023, HZL, BALCO and VAL Jharsuguda units have inducted 20 transgender employees. We remain committed to working on this aspect in FY 2024 and beyond.

FY 2023 Key Achievements

- 14% women in the organisation
- 28.23% women in decision-making bodies
- 9% women in leadership position

Case study

HZL's Ambavgarh Dialogue

Problem Statement

Development of women employees was a challenge in HZL due to the lack of dedicated programmes

Solution

HZL started an annual 'Ambavgarh Dialogue' to groom high-performing employees for the next level. The programme involves one-on-one interactions with CEO and CHRO for selected and high-performing women employees along with leadership inputs by key people in the business. The initiative also includes finalising individual career development journeys, cross-function and cross-departmental movements, coaching from leading corporate coaches etc.

Impact

- Creation of SHE Leads Programme for women employees
- 20 high-potential women candidates to be groomed for CXO roles
- Recognition from associations such as Society for Human Resource Management (SHRM) and People First

Enhancing a Responsible and Ethical Work Culture

Aim 9: Adhere to global business standards of corporate governance

Governance: MAS/ Company Secretariat/ Group Sustainability

Review Frequency: Monthly

SDG impacted:

Key Highlights, FY 2023

Revitalising sustainability framework

In FY 2023, we undertook work to refresh our policies and standards that are part of the Vedanta Sustainability Framework (VSF). The refresh will simplify the framework, better align the standards to ICMM requirements and reflect the revised ambition of our ESG programme.

Incentivising ESG performance

We have kick-started discussions to better embed ESG metrics in executive compensation. Currently, HSE/ESG performance constitutes 15% of employees' performance pay. Climate change considerations are now a part of our employees' stock option scheme (ESOS). However, based on benchmarking, it has been decided that this linkage needs further refining and we plan to introduce an updated methodology in FY 2024.

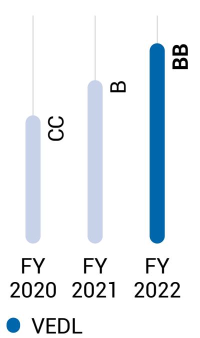
Enhancing transparency

Transparency and disclosures form the foundation of all dialogue. We release several ESG disclosures, which include the Annual Integrated Report, Annual Sustainability Report, Annual TCFD Climate Report, and the newly-constituted Business Responsibility and Sustainability Report. All these reports align with global reporting standards such as GRI, TCFD, and the IR Framework. This year, we will be releasing our 15th Sustainability Report.

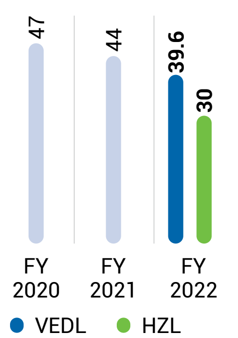
The quality of our disclosures and the underlying improvements in our ESG governance and performance are evident in rating upgrades across multiple agencies. This provides our stakeholders an independent assessment, that we are headed in the right direction. We will continue to benchmark against these frameworks, to remain aligned with global expectations around ESG.

More details can be found in the governance section of the report

MSCI



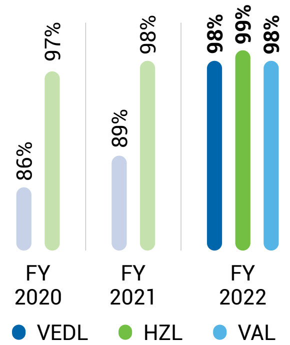
SUSTAINALYTICS



VEDL High Risk category
HZL Medium Risk category

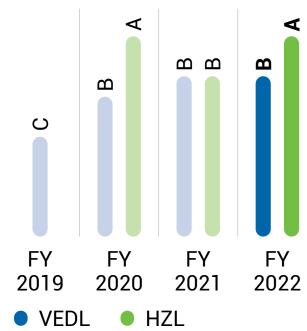
Lower the better

Dow Jones Sustainability Indexes



HZL #3 | M&M Index
VEDL #6 | M&M Index

CDP



HZL rated A for CDP climate & CDP water

Key rating highlights

MSCI

- No significant votes against directors
- Incentivisation of sustainability
- Performance in executive pay policies

Sustainalytics

- Improvement from severe to high risk
- Improved management of ESG risks was cited as the reason for better rating

DJSI

- Part of the Sustainability World Index
- Only Indian company to be added in 2022
- Also, part of the 'Emerging Markets Index'

CDP

- B-rating for CDP Climate & CDP Water
- CDP Water disclosures made for the first time

PEOPLE AND CULTURE

TRANSFORMING TO UNLEASH PEOPLE'S POTENTIAL

The Group has been featured in the Top 10 Happiest Workplaces by Business World from over 100 nominations. The Group has also been awarded the Best Employer in India by Kincentric.

At Vedanta Limited, we are empowering people by providing them with a work environment to thrive and grow. We are ensuring this with dedicated efforts around workplace transformation, a key pillar of our ESG purpose and framework. We are implementing pioneering initiatives around health and safety and promoting diversity, equity and inclusion. We are creating an ecosystem of equal opportunities in employment and development, and recognition to keep them motivated and incentivised. Our transformational approach is beginning to unlock the potential of our workforce and is driving long-term benefits for the organisation by enabling a rich mix of skills, experience and diverse perspectives.

Promoting diversity, equity and inclusion

Diversity and inclusion are at the core of our people strategy. It is our constant endeavour to promote gender parity and inclusivity across all levels, from the senior leadership and decision-making bodies to SBUs and enabling functions. This is manifest in our unique talent pool, which includes people from diverse geographies, minorities, ethnicities and cultures. We also strive continuously to reinforce our position as an equal opportunity employer.

We are fostering an LGBTQ+-friendly workplace and ensuring their inclusion by identification of roles, sensitisation, creation of infrastructure and onboarding talent. As of now, there are 25 transgender employees engaged in operations as well as enabling functions.

Adopting a 3-tier approach

We have launched a sensitisation drive targeting gender, sexual orientation, physical ability, region, and other dimensions of overall diversity, equity and inclusion. It is structured around a 3-tier approach, covering CXOs, managers and front-end supervisors. We have tied up with external experts and our target is to cover 2,000+ managers and 300+ CXOs in the first phase of this exercise.

Ensuring regional diversity

Our **V-Engage** initiative is aligned with our efforts of promoting regional diversity within the organisation. It targets onboarding talent from under-represented and underprivileged sections, with a special focus on the Northern and North-Eastern regions of the country.

100

Qualified, high-potential and hard-working women selected through an exclusive women's talent campus hiring drive

Steering gender diversity

We unveiled Phase 3 of **V Lead**, our flagship women's leadership development programme, in December 2022, reflecting our strong and continuous commitment to gender diversity, inclusion and women empowerment. As part of the initiative, 120 promising young women are being groomed for CXO positions, spanning operational and enabling roles across Vedanta's global business units. The exercise is aimed at making them a part of key decision-making bodies at Vedanta.

We have empanelled multiple women's colleges to ensure women's representation at all levels and tap into the right talent pool, specifically in STEM roles. An exclusive two-day campus drive was held at Banasthali Vidyapith Campus, Rajasthan, to hire qualified women candidates in engineering and management disciplines. The senior leadership panel ran a structured process and selected 100 high-potential girls.

Building tomorrow's leader

500+

Talent identified and elevated across functions covered through various talent development programmes

Professional leadership and collective decision-making

As a professionally managed company, Vedanta Limited has a well-structured management framework, with a Management Committee (ManCom) as a collective decision-making body at both Company and business levels. The businesses are further independently led and run in a federated manner by their respective CEOs.

Recognising excellence and rewarding meritocracy

We are fully cognisant of the importance of keeping our people motivated and passionate to drive the organisation's long-term success. We have accordingly adopted a well-defined methodology to reward the efforts of our people and business partners. Our best-in-class and globally benchmarked people practices, as well as reward programmes, keep them inspired and incentivised to deliver their best.

They also receive recognition from our Management and Board for going the extra mile to support the business. These include the Chairman Individual Awards, Chairman Award for Business Partners, Leadership Excellence Award, Sustainability Award, and the Chairman's Discretionary Award.

High-performing employees are rewarded through incentive schemes, development programmes and compensation re-structuring practices. During FY 2023, we introduced stock options for all our young campus hires as well. Our appraisal and remuneration programmes further encompass an ESG component, which correlates employee performance to safety, sustainability and carbon footprint reduction. Our best-in-class and globally-benchmarked people practices, as well as our reward programmes, help keep them inspired and incentivised to deliver their best.

Attracting and retaining best-in-class talent

Our human resource (HR) policies are designed to attract and retain the best global talent and subject matter experts. We take pride in our truly global work culture and our diverse workforce. We currently have some of the finest minds from over 30 nationalities working with us. Our robust global leadership is helping us steer our journey into the next phase of our value-accretive growth. Their track record in leading a set of high-potential growth projects is an asset we value and cherish.

Hiring programmes and processes

As part of our overarching initiative of onboarding talent from esteemed Indian and global institutions, we are in the process of hiring 2,000 bright minds. We have adopted a multi-pronged strategy as part of this process, involving hiring quality talent focussing on diversity (gender, geography and category) and offering competitive compensation at campus along with stock options.

We continue to hire top-notch talent for our flagship programmes: Vedanta Leadership Development Program (VLDP), Rank Holder Chartered Accountants, Cost Accountants, Specialists (Analysts, Data Scientists, Mining and Exploration ESG), Management Trainees (MT), Engineer Trainees (GETs), among others.

Through **ACT-UP** (Accelerated Tracking and Upgradation Process), our flagship in-house talent development programme, we identify and nurture high performers, and develop leaders across all talent segments in the organisation. Building on Management ACT-UP, our focus in FY 2023 was on developing a robust second-in-line leadership.

With our **Emerging Leaders Programme**, we have identified and elevated 130 leaders to deputy CXO roles at the group and SBU levels. Of these, 25% are women – a clear endorsement of our gender diversity focus. The selected leaders have been assigned senior leaders as anchors from across Vedanta Limited. As the next steps, a customised hybrid programme has been designed in association with premier B-Schools like IIM Bangalore and ISB Hyderabad. It is based on various gaps and themes that emerged from the assessments and will help make the young talent future-ready.

During the fiscal under review, we curated ACT-UP for projects, mining and commercial/marketing verticals, leading to the identification of 200+ young leaders. The fresh perspective brought in by talent from line functions was leveraged by providing interested employees with an opportunity to switch functions through unique talent development initiatives, such as non-HR to HR.

Ensuring seamless induction for campus hires

Our campus hiring emphasises excellence, gender diversity, upliftment of minority communities and adequate representation of all regions and demographics in India. We have in place a well-defined and structured system that ensures smooth and seamless induction of talent hired from campuses.

Group Induction Programme - YUVA (Young Upcoming Vedanta Achievers)

Through this programme, we welcomed 200+ campus hires from top B-Schools of the country and across the globe during the year. Through business and functional sessions held as part of the exclusively designed 4-day programme, stalwarts of Vedanta Limited and the industry shared insights, leadership advice, and their experiences with the youths. Further, the new joinees got an opportunity to understand Vedanta's DNA and design principles, key pillars, group overview, growth story and key people practices through the CXO sessions. They were also given a glimpse of our daily operations through visits to our state-of-the-art business units in HZL and flagship CSR facilities, where they got first-hand experience of what we do for the people and planet.

V-Excel (Exemplary Campus Emerging Leaders)

This programme, complementing YUVA, provides each new hire with a single digitally-driven platform that helps steer their performance with the right anchoring, continuous engagement, learning and recognition through measurable KPIs at an early stage in their careers.

Harnessing digital power to enhance people experience

At Vedanta Limited, we are continually working towards scaling the experience of our people by leveraging digitalisation and automation.

- The implementation of **Darwinbox** is bringing all businesses on one common platform, enabling seamless data-analytics at the group level and enhancing decision-making capabilities. In the first phase of implementation, HR workflows have been outlined, and modules of performance management, learning & development and employee helpdesk are in place. We are currently focussed on making these systems more robust while propelling change management to boost the adoption of the platform.
- To further strengthen our learning & development practices, we leveraged **Gurukul** effectively during the year. It is a digitally-driven knowledge-sharing initiative that gives all Vedanta employees a platform to share their expertise and innovative ideas to motivate others to learn, explore and experiment. Gurukul has grown as a platform, promoting the free flow of new ideas and discussions.
- Vedanta Limited has partnered with **Knolskape** for the first-ever, simulation-based experiential learning programme for top emerging leaders to equip them with the right skills and competencies to develop them into future CXOs. These include critical thinking, business acumen, influencing stakeholders, leading teams, future of work, digital leadership, agile working and design thinking. The participants have been identified through internal talent development initiatives, such as Management ACT-UP, Enabling ACT-UP, Emerging Leaders Programme, V-Aspire etc. The participants undergo a mix of role-play, gamified business simulation, quizzes and assessments, experience sharing, etc.

Employees Receiving award

CORPORATE GOVERNANCE

TRANSFORMING TO BECOME MORE RESPONSIBLE

Operating in a dynamic environment, Vedanta Limited is transforming continually to ensure effective management of natural resources. It strives to ensure sustainability in order to make the nation self-sufficient.

Our governance philosophy and practices are aligned with this approach. Led by our core values of Trust, Entrepreneurship, Innovation, Excellence, Integrity, Respect and Care, our governance practices constitute the core of our foundation of sustained value creation. At the same time, we adhere stringently to the principles of good governance and integrity, which help us navigate our business growth and operations ethically and responsibly, at all times.

Corporate Governance Framework

Our governance framework is underpinned by our robust core values. It is structured around our strong industry-leading vision, strategic mission, and the primary objective of delivering sustainable growth.

Corporate Governance Philosophy

Our business strategy is powered by our strong commitment to good governance, which goes beyond compliance and statutory norms. We believe that purpose-led corporate governance and ethics-led corporate behaviour are essential to our success. We look at them as the foundation on which we continue to build Vedanta Limited as not only India's largest diversified natural resources company but also the most sustainable.

Our business strategy is pillared around the twin approach of being structured as a group of entities, each with its own individual management and systems, while also concurrently functioning as a single unit oriented towards our collective purpose. We consider operating responsibly as our fiduciary duty as trustees of various capitals (financial, manufactured, intellectual, human, social and relationship, and natural). We feel this is important for effective management of the capitals and consistent value delivery through seamless execution of our integrated value chain.

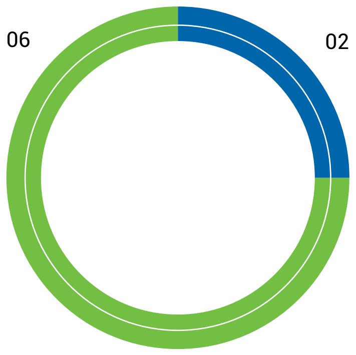
Spearheaded by an involved and informed Board, we remain focussed on creating sustainable investor and stakeholder value, while staying rooted in our intrinsic value system. We draw from the insights and expertise of our illustrious, multifarious and proficient directors and are able to continuously predict and proactively manage our opportunities and risks to protect and enhance our business value. This is particularly significant in our operating space, which is underlined by volatility and dynamism, thus offering considerable scope to run a conscientious business.

Composition of the Board of Directors

As on 31 March 2023, the Board comprises eight members, as listed below:

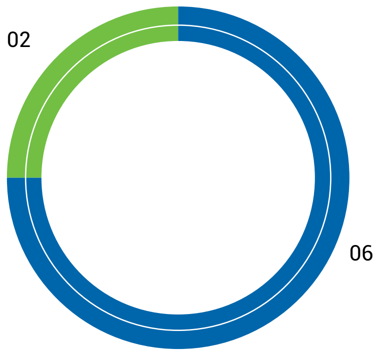
S. No.	Name	Designation	Gender	Age (as on 31 March 2023)
1	Mr. Anil Agarwal	Non-Executive Chairman	Male	70
2	Mr. Navin Agarwal	Executive Vice Chairman	Male	62
3	Ms. Padmini Sekhsaria	Non-Executive Independent Director	Female	47
4	Mr. Dindayal Jalan	Non-Executive Independent Director	Male	66
5	Mr. Upendra Kumar Sinha	Non-Executive Independent Director	Male	71
6	Mr. Akhilesh Joshi	Non-Executive Independent Director	Male	69
7	Mr. Sunil Duggal	Whole-Time Director & Chief Executive Officer	Male	60
8	Ms. Priya Agarwal	Non-Executive Director	Female	33

Number of Directors (Age)



- Between 30-50 years
- Above 50 years

Number of Directors (Gender)



- Male
- Female

Board Governance

As we grow from strength to strength, we continue to raise the bar of performance across our governance practices. These practices range from our ground-breaking ESG commitments to best-in-class disclosure practices, Board independence, diversity and inclusion, alignment to globally accepted norms and policies, as well as our emphasis on running a digitally-enabled, technology-led business.

Our strong governance practices manifest our future transformation journey, with 'responsible change' as a core mandate. It is our constant endeavour to not only stretch ourselves more to ensure enhanced growth and value creation but also set newer benchmarks for the industry and peers. We continue to be change-makers in everything we do, with good governance as the cornerstone that empowers us in our transformational efforts.

Our Board ensures the implementation of the strategic objectives of the Company. It guides the management to fulfil the commitments made to various stakeholders while upholding the principles of ethical business conduct and responsible growth.

Through its prudence, valued counsel, compliance with Group values, and prioritisation of ESG principles, the Board at Vedanta Limited ensures the viability of the Company, and thus its ability to deliver sustained value to its stakeholders. By overseeing the conduct of business with strict adherence to ethics and responsibility, the Board continues to enhance the prosperity and long-term viability of the Company.

ESG Governance

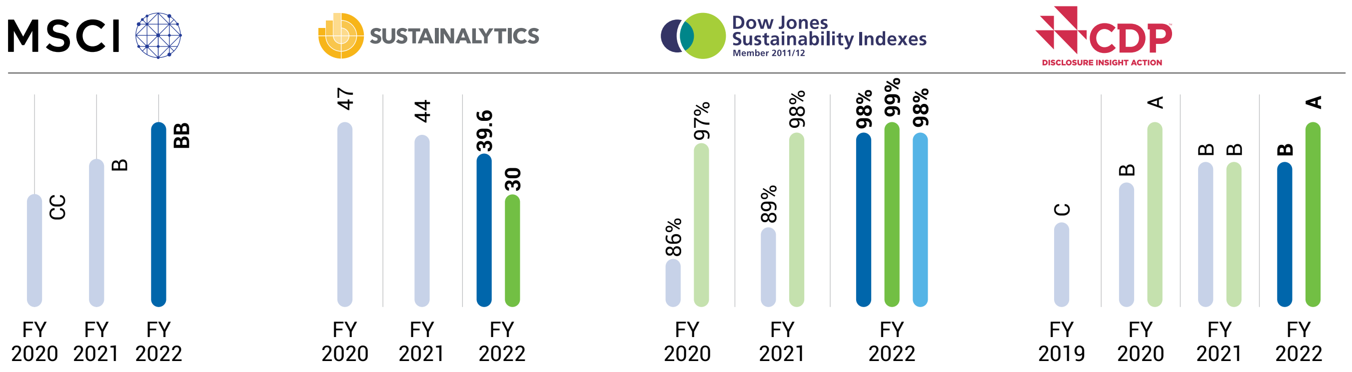
As part of our strong and sustained commitment to ESG, we have implemented a uniform ESG governance structure across the organisation. The ESG Committee, together with our Group Sustainability and ESG function, is mandated with the responsibility to activate, mainstream and monitor initiatives under the 'Transforming for Good'. We have also established dedicated forums for regular management and oversight at all levels, in addition to ESG-themed communities at each BU and SBU to own projects and drive their timely implementation.

In conducting its business, the Board is supported by:

- Established Committees
- Risk Management Framework
- Vedanta Sustainability Framework and Vedanta Sustainability Assurance Process (VSAP)
- Code of Business Conduct and Ethics, and various other policies and practices adopted by the Group

ESG Ratings

By focussing on sustainability and ESG as business imperatives, we consistently aim to improve our ESG ratings.



- VEDL

- VEDL
- HZL

VEDL High Risk category
HZL Medium Risk category
Lower the better

- VEDL
- HZL
- VAL

HZL #3 | M&M Index
VEDL #6 | M&M Index

- VEDL
- HZL

HZL rated A for CDP climate & CDP water

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- No significant votes against directors
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- Improvement from severe to high risk
- Improved management of ESG risks was cited as the reason for better rating

DJSI
- Part of the Sustainability World Index
- Only Indian company to be added in 2022
- Also, part of the 'Emerging Markets Index'

CDP
- B-rating for CDP Climate & CDP Water
- CDP Water disclosed for 1st time

G20/OECD Framework Alignment

We align ourselves with the G20/OECD Principles of Corporate Governance by:

Ensuring the basis for an effective corporate governance framework with:

- Business alignment with free market practices, anti-competitive policies and fair competition
- Compliance with all statutory requirements as listed by SEBI, MCA and other regulators
- Adoption of an informed, diverse, relevant and experienced Board, enabling integrity as a standard from the top, with collective and specific responsibility

Guaranteeing the rights and equitable treatment of shareholders and key ownership functions with:

- Assurance of rights and equitable treatment of all shareholders, including minority and foreign shareholders
- Implementation of specific channels for shareholders to voice their concerns
- Conduct Annual General Meetings as per existing norms
- Regular publications for apprising shareholders regarding performance, strategy, governance etc.

Facilitating the role of stakeholders in corporate governance with:

- Consistent focus on stakeholder relations, as well as continual engagement with investors, clients, customers, employees, bankers, and regulators
- Adherence to specific policies for vendors, suppliers and business partners
- Diligence towards health, safety, well-being and growth-focussed employee policies
- Institutionalisation of strong whistle-blower policy and vigil mechanism
- Emphasis on social responsibility and welfare initiatives in consultation with communities

Safeguarding disclosure and transparency with:

- Focus on compliance-led periodic disclosures and transparent reporting suite
- Voluntary reporting on globally accepted principles and frameworks, such as Integrated Reporting, GRI, TCFD, BRSR etc.
- Engagement of external independent auditors for financial and non-financial information

AWARDS

RECOGNISED FOR EXCELLENCE

Golden Peacock Global Award

Confederation of Indian Industry

The Institute of Chartered Accountants of India

KINCENTRIC Best Employers

Kincentric Best Employer Award

Operational and Business Excellence

Sr. No	Recipient BU/ Location	Name of the Award	Category/Recognition
1	Vedanta Limited	Golden Peacock Global Award	Excellence in Corporate Governance
2	Vedanta Limited	Institute of Chartered Accountants India	Silver Awards in Excellence in Financial Reporting
3	Vedanta Limited	TIOL National Taxation Awards 2022	Silver Award for Best Tax Practices among large corporates
4	HZL	S&P Global Platts Global Metal 'Industry Leadership Award'	Base, Precious and Specialty Metals
5	HZL	League of American Communications Professionals	Integrated Annual Report FY 2022 ranked #40 Worldwide and Gold Award
6	HZL	CII-EXIM Bank Awards for Business Excellence 2022	Platinum Award
7	HZL	NCQC - National Convention on Quality Concepts	Won 39 Awards
8	VAL-J	IMC Rama Krishna Bajaj Excellence Award	Excellence in Manufacturing and Quality
9	VAL	The Economic Times Energy Leadership Awards 2022	Outstanding Contribution in Energy Sector
10	VAL-L	Golden Peacock Award	Innovation Management
11	VAL-J	CII 23rd National Award for Energy Excellence	Excellent Energy Efficient Unit Smelters
12	VAL-J	SEEM National Energy Management Awards	Platinum Award - Smelter 1 and CPP; Gold Award - Smelter 2; Silver Award - IPP
13	VAL-J	International Convention on Quality Control Circle Awards	Won 3 Gold Awards for Excellence in Business and Quality
14	Cairn - RJ Oil	Golden Peacock National Quality Award	Excellence in Quality Management
15	Sterlite Copper	CII - Star Champions Awards 2022	Star Champion - Innovative Kaizen Category
16	HZL - Chanderiya CPP	Mission Energy Foundation Award	Efficient Fly Ash Management in Northern Region
17	VAL-J	Quality Circle Forum of India Awards	25 Awards at 36th National Conventional Quality Concepts

People

Sr. No	Recipient BU/ Location	Name of the Award	Category/Recognition
1	Vedanta Limited	Kincentric Best Employer Award – India 2022	Workplace Excellence
2	Vedanta Limited	Great Place to Work Award	India's Best Employer among Nation Builders
3	HZL	People First HR Excellence Award 2022	Leading Practices in Diversity & Inclusion Initiatives and Leading Practices in Talent Management
4	BALCO	Golden Peacock Award	HR Excellence
5	VAL-J	Happiest Workplace Award	Excellence in Workplace Responsibility
6	BALCO	Happiest Workplaces Award 2022	Highly compassionate, positive and happy work culture
7	BALCO	W.E. Global Employees Choice Award 2022	Large Size Category and Millennial Category
8	BALCO	Titan Award	Platinum Award in Human Resource Manufacturing
9	Cairn	People First HR Excellence Awards 2022	Leading Practices in Technology Deployment in HR
10	ESL	ASSOCHAM Work Vision - Annual HR Excellence Award 2022	Managing Organisational Change & Excellence through Innovative HR Practices; Effective Drivers of Recruitment, Engagement & Retention
11	Cairn	The Economic Times Human Capital Awards	Excellence in Change Management

Environment and Social

Sr. No	Recipient BU/ Location	Name of the Award	Category/Recognition
1	HZL-Kayad Mines	6th National Conclave on Mines and Minerals Awards	5-star rating for Exemplary performance in the implementation of a sustainable development framework
2	HZL - Dariba Smelter	GreenCo Gold Certified	Environmental Stewardship
3	HZL	S&P Global Platts Global Metal 'Industry Leadership Award	'Corporate Social Responsibility'
4	HZL	S&P Global Corporate Sustainability Assessment 2022	Among the Top 3 Companies
5	HZL	Indian Companies Climate Leadership Rankings	4th by ET Edge and Futurescape
6	VAL-J	'Excellence in Fly-ash Utilization' awards	Efficient management of fly-ash by both the Thermal Power Plant and Captive Power Plant
7	VAL	Kalinga Environment Excellence Award	Environmental Sustainability
8	BALCO	CEE Environment Excellence Award	Excellence in Environmental Sustainability - Fly Ash Utilisation
9	VAL-L	India CSR Award - 2022	Leading healthcare and education initiatives
10	VAL-J	Performance Awards at CII Energy Conclave	Environment & Sustainability/Energy Management
11	Cairn	Golden Peacock Occupational Health & Safety Award for Occupational Health	Occupational Health and Safety
12	Cairn	Frost & Sullivan, Teri - Sustainable Corporate of The Year Award	1st runner up
13	ESL	Annual Greentech CSR India Awards, 2022	Excellent initiatives on ensuring better healthcare for the community
14	VAB	India CSR Leadership Award 2022	First Place for Integrated Village Development
15	HZL	CDP (Carbon Disclosure Projects)	'A' rating for Transparency on Climate Change
16	HZL	CDP (Carbon Disclosure Projects)	Supplier Engagement Leader
17	VAL-J	Fame India Awards	Platinum Award for Fire and Security Excellence
18	VAL-L	Golden Peacock Award 2022	Excellence in CSR

Health and Safety

Sr. No	Recipient BU/ Location	Name of the Award	Category/Recognition
1	BALCO	CII National Safety Practices	Platinum Award
2	VAL-J	Apex India Occupational Health and Safety Award	Platinum Award in Occupational Health and Safety; Gold Award in Best Fire Safety
3	VAL-J	Grow Care India Awards	Platinum Award in Occupational Health and Safety; Gold Award in Fire Safety
4	VAL-L	Fame National Award 2022	Excellence in Occupational Health and Safety in Mining Industry
5	Cairn	FICCI Road Safety Awards	Special Jury Award for Journey towards Excellence in Road Safety
6	VAB	IFSEC INDIA EXPO 2022 - CSR Security Initiative Excellence Award	Excellence in CSR
7	VAL-J	Fame India Awards	Gold Award for Road Safety
8	BALCO	Global Road Safety Award 2023	Excellence in Safety Culture

Digitalisation

Sr. No	Recipient BU/ Location	Name of the Award	Category/Recognition
1	HZL	Data World Summit and Awards 2022	Best Data Solution of the Year - Manufacturing
2	HZL	Automated Data Management Award	Economic Times Data Conclave
3	VAL-L	CIO Excellence Award	Leading Practices in Emerging Technology
4	VAL	Manufacturing Today India Conference and Awards	Leading Technology and People Initiatives
5	VAL-J	Frost & Sullivan's Awards	Certificate of Merit - Artificial Intelligence in the Manufacturing Sector

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

Global Economy:

The global economy faced several challenges in CY 2022, starting from the initiation of the Russia-Ukraine war, supply chain disruption, high inflation, and high key policy rates by the central banks. Global inflation remained a matter of concern in most of the economy, which reached a multi-year high of 8.7% in CY 2022. Monetary tightening by the central banks across the world helped bring the trajectory downwards. The unwinding economic events weighed down global economic growth prospects. World economic growth in CY 2022 is estimated to have declined from 6% in CY 2021 to 3.4%, as per IMF.

Commodity prices eased the early gains of CY 2022 amidst supply chain issues and China's Zero Covid policy due to the demand slowdown. Metal prices, however, stabilised following China's reopening and measures to revive its economy and retracing inflation in advanced economy like USA and EU.

The Indian economy performed exceptionally well compared with the rest of the world. India is set to remain the bright spot in CY 2023 with a potential to contribute 15% to the global GDP growth, according to IMF. Indian economy is projected to grow at 5.9% in FY 2024[1] after having grown at an estimated 6.8% in FY 2023, to be among the fastest growing major economies

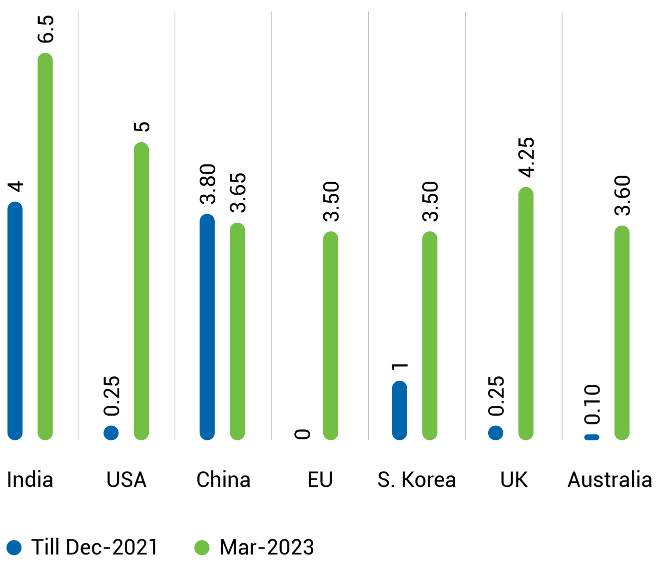
Europe's fight against the repercussions of war

Europe was significantly impacted by the war, which led to high energy and food prices created by the supply-chain disruption. This stretched the purchasing power of the consumers while also impacting the manufacturing sector, that led to production cuts. In Q4 CY 2022, the energy crisis improved, supported by high gas inventory levels, favourable weather conditions, and the central bank's monetary policy tightening, which eased inflation. IMF estimates the Euro area to have grown by 3.5% in CY 2022[1]. The monetary tightening is expected to limit the GDP growth in CY 2023 to 0.8% before increasing to 1.4% in CY 2024.

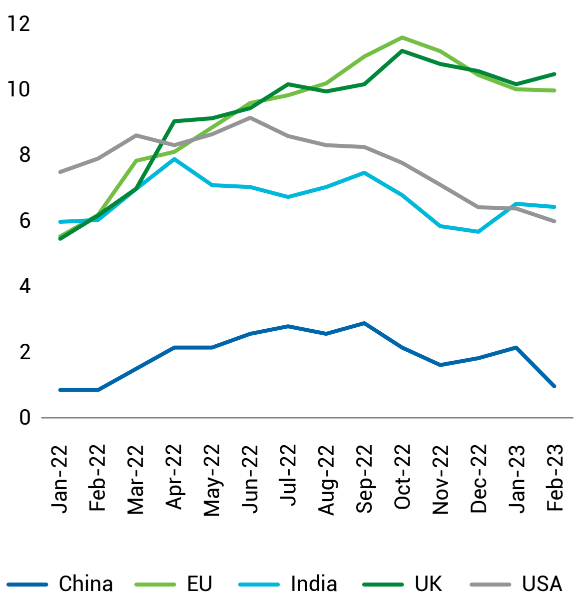
US Economy strong against recession fear

Inflation in the world's largest economy soared to a 40-year high, mainly driven by low labour participation and supply-chain crisis influenced by the external environment. The subsequent monetary tightening by the Federal Reserve Bank impacted the country's economic growth. Rising fed rates led to a further strengthening of the US dollar, thus stretching the current account deficit of import-dependent countries. Despite the negative outlook, the US economy has performed better than expected. The inflation level which reached 9.06% in June 2022 declined to 6.04% in February 2023[2]. The US economy grew by 2.1% in CY 2022 but is expected to decelerate to 1.6% in CY 2023 and 1.1% in CY 2024 [1].

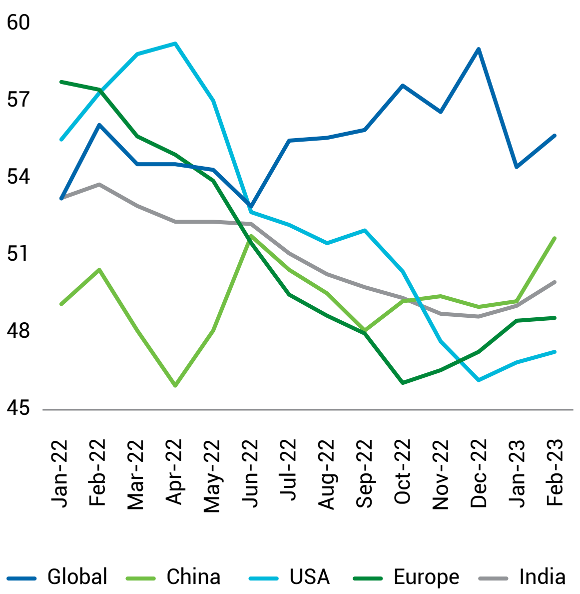
Central Banks' Interest Rates (%)



World's Retail Inflation in 2022 (%YoY)

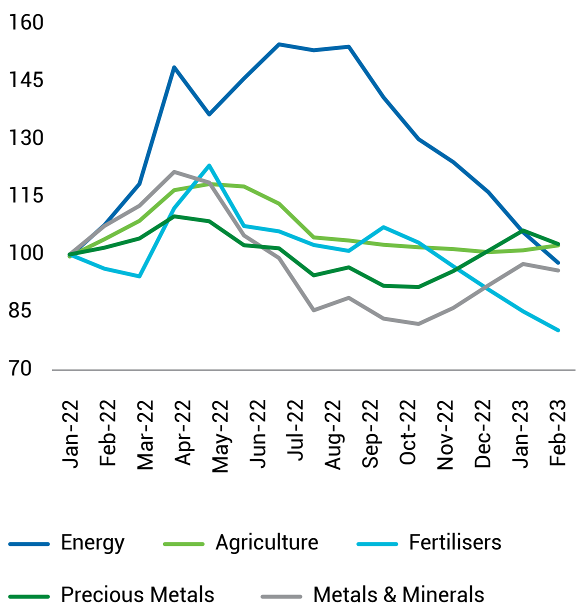


S&P Global Manufacturing PMI (%)



Source: CEIC, S&P Global, World Bank

World Bank Commodity Index (Base: Dec-2021) (%)



China's reopening to drive global economy

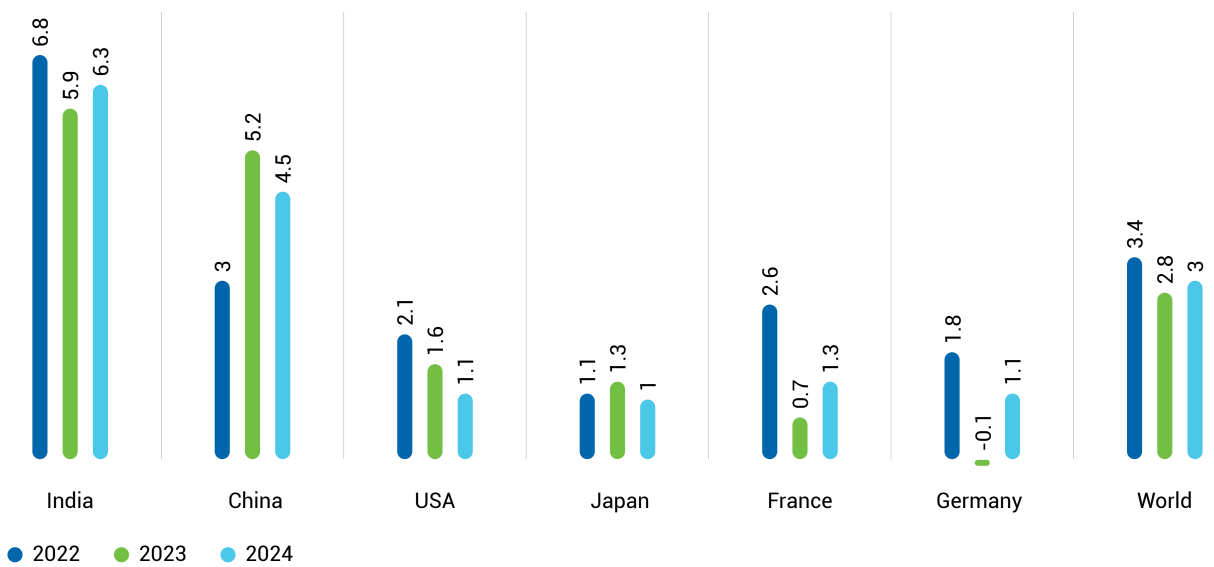
The Chinese economy dealt with multiple challenges in CY 2022, including the real estate sector slowdown, severe COVID-19 infection, and its mitigation with Zero-COVID Policy. Unlike other countries, its central bank loosened the monetary policy to encourage domestic growth, in addition to the stimulus package to boost consumption. China's manufacturing activity after facing a slowdown in CY 2022 with a growth of 3% is coming out strong and is projected to grow by 5.2% in CY 2023 and 4.5% in CY 2024 [1].

Global Economy Outlook:

Performance of the global economy was better than earlier projections, given the lower-than-expected severity of the Russia-Ukraine war and high energy prices. Manufacturing PMI, which fell below the 50-level mark is moving up in most economies. China's re-opening has further improved the expectation of increased economic activities, generating positivity for the global economy. **Inflation levels in most of economies peaked, but expected to fall to 6.6% in CY 2023, improving global financial conditions and business sentiment.**

IMF projects the global economy to grow by 2.8% in CY 2023 before rebounding to 3% in CY 2024, though the worries of war and high inflation still persist [1].

Global GDP Growth (%YoY)



Source: IMF

Indian Economy:

The Indian economy performed exceptionally well compared with the rest of the world. India is set to retain its bright spot in CY 2023 with a potential to contribute 15% to the global GDP growth, according to IMF.
In December 2022, India also assumed G20 presidency with an ambition to unite the world under the theme 'Vasudhaiva Kutumbakam" or "One Earth · One Family · One Future". This is an opportunity to showcase the nation's global leadership amidst growing uncertainty and economic crisis.

India's manufacturing sector also outperformed the rest of the world, projecting the country as a potential manufacturing hub. Stable political conditions, supportive policy schemes, strong domestic consumption and growing presence of skilled professionals support this ambition. India's manufacturing PMI remained above the 50-level mark through the year, indicating positive performance.

India's export, including services and merchandise touched US$750 billion in FY 2023 supported by robust policy implementation by the Indian government. GST collection also reached ₹18.1 trillion, a year-on-year growth of 21.4% in FY 2023[6]. Other economic indicators like non-food credit, automobile sales and electricity consumption have also registered robust growth. These indicators are well-supported by consumer sentiment indices, which witnessed consistent monthly year-on-year double digit growth[6].

India's rising retail inflation was of concern. Fiscal stimulus support and additional monetary support resulted in the CPI level crossing RBI's upper tolerance levels. Sustained vigilance and multiple rate hikes by the RBI, resulted in repo rate increasing from 4% to 6.5% in February 2023. This significantly controlled the CPI level; from a peak of 7.8% in April 2022 [7], it reached below the upper tolerance limit in November and December of 2022, before reaching 6.4% in February 2023 [8].

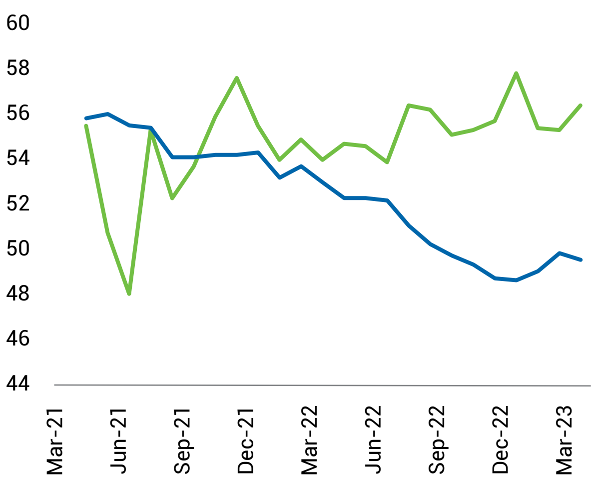
Policy initiatives by the Government of India (GoI)

The GoI's focus to make the country an attractive destination for business has been a key enabler of robust economic performance. The capital expenditure allocation of ₹10 lakh crore for FY 2024, an increase of 37.4%, YoY, has been an exceptional step. The approach towards infrastructure development and inclusive growth of the country is setting the foundation for multiple years of strong growth.

The World Bank has emphasised the collaboration between nations to boost global GDP growth in the current decade. GoI has taken steps in this direction, establishing bilateral trade relations through Free Trade Agreements with Australia and UAE, vastly expanding the market for domestic manufacturers. The upcoming negotiation with the UK, EU, and GCC nations are expected to further expand the horizon. As India aspires to be the global manufacturing hub, these trade deals will ensure a smoother transformation of the global supply chain. The removal of export duty on iron ore above 58% Fe grade and steel has encouraged the sector to have global competency amid commodity volatility.

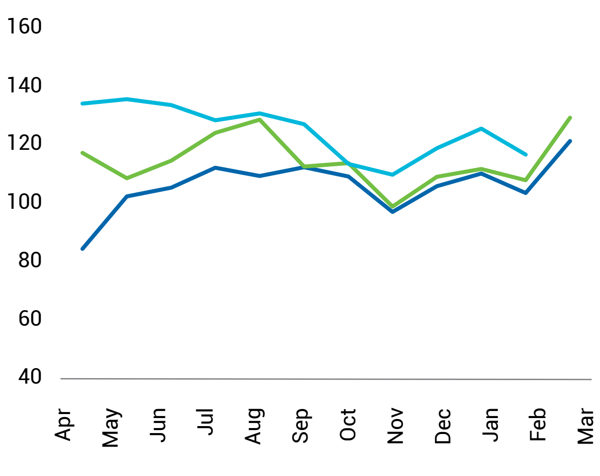
The National Logistic Policy, another ground-breaking policy initiative by the GoI targeting the complex logistic system, is likely to make India more efficient in project implementation. The plan to reduce logistics cost from 14% to less than 10% is expected to expand the scope of government spending and streamline government operations.

Manufacturing PMI: India vs. Global

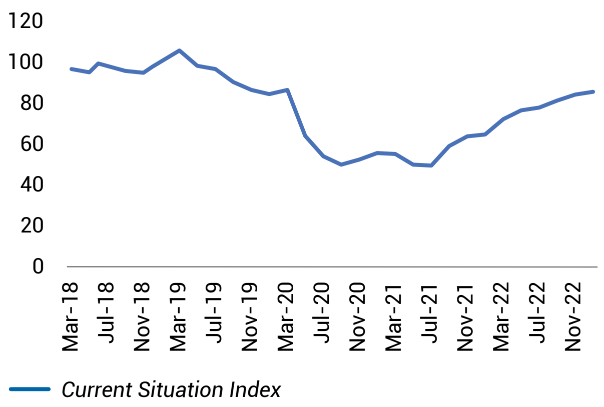


Source: RBI, CMIE

Energy Requirement (billion kWh)

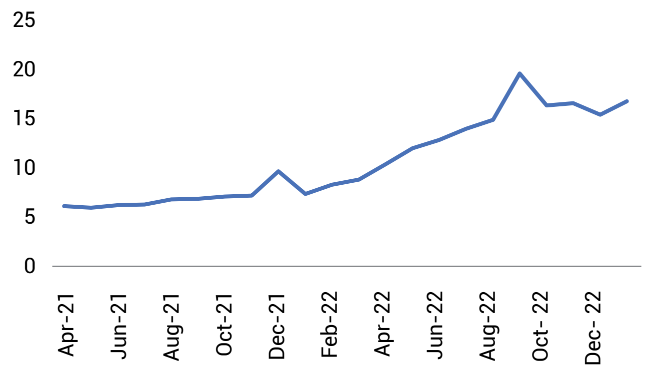


Consumer Confidence Survey of RBI



Source: RBI, CMIE

Non-food Credit Growth (%, YoY)



Indian Economy Outlook

Although global projections of economic growth for CY 2023 loom on uncertainties, India on the other hand is expected to outperform. **As per IMF, Indian economy is projected to grow at 5.9% in FY 2024[1] after having grown at an estimated 6.8% in FY 2023**, to be among the fastest growing major economies. It further projects India and China to contribute to half the global growth in CY2023. India's economic growth will be driven by robust domestic demand supported by the government's continued thrust on infrastructure spending. However, external challenges of global economic slowdown, geo-political scenario and energy price uncertainties may keep the Indian economy vigilant.

India's growth outlook by domestic and global agencies

Agency/Institution	Month of Release	FY 2022-23	FY 2023-24
Economic Survey (GoI)	January 2023	7.0%	6.5%
RBI	February 2023	6.8%	6.5%
IMF	January 2023	6.8%	5.9%
World Bank	January 2023	6.9%	6.3%
Asia Development Bank (ADB)	December 2022	7.0%	7.2%
OECD	November 2022	6.6%	5.7%
S&P Global Ratings	January 2023	7.0%	6.0%
Fitch Ratings	December 2022	7.0%	6.2%
Nomura	March 2023	6.6%	5.3%

Source: CMIE

References:

1. IMF, WEO, January 2023
2. U.S. Bureau of Labor Statistics
3. CEIC
4. S&P Global
5. World Bank, The Pink Sheet
6. CMIE
7. RBI, Monetary Policy Committee
8. MOSPI

SEGMENT OVERVIEW

ZINC

Overview

The year kicked off on a positive note with zinc prices hovering around US$4,000-4,400 per tonne (/t) levels as supply chain got impacted amidst the Russia-Ukraine war and China's zero covid policy led lockdown. However, the market was subject to volatility throughout the year; zinc prices even touched US$2,682/t level in November 2022. It closed at US$2,907/t during the end of March 2023.

The global refined zinc demand contracted by 3% to 13.6 million tonnes in CY 2022, largely due to a fall in Chinese demand. At supply level, the refined zinc production fell by 2.6% in CY 2022, due closure of several smelters globally for care and maintenance as the energy prices increased. Consequently, the global zinc warehouse stocks also fell during this period. In FY 2023, the total tonnage of zinc at Shanghai Futures Exchange (SHFE) warehouses and LME fell to 97 kt and 45 kt respectively during the end of March 2023.

Indian refined zinc demand, however, was robust and is estimated to have increased by ~3% in CY 2022 mainly driven by demand from the infrastructure and Galvanising industry.

Market Drivers

The global zinc demand is expected to grow by 3.5% in CY 2023 majorly driven by stronger offtake from China and India. In India, the zinc demand is expected to increase by 10% in CY 2023 driven by demand from infrastructure and automobile sector.

In domestic market, Indian Railways has been a key demand driver for zinc. With a focus on safety and speed, it has introduced 18 Vande Bharat trains till now (another 478 trains planned) and is also working on different mechanisms to protect rail network from corrosion. Strong focus on developing road, power generation and transmission and 5G related telecom infrastructure are likely to create demand. Together, these are expected to bolster zinc consumption in India.

Products and customers

Hindustan Zinc Limited (HZL) is the largest primary zinc producer in India. In FY 2023, it had 77% domestic market share; it sold ~60% of its refined zinc volume in the domestic market and exported rest of the volume to South-East Asian and Middle Eastern markets.

Over 70% of the zinc demand in India comes from galvanising steel, predominantly used in the construction and infrastructure sectors. HZL has a strong portfolio aligned to these needs comprising continuous galvanising grade, electroplatting grade and two grades of zinc for use in die-casting alloys, which make it an attractive player. The Company is working closely with its customers to increase the proportion of value-added products (VAP) in its zinc portfolio. It strives to increase VAP mix to 23% of total zinc sales in FY 2024, up from 16% in FY 2023.

LEAD

Overview

Historically, lead is believed to be insulated from cyclical demand movements compared to the other metals. However, lead prices in FY 2023, especially during first half of the year, experienced significant volatility. Starting with a 12-month high of US$2,471/t in April 2022, lead prices fell to a 23-month low of US$1,754/t in September 2022. The prices improved in 2H FY 2023 driven by China's reopening. LME price stood at around US$2,100/t level at the financial year end.

Global lead market, including primary and secondary markets, saw demand growth of 1.5% to 13.4 million tonnes in CY 2022 compared to 4.3% growth in CY 2021.

Demand outstripped supply and lead inventories fell to historically low levels. In first nine months of FY 2023, lead inventory in LME declined by ~36% to 25 kt and that in SHFE by ~60% to 35.2 kt.

In India, the refined lead market, including both primary and secondary markets, increased 8.2% to 1.2 million tonnes in CY 2023; the primary lead market demand was ~250 kt.

Market Drivers

The domestic refined lead consumption is expected to grow by 4.2% in CY 2023. With faster consumption growth against minimal mine supply growth, the markets are expected to be tight with no surplus.

Increasing urbanisation and industrialisation in developing countries along with rising automotive consumption are expected to be the key drivers for lead demand. In the domestic market, the demand for lead is expected to be robust, largely on the back of continued demand momentum in automotive sector, which witnessed excellent growth in the passenger vehicle and two-wheeler sales in FY 2023. The demand from the industrial battery segment is also expected to remain robust with battery replacements in data centres, banks, ATMs and other critical applications gathering pace. Given India's ambitious renewable energy focus, emerging areas like energy storage for electricity generated from photovoltaics are likely to add to the demand.

Products and customers

HZL is a leading primary lead producer in India; it produces 99.99% purity lead ingots. In FY 2023, it had ~85% share of the primary domestic market. It sold 91% of its production in domestic market and exported 9% to other geographies. Considering the opportunities in the Indian market, the Company intends to become 100% domestic market focussed through new customer acquisition, leveraging e-commerce platforms and introducing lead alloys.

SILVER

Overview

CY 2022 saw the silver demand reach new highs driven by strong industrial demand, jewellery and silverware offtake and physical investment. The global silver demand rose by 17% in CY 2022 to 1.24 billion ounces (Boz). The industrial demand for silver increased by 2.6% to 550 million ounces (Moz) in CY 2022, driven by vehicle electrification, government's expanding commitment to green infrastructure and rising 5G adoption.

FY 2023 started positively with London Bullion Metals Association (LBMA) silver prices reaching US$24.54 per troy ounce (/toz) in April 2022. However, with the market volatility, the prices declined to US$17.77/toz during September 2022. The prices picked up gradually to reach US$23.75/toz in January 2023 and stood at average US$21.9/toz during March 2023.

Market Drivers

Global silver supply is expected to rise by 4% to 1.005 Boz in CY 2023. Silver mine production is expected to grow by 5% to reach 0.873 Boz in CY 2023, due to new silver mines in Mexico and increased output from Chile gold operations with high silver content. The silver recycling growth is expected to be 3%.

Global silver demand, though, is expected to dip to 1.15 Boz in CY 2023. The decline would be primarily on account of softness in jewellery and physical investment demand. The long-term prospects for silver investments (both physical and ETF) remain strong. Silver coin demand in India is also encouraging. While it has largely been driven by gifting and religious purposes, which insulates it from price fluctuations, its demand has increased in recent years because of the different product offerings and marketing efforts from mints and refineries.

However, global industrial demand for silver is expected to increase by 2.6% to 550 Moz. The solar panel manufacturing industry has been increasingly consuming silver, driven by government's support in terms of production linked incentives (PLI) to promote the usage of renewables. The use of silver for vehicle electrification and creation of charging stations is also likely to rise.

Products and customers

HZL is India's only primary silver producer and ranks 5th globally among the top silver producing companies. HZL sells silver exclusively in the domestic market. It is used in industry (electrical contacts, solder and alloys, and pharmaceuticals), jewellery and silverware. The Company also offers spot sales of silver through e-auction to reduce manual intervention, thus ensuring equal opportunity for buyers to compete along with complete price transparency.

ALUMINIUM

Overview

The aluminium market during CY 2022 started on a positive note with LME prices steeply rising to all-time high of US$3,849/t in March 2022. However, the market was significantly impacted by volatility in macroeconomic conditions during the year amidst the ongoing Russia-Ukraine war, European energy crisis, and high inflation in the key markets. Consequently, the market witnessed price declines as the year progressed; LME price stood at around US$2,350/t level during the end of March 2023.

In CY 2022, global primary aluminium production increased by 2.5% to 69 million tonnes while demand is estimated to have increased by 0.4% to 69.2 million tonnes resulting in global deficit of 0.2 million tonnes. In China, the largest market, primary production increased by 4.5% while demand increased by 1.2%. In rest of the world (RoW), both production and consumption were flat.

In India, the domestic demand is likely to have surged 17% from ~3.9 million tonnes in FY 2022 to around 4.6 miliion tonnes in FY 2023; majorly driven by primary aluminium demand on robust economic growth with high industrial and manufacturing activities supported by government initiatives.

Market Drivers

Global total aluminium demand is expected to increase at a CAGR of ~3% from 96 million tonnes in CY 2022 to 122 million tonnes in CY 2030 driven by multiple factors. The decarbonisation transition in transportation and packaging industry is expected to push aluminium demand. Aluminium consumption from renewable energy and electric vehicle sectors is expected to increase from 6 million tonnes in CY 2022 to 16 million tonnes by CY 2030.

CY 2023 is expected to witness demand improvements from both China and rest of the world. China's primary aluminium demand is expected to increase by 2-3% mainly due to government stimulus policies.

Indian domestic aluminium demand is likely to be driven by key consuming segments like electronics and appliances as well as anticipated boom in renewable, defence, and aerospace sectors.

Products and customers

Vedanta is India's largest primary aluminium producer with an annual capacity of ~2.3 million tonnes. It has a market share of 41% (as of March 2023) in the domestic market; its domestic sales volume increased by 28% in FY 2023. The Company also has a sizeable OEM base globally that consumes its value-added products.

The Company's product portfolio includes aluminium ingots, primary foundry alloys, wire rods, billets, and rolled products which cater to varied industries globally such as power, transportation, construction and packaging, defence, renewable, automobile and aerospace among others.

In line with the evolving market needs and the focus on value creation, the Company has been steadily strengthening its market position with focus on value-added product (VAP) portfolio which currently accounts for ~38% of its total aluminium sales globally. The Company is working on projects to increase its total aluminium capacity to 3 MTPA and VAP mix to ~100% along with improvement in backward integration.

OIL AND GAS

Overview

According to the US IEA, the global oil supply increased by 4.7 million barrels per day (mbpd) to 100.1 mbpd in CY 2022, with the US, Russia and the Organisation of the Petroleum Exporting Countries (OPEC) being the major contributors. At the same time, the global oil demand increased by 2.2 mbpd, driven by both Organisation for Economic Co-operation and Development (OECD), primarily the US, and non-OECD countries, primarily India, and the Middle East. Indian oil demand increased by 8%.

Crude production and consumption (mbpd)

Particulars	CY 2021	CY 2022	Change, CY 2021 vs CY 2022
World production	95.4	100.1	4.7
OPEC crude production	26.4	29.1	2.7
World consumption	97.7	99.9	2.2

(Source: US EIA)

Oil market was subject to elevated volatility amidst multiple macro and geopolitical events in CY 2022. This included Russia's invasion of Ukraine in late February 2022 and the ensuing sanctions, embargoes, and price cap on its oil imports. Further, recessionary and inflationary pressures on the global economy, China's low oil demand due to stringent zero-COVID policies, and the transformed crude and product trade flow also impacted the market. The global oil market adjusted to these shocks and physical supplies were marginally hit. The losses in Russian supplies were limited due to unwinding of OPEC+ cuts, release of oil from the strategic petroleum reserve (SPR), and the ability of Russia to redirect its exports from Europe to other parts of the world. India emerged as a key destination, with share of Russian crude in its overall import basket increasing from 0.2% levels to highs of ~27% in January 2023.

These elevated uncertainties shaped supply demand balance and market expectations, as partly reflected in extreme price movements in CY 2022. During majority of the first half of CY 2022, crude oil prices traded above US$100 per barrel (/ bbl). However, it softened gradually during second half of CY 2022 and returned to pre-Russia-Ukraine war level of US$70-75/bbl by March 2023.

Brent, $/bbl

Market Drivers

As per OPEC, the global oil demand is expected to increase by 2.5 mbpd to 101.9 mbpd in CY 2023 with a potential upside coming from the opening of the Chinese economy and increased demand for jet fuel and kerosene. Global oil supply driven by the US, Brazil, Norway, Canada, Kazakhstan, and Guyana are expected to exceed demand during the first half of CY 2023. However, second half of CY 2023 is expected to be oil deficit with demand recovery and continued decline in Russian output due to the sanctions imposed. Nevertheless, large uncertainties remain over the impact of ongoing geopolitical developments, as well as the output potential for the US shale in CY 2023.

According to the US Energy Information Administration (EIA), brent crude oil spot prices will average at US$83 per barrel in CY 2023. Global economic outlook uncertainty and rising crude inventory will impact crude oil prices, however, the pressure will be limited due to high demand from Asian markets.

India, the world's third largest oil consumer and the fourth largest refiner, currently meets 87% of its oil consumption and 50% of its gas consumption through imports. In CY 2023, India's demand is projected to increase to 5.39 (+0.02) mbpd, supported by increasing airline activities and projected GDP growth of 5.6%. The government's proposed increase in capital spending will boost construction and manufacturing activities, thereby, driving the oil demand in India.

Products and customers

Cairn India is the largest private oil & gas exploration and production company in India with gross proven and probable R&R of 1,151 million barrels of oil equivalent (mmboe). The Company's crude oil is sold to public and private refineries and its natural gas is consumed by the fertiliser industry and the city gas distribution sector in India.

100% of the Company's crude oil and natural gas production in FY 2023 was sold in India as per government regulation. The Company is focussed on strengthening its dominance in the Indian market, with an ambition of producing 50% of India's oil & gas.

POWER SECTOR

Overview

India is the 3rd largest electricity producer in the world after China and the US, with an installed capacity of 411 GW, as of 31 March 2023. Energy being an important input for economic growth and development, India has seen rapid growth in electricity demand over the years, in line with its economic development. In FY 2023, India's total electricity demand grew by 9.5% to reach record highs of 1,511 billion units (BUs) while the total electricity generation grew 8.7% to 1,624 BUs.

There is strong focus on creating new capacities to meet the country's burgeoning energy demand. The Government of India (GoI) has set a vision to double the power capacity by 2030, to keep pace with the growing population, increasing electrification and per capita usage.

Market Drivers

According to the Central Electricity Authority (CEA), India's annual electricity consumption is estimated to grow at an average of 7.2% per annum over next five years, driven by expansion in industrial activities, growing population, rising per capita income, and increasing electricity penetration. In line with the demand projections, the country's installed capacity is estimated to register a 10+% CAGR during FY 2022-27.

Multiple initiatives by the government are encouraging growth and investment in the power sector. This includes policy support such as delicensing the electrical machinery industry, allowing 100% foreign direct investment (FDI) and the focus on 'Power for All' through various schemes. This includes Saubhagya, Integrated Power Development Scheme, Deen Dayal Upadhyaya Gram Jyoti Yojana, Unnat Jyoti by Affordable LEDs for All, Restructured Accelerated Power Development and Reforms Programme, Ujwal DISCOM Assurance Yojana and National Infrastructure Pipeline.

To ensure climate compatible growth, renewable energy is expected to be a preferrable mode with a target to expand its capacity to 500 GW by 2030. PLI scheme and policies like the Green Energy Open Access Rules, Energy Conservation (Amendment) Bill 2022 and renewable energy generation and utilisation (renewable purchase obligations) are incentivising this change. The Union Budget FY 2023-24 has also given due importance to renewable energy with increased capital outlay.

Products and customers

Vedanta has a power portfolio with a total capacity of ~ 9 GW. These power assets are at Talwandi Sabo, Jharsuguda, Korba, Lanjigarh. 37% of the total capacity is used for generating power for commercial purposes, backed by long-term power purchase agreements with state distribution companies of Punjab, Tamil Nadu, Kerala, Chhattisgarh, and Odisha. The remaining 63% power generated is deployed in captive operations at Aluminium and Zinc businesses.

Vedanta has set itself a target to achieve 2.5 GW round the clock renewable energy (RE RTC) capacity by 2030 and has signed power delivery agreements for 788 MW RE RTC by the end of FY 2023.

STEEL

Overview

India is the second-largest steel producer in the world. Steel is one of India's core industries, contributing more than 2% to the GDP. In FY 2023, India's crude steel production increased by 4% to 125 million tonnes.

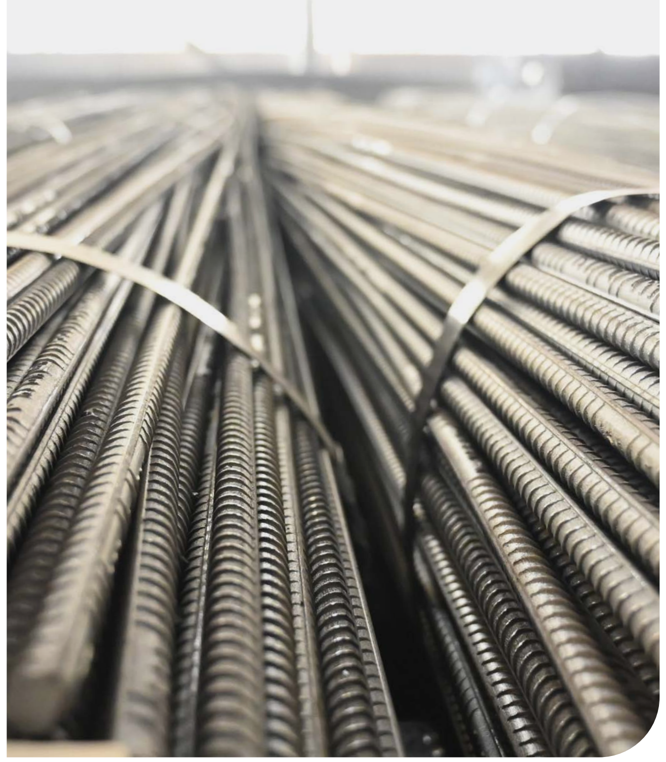
Indian government's continuous focus on infrastructure building has led to an increase in Indian steel finished consumption by 13% to 119 million tonnes in FY 2023. In eastern states, steel demand was relatively higher due to the projects like Hockey World Cup in Odisha and various rail bridge constructions in the North-Eastern belts.

The steel product prices, however, have been volatile. The domestic long steel prices reached highs of ~₹70,000/tonne during April 2022, as raw material prices increased following the Russia-Ukraine war. However, with increase in export duty during May-December, 2022, the prices fell as domestic market-focussed producers liquidated inventories. Prices recovered back to ₹60,000/tonne levels during March 2023 with reversal of export duty, and subsequent uptick in export orders along with improved domestic demand.

Market Drivers

In FY 2024, steel demand in India is expected to be robust. The government's push to increase steel production as per the National Steel Policy, focus to make India a US$5 trillion economy and 'Make in India' policy are likely to support the industry. Demand from the major sectors such as infrastructure (including railways, metros, freight corridors), construction and housing, renewables and automobiles is expected to be strong supported by Union Budget 2023-24's push for infrastructure creation through ₹10 lakh crore capital expenditure outlay.

Railways have been allocated ₹2.40 lakh crore with plans to bring 4,000 km of railway network under 'Kavach', a train protection system, in FY 2024. Further, increased activity in UDAN scheme to construct 100 airports, a higher allocation of ₹80,000 crore to Pradhan Mantri Awas Yojana and a resurgence in automobile sector (expected to attract ₹74,850 crore investment as part of PLI scheme) are likely to boost steel demand. Additionally, the proposed import duty reduction for machine parts used to produce Li-ion batteries in electric vehicles, may boost auto industry and hence the steel consumption.



Products and customers

ESL Steel Limited presently has 1.5 MTPA of steel manufacturing capacity, with projects underway to expand the capacity to 3 MTPA in FY 2024. The Company's portfolio includes pig iron, billets, TMT bars, wire rods and ductile iron pipes which are sold across construction, infrastructure, transport, energy.

In FY 2023, the Company developed various new wire rods grades, including Boron Alloy Grades in co-ordination with customers to meet their requirements. It received several notable accreditation approvals, including from UK CARES for TMT. It also secured various domestic approvals, such as blanket approval from the National Highways Authority of India and UP Metro Rail corporation, UP Bridge Corporation, Satluj Jal Vidyut Nigam, IOC Panipat Refinery, Jal Jeevan Mission, Water Corporation of Orissa and Rural Water Supply and Sanitation department. The Company further added several esteemed customers to its portfolio, from infrastructure, steel and engineering sectors.

For FY 2024, ESL is prioritising developing value-added grades of wire rods, increasing alloy grades and enhancing retail segments. The Company is also focussed on digitalisation to ensure fair price recovery and conducting auctioned sales for prime grades of all products.

IRON ORE

Overview

Global iron ore prices witnessed significant volatility in CY 2022. The prices reached a peak of US$160/t in March 2022, driven by concerns over loss of significant supply in the context of geopolitical conflict in Europe. The prices gradually dropped through the year to touch a low of US$79/t in October 2022, owing to weakness in Chinese real estate sector. However, the iron ore prices firmed up in the following months and stabilised around ~US$120-130/t level in March 2023.

In India, FY 2023 iron ore production was stable at ~250 million tonnes with 6% increase in domestic steel production. However, iron ore exports fell by ~23% to ~20 million tonnes as Government of India (GoI) increased iron ore export duty in May 2022. Iron ore prices moved in tandem with global price movement during early CY 2022, however, the pricing later was decoupled due to sudden increase in export duty. In November 2022, GoI reversed the additional export duty. Iron ore prices increased in March 2023 driven by a seasonally strong steel sector demand and export opportunities.

Market Drivers

Indian iron ore production is expected to increase to 260 million tonnes by FY 2025. Iron ore exports from India are expected to increase with the removal of iron ore export duties and Karnataka iron ore export ban. The positive shift was evident in growing exports during last quarter of FY 2023 and is likely to sustain.

Global iron ore prices are expected to sustain in near term, driven by recovery in China's economy and specifically its construction sector post lifting of Covid restrictions. Additionally, a decrease in production from key producers, Australia and Brazil, is expected to further strengthen the prices.

Products and customers

The Company produces iron ore and pig iron, and caters to steelmaking, construction, and infrastructure sectors. It sells more than 65% of pig iron and 69% of iron ore in the domestic market.

In FY 2023, the Company strengthened its industry position by ramping up mining operations. It bagged iron ore blocks FEE grade and BICO in Odisha's

Sundargarh in FY 2022 and operationalised both the mines in FY 2023 with a combined capacity of 5.5 MTPA. It also started mining operations in Bomi mine Liberia, achieving a production run-rate of 0.2 MTPA as on 31 March 2023. The Company expanded its geographic reach in India and won Bicholim mine in Goa, with resources of 84.92 MTPA.

HIGH CARBON FERRO CHROME

Overview

High carbon ferro chrome (HCFC) is a key raw material in stainless steel, adding special characteristics of non-corrosiveness, high durability and temperature resistance. Over 80% of all ferrochrome goes into manufacture of stainless steel, making it a key demand driver. South Africa is the largest HCFC supplier and has significant bearing on market dynamics. However, Asia led by China is the largest consuming markets with 85% and 60% of the global HCFC consumption, respectively. China's large overall import/merchant demand continues to make it the most influential market for global supply-demand dynamics and prices.

In CY 2022, global HCFC production stood at ~15 million tonnes and India produced ~1.3 million tonnes, making it the fourth largest producer. India remained an export-oriented HCFC producer with 60% of the volume being exported.

HCFC prices in FY 2023, especially during first half of the year, experienced volatility. In April 2022, the prices were at a 12-month high of US$1,592/t. However, it fell to a 15-month low of US$1,173/t in September 2022. During second half of the year, the prices improved with China reopening; prices stood at around US$1,350/t level at the year end.

Market Drivers

Stainless steel demand and prices are the key market drivers for HCFC. With growing demand from infrastructure projects in developing countries and demand resumption from the largest market of China, stainless steel production is expected to grow at 4-5% for next fiscal. This is expected to drive demand for global HCFC. The global HCFC production is likely to grow at 3-4%.

India is poised to be the fastest growing market, with both stainless steel and HCFC production projected to grow at 7-8%. India's growth will be supported by largest-ever capital allocation for infrastructure creation including highway and airport development, railway network modernisation, and increased focus on housing construction.

Products and customers

Though India is an export-oriented country, Ferro Alloys Corporation (FACOR) is the second largest supplier of HCFC in the domestic merchant market. In FY 2023, FACOR sold 85% of its total ferro chrome volume within India, primarily to stainless steel and alloy steel producers.

The Company is focussed on developing value added products (VAP) portfolio. It increased its VAP capacity from 75 KTPA to 150 KTPA in FY 2023 to address niche markets in North America, Europe and South Korea. In FY 2024, the Company will be focussed on enhancing its volume and footprint both in Indian and global markets.

COPPER

Overview

Copper experienced another volatile year in CY 2022. Copper prices soared to a record high above US$10,000/t in March 2022 owing to rising geopolitical tensions, inflation and energy costs. However, a downtrend owing to the fears of recession drove down prices to nearly two-year lows of less than US$7,000/t by July 2022. Since then, the prices have gradually been moving up and were average US$8,836/t during March 2023.

Overall global copper demand and supply were mostly flattish. Global refined copper consumption is estimated to have increased by 1.2% to 24.5 million tonnes. However, Indian copper market was strong in CY 2022; refined copper production and consumption increased by 10.5% to 550 kt and by 19% to 640 kt, respectively.

Market Drivers

In CY 2023, a rapid recovery in global economic activity and rebound in China's construction and automotive industry following its economic reopening are expected to improve copper demand. Globally, CY 2023, is estimated to be a supply deficit year for copper with an estimated 2.6% growth in refined copper consumption, which would provide support to prices. China's refined copper consumption is expected to grow by 2.5% to 13.9 million tonnes and India's refined copper consumption to grow faster by 12.5% to 720 kt in CY 2023.

India's total copper demand is projected to reach 2.8 million tonnes by 2030 driven by building and construction, manufacturing, transportation, and consumer durable industries. EV segment would play a crucial role in driving demand given their higher copper content compared to traditional vehicles.

Products and customers

The Company has one of the largest copper production capacities in India. It produces a wide range of copper products including 8 mm copper rod, 11.42 mm/12.45 mm/12.45 mm wax free, copper cathode and copper car bar with housing wires, winding wires and cables, transformer and electrical profile producers being its primary customers.

The Company sold 96% of its FY 2023 volume in domestic market. It also has presence in export markets, namely Saudi Arabia, Qatar and Nepal. The Company is undertaking various projects towards manufacturing green copper to strengthen its competitive positioning.

FINANCE REVIEW

Executive summary:

We had a strong operational and financial performance in FY 2023 amidst the challenges faced due to macroeconomic uncertainty. The Company continues to focus on controllable factors such as resetting cost base through diverse cost optimisation initiatives, disciplined capital investments, working capital initiatives, marketing initiatives & volume with strong control measures to ensure safe operations across businesses within framed government and corporate guidelines.

In FY 2023, we recorded an EBITDA of ₹35,241 crore, 22% lower YoY with strong double digit adjusted EBITDA margin[1] of 28%. (FY 2022: ₹45,319 crore, margin 39%). This was mainly due to slip in commodity prices at Aluminium, Lead and Silver and headwind in input commodity prices, partially offset by rupee depreciation, improved sales volume at zinc, aluminium and copper coupled with strategic hedging gains.

Higher sales volumes resulted in increase in EBITDA by ₹641 crore, driven by higher volumes at zinc, aluminium and copper partially offset by reduced sales volume at Oil & Gas and Iron & Steel.

Market factors resulted in decrease in EBITDA by ₹9,512 crore. This was primarily driven by input commodity inflation, decrease in the commodity prices, partly offset by rupee depreciation

Gross debt as on 31 March 2023 was ₹66,182 crore, increase of ₹13,073 crore since 31 March 2022. This was mainly due to the increase of debt at VEDL Standalone and temporary debt at HZL partially offset by reduction of debt at TSPL & ESL and receipt of inter-company loan from VRL.

Net debt as on 31 March 2023 was ₹45,260 crore, increased by ₹24,281 crore since 31 March 2022 (FY 2022: ₹20,979 crore), mainly due to dividend payment and capex outflow partially offset by cash flow from operations and working capital release.

The balance sheet of Vedanta Limited continues to remain strong with cash & cash equivalents, of ₹20,922 crore and Net Debt to EBITDA ratio at 1.3x well within the approved capital allocation framework (FY 2022: 0.5x)

1 Excludes custom smelting at copper business.

Consolidated EBITDA

EBITDA decreased by 22% in FY 2023 to ₹35,241 crore.

(₹ crore, unless stated)

Consolidated EBITDA	FY 2023	FY 2022	% change
Zinc	19,408	17,695	10%
- India	17,474	16,161	8%
- International	1,934	1,533	26%
Oil & Gas	7,782	5,992	30%
Aluminium	5,837	17,337	(66%)
Power	851	1,082	(21%)
Iron Ore	988	2,280	(57%)
Steel	316	701	(55%)
Copper	(4)	(115)	-
FACOR	149	325	(54%)
Others	(86)	23	-
Total EBITDA	**35,241**	**45,319**	**(22%)**

Consolidated EBITDA bridge:

(₹ crore, unless stated)

Consolidated EBITDA		% change
EBITDA for FY 2022		**45,319**
Market and regulatory: (9,512)		
a)	Prices, premium/discount	(4,573)
b)	Direct raw material inflation	(9,984)
c)	Foreign exchange movement	5,296
d)	Regulatory changes	(251)
Operational: (1,977)		
e)	Volume	641
f)	Cost and marketing	(2,618)
Others		**1,411**
EBITDA for FY 2023		**35,241**

a) Prices, premium/discount

Commodity price fluctuations have a significant impact on the Group's business. During FY 2023, we saw a net negative impact of ₹4,573 crore on EBITDA due to slip in commodity prices.

Zinc, lead and silver: Average zinc LME prices during FY 2023 increased to US$3,319 per tonne, up 2% YoY; lead LME prices decreased to US$2,101 per tonne, down 8% YoY; and silver prices decreased to US$21.4 per ounce, down 13% YoY. The cumulative impact of these price fluctuations decreased EBITDA by ₹387 crore.

TC/RC in Zinc International Business during FY 2023 increased to US$245/dmt up 148% YoY, decreased EBITDA by ₹645 crore.

Aluminium: Average aluminium LME prices decreased to US$2,481 per tonne in FY 2023, down 11% YoY, this had a negative impact of ₹5,732 crore on EBITDA.

Oil & Gas: The average Brent price for the year was US$96 per barrel, up 18% YoY. This had positive impact on EBITDA by ₹1,183 crore.

Iron & Steel: Higher realisations positively impacted EBITDA at ESL by ₹771 crore.

b) Direct raw material inflation

Prices of key raw materials such as imported alumina, thermal coal, carbon and coking coal have increased in FY 2023, negatively impacting EBITDA by ₹9,984 crore, primarily at Aluminium, Zinc and Iron & Steel business.

c) Foreign exchange fluctuation

Rupee depreciated against the US dollar during FY 2023. Stronger dollar is favourable to the Group's EBITDA, given the local cost base and predominantly US dollar-linked pricing. The favourable currency movements positively impacted EBITDA by ₹5,296 crore.

Key exchange rates against the US dollar:

	Average year ended 31 March 2023	Average year ended 31 March 2022	% change	As at 31 March 2023	As at 31 March 2022
Indian rupee	80.27	74.46	7.8%	82.16	75.59

d) Regulatory

During FY 2023, changes in regulatory levies such as Renewable Power Obligation etc. had a cumulative negative impact on the Group EBITDA of ₹251 crore.

e) Volumes

Higher volume led to increase in EBITDA by ₹641 crore by following businesses:

HZL (positive ₹1,153 crore): In FY 2023, HZL achieved metal sales of 1,032 kt, up 7% YoY and silver sales of 714 tonnes up 10% YoY

ZI (positive ₹385 crore): In FY 2023, ZI achieved MIC sales of 273 kt, up 22% YoY

Aluminium (positive ₹141 crore)

Partly offset by:

Cairn (negative ₹761 crore) and
Iron and Steel (negative ₹333 crore)

f) Cost and marketing (-₹2,618 crore)

Higher costs resulted in decrease in EBITDA by ₹3,167 crore over FY 2023, primarily due to increased cost, partially offset by higher premia realisations at Aluminium business.

g) Others

This primarily includes the impact of strategic hedging gains, partially offset by inventory adjustments during the year.

Income statement

(₹ crore, unless stated)

Particulars	FY 2023	FY 2022	% Change
Net Sales/Income from Operations	1,45,404	1,31,192	11%
Other Operating Income	1,904	1,541	24%
EBITDA	35,241	45,319	(22%)
EBITDA margin[1] (%)	28%	39%	-
Finance Cost	6,225	4,797	30%
Investment Income	2,851	2,341	22%
Exchange Gain/(Loss)	(492)	(235)	-
Exploration Cost Written off	(327)	-	-
Profit before Depreciation and Taxes	31,048	42,627	(27%)
Depreciation and Amortisation	10,555	8,895	19%
Profit before Exceptional items	20,493	33,732	(39%)
Exceptional items[2] : credit/(expense)	(217)	(768)	-
Taxes[3]	5,770	9,255	(38%)
Profit after taxes	14,506	23,710	(39%)
Profit after taxes (before Exceptional Items)	14,449	24,299	(41%)
Minority interest	3,929	4,908	(20%)
Attributable PAT (after exceptional items)	10,574	18,802	(44%)
Attributable PAT (before exceptional items)	10,521	19,279	(45%)
Basic earnings per share (₹/share)	28.50	50.73	(44%)
Basic EPS before exceptional items (₹/share)	28.36	52.02	(45%)
Exchange Rate (₹/US$) – Average	80.27	74.46	8%
Exchange Rate (₹/US$) – Closing	82.16	75.59	9%

1. *Excludes custom smelting at Copper business*
2. *Exceptional Items gross of tax*
3. *Tax includes tax benefit on exceptional items of ₹274 crore in FY 2023 (FY 2022: tax benefit of ₹178 crore)*
4. *Previous period figures have been regrouped/rearranged wherever necessary to conform to current period presentation*

Revenue

Reported record revenue for the year was ₹1,45,404 crore, higher 11% YoY. This was primarily driven by higher volumes at copper, zinc and aluminium, strategic hedging gains and rupee depreciation, partially offset by slip in commodity prices majorly of aluminium, copper, lead, and silver.

EBITDA and EBITDA Margin

Second highest EBITDA for the year was ₹35,241 crore, 22% lower YoY. This was mainly due to slip in commodity prices at Aluminium, Lead and Silver and headwind in input commodity prices, partially offset by rupee depreciation, improved sales volume at zinc, aluminium, and copper coupled with strategic hedging gains.

We maintained a strong double digit adjusted EBITDA margin of 28% for the year (FY 2022: 39%)

Depreciation and Amortisations

Depreciation for the year was ₹10,555 crore compared to ₹8,895 crore in FY 2022, higher by 19%, due to increase in ore production at Zinc India and higher depletion charge at Oil & Gas business.

Net Interest

The blended cost of borrowings was 7.8% for FY 2023 compared to 7.9% in FY 2022.

Finance cost for FY 2023 was ₹6,225 crore, 30% higher compared to ₹4,797 crore in FY 2022 mainly on account of increase in average borrowings.

Investment income for FY 2023 stood at ₹2,852 crore, 22% higher compared to ₹2,341 crore in FY 2022. This was mainly due to interest received on income tax refund, mark-to market movement and change in investment mix.

Exceptional Items

The exceptional items for FY 2023 were at ₹(217) crore, mainly on account of SAED partly offset by impairment reversal in ESL & WCL.

[for more information, refer note [36] set out in P&L notes of the financial statement on exceptional items].

Taxation

Tax expense for FY 2023 stood at ₹5,770 crore (FY 2022: ₹9,255 crore). The normalised ETR is 30% as compared to 28% in FY 2022 due to change in profit mix.

Attributable profit after tax (before exceptional items)

Attributable PAT before exceptional items was ₹10,521 crore in FY 2023 compared to ₹19,279 in FY 2022.

Earnings per share

Earnings per share before exceptional items for FY 2023 were ₹28.36 per share as compared to ₹52.02 per share in FY 2022.

Dividend

Board has declared total dividend of ₹101.5 per share during the year.

Shareholders' Fund

Total shareholders fund as on 31 March 2023 aggregated to ₹39,423 crore as compared to ₹65,383 crore as of 31 March 2022. This was primarily net profit attributable to equity holders earned during the year partially offset by dividend paid during the year.

Net Fixed Assets

The net fixed assets as on 31 March 2023 were ₹1,15,273 crore. This comprises ₹17,434 crore as capital work-in-progress.

Balance Sheet

Our financial position remains strong with cash and liquid investments of ₹20,922 crore.

The Company follows a Board-approved investment policy and invests in high quality debt instruments with mutual funds, bonds and fixed deposits with banks. The portfolio is rated by CRISIL which has assigned a rating of "Tier I" (meaning highest safety) to our portfolio.

Gross debt as on 31 March 2023 was ₹66,182 crore, an increase of ₹13,073 crore since 31 March 2022. This was mainly due to the increase of debt at VEDL standalone and temporary debt at HZL partially offset by reduction of debt at TSPL & ESL and receipt of inter-company loan from VRL.

Gross Debt comprises term debt of c.₹54,543 crore, working capital loan of c.₹2,733 crore and short-term borrowing of c. ₹8,906 crore. The loan in ₹ currency is 90% and balance 10% in foreign currency. Average debt maturity of term debt is ~c. 3.4 years as of 31 March 2023.

CRISIL and India Ratings at AA with negative outlook.

Key FY 2023 outcomes

Revenue
₹1,45,404 crore
11% YoY ↑

EBITDA
₹35,241 crore
22% YoY ↓

EBITDA margin[1]
28%

Gross debt
₹66,182 crore

Net debt
₹45,260 crore

Cash and cash equivalents
₹20,922 crore

ROCE
~ 21%

PAT (before exceptional and one-time gain)
₹14,449 crore
41% YoY ↓

Free cash flow (FCF) post-capex
₹18,077 crore

Contribution to the exchequer
~₹73,486 crore

Historic dividend
₹101.5 per share

Net Debt/EBITDA
1.3x

Note 1: excluding custom smelting at Copper Business

OPERATIONAL REVIEW

ZINC INDIA

The year in brief

Mine production progressively improved during the year with ore production for the full-year up 2% YoY to deliver a record 16.74 million tonnes, supported by strong production growth at Rajpura Dariba Mine, SK Mines and Rampura Agucha mine, which were up 11%, 7% and 6% respectively. Mined metal production was up 4% YoY to 1,062 kt primarily on account of higher ore production improved mined metal grades and operational efficiencies.

1,032 kt
Highest ever refined Zinc-Lead production

714 tonnes
Ever-highest silver production
10% YoY ↑

16.74 million tonnes
Record ore production

Occupational health & safety

In line with our commitment to ensure zero harm to employees, the leadership has undertaken the prime responsibility of providing a safe workplace for all employees entering our premises. While committed to operate a business with 'Zero Harm', it is with deep sadness that we report the loss of six business partners colleagues and one HZL employees in work-related incidents at our managed operations. These incidents happened despite our constant efforts to eliminate fatalities and attain a Zero Harm work environment. A thorough investigation was conducted to identify the causes of these incidents and to share the lessons learned across Hindustan Zinc, to prevent similar incidents in the future.

During the year, to avoid fatalities and catastrophic incidents in HZL, Vihan: A Critical Risk Management (CRM) initiative was launched to improve managerial control over rare but potentially catastrophic events by focussing on the critical controls. We have launched four critical risks i.e., Fall of Ground (FOG), Fall of person/object from height (WAH), Vehicle Pedestrian Interaction (VPI) and Entanglement. Through this initiative, we want to ensure that all identified critical controls are being monitored and systems are in place.

Safety Pause was also conducted across all our operational units under the theme 'Stop Work if it's not Safe'. During this connect, all recent safety incidents happened across group companies were discussed and key learnings were shared.

Community of Practice - Structure Stability established during the year to establish a review mechanism of all prevailing civil and mechanical structures; further a specific categorisation was founded to mark the structures based on which their repair/replacement is planned.

Second half of the year has been an era of innovation for mining operations to avoid manual intervention and related risk with inclusion of: Single point remote blasting over wi-fi at pilot level, digitalised drilling of production stops during blasting operations in which no manpower is present and machine drills in auto mode with interlock features of approaching man, Digital RFID based cap lamps along with proximity sensors to ensure real-time tracking and monitoring of personnel working in underground and Digital interlockings have been developed to stop over winding operation during excess of mud/water at shaft bottom.

Training and capability building was also core theme during the year, few key programmes are first underground practical cum digitised training gallery developed at RAM to provide all facility of surface training to underground operations team, Wi-Fi Network available at training place so that underground manpower can connect from underground to any kind of seminars/trainings, safety leadership development program initiated for mines frontline supervisor through ex-DGMS officials and Dupont, RAM has also launched a unique virtual reality-based simulator training for jumbo operator.

Response during any emergency is a paramount parameter to ensure safety of the people. As a proactive measure, we have conducted ERCP (Emergency Response and Crisis plan) Gap Assessment study across all the sites. 51st All India Mines Rescue Competition was hosted under the aegis of DGMS at Rajpura Dariba Complex, 10 days Capacity Building Training Programme on Disaster Management was conducted at ZM, the training included medical first responder, collapsed structure search & rescue, fire management, chemical emergencies, etc. RAM has reaffirmed safety & rescue by establishing Underground Fire Tender with remote operated foam unit and thermal imaging camera for blind zones.

Demonstrating the highest standards of health and safety management during the year, Dariba Smelting Complex received the prestigious 'Sword of Honour' from British Safety Council for showing excellence in the management of health and safety risks at work. Kayad Mines received 5 Star Rating Award in Safety and Welfare by Rajasthan Government and Jaswant Singh Gill Memorial Industrial Safety Excellence Award 2022 in underground Metal mine in India.

Environment

Hindustan Zinc commits to 'Long-term target to reach net-zero emissions by 2050' in line with Science Based Targets initiative (SBTi) aiming to have a clear and defined path to reduce emissions in line with the Paris Agreement goals. To achieve the target, we are working towards improving our energy efficiency, switching to low carbon energy sourcing, introducing battery operated electrical vehicles and increasing the role of renewables in our energy mixes.

We have entered into a power delivery agreement for supplying 450 megawatts of renewable power by 2025 which will not only strengthen our commitment towards a clean future but also help reduce emissions to the tune of 2.7 million tCO_2e. Also, Pantnagar metal plant is sourcing 100% green power for its operations thus making it a one-of-a-kind initiative, leading towards reducing emissions by 30,000 tCO_2e.

Technology and digitalisation are key to strengthening our ESG footprint and creating a net-zero future. It is our ambition to convert all our mining equipment to battery-operated Electric Vehicles (EVs). To make our mining operations environment-friendly, we plan to invest US$1 billion over the next five years towards combating climate change impacts.

Electric Vehicles (EVs) are a globally recognised means to alleviate dependence on petroleum products and reduce CO_2 emissions. Therefore, Hindustan Zinc signed a Memorandum of Understanding (MoU) with Epiroc Rock Drills AB, Normet Group Oy and Sandvik AB to introduce battery electric vehicles (BEV) in its underground mining operations making Hindustan Zinc the first company in India to introduce battery-operated vehicles in underground mines.

HZL has led by example by inducting LNG-powered truck for transportation which shall contribute 30% lesser towards GHG emission. We are also using 5% biomass for power generation and reducing carbon footprint through our captive thermal power plants.

In-line with HZL's policy of a green value chain, our business partners have also started operating Electric vehicles, several electric forklifts have been introduced in our multiple business units.

At HZL, we recognise the reality of climate change. Therefore, our risk management processes embed climate change in the understanding, identification, and mitigation of risk. We have published our second TCFD (Task Force on Climate-related Financial Disclosure) report during the year which sets the adoption of the TCFD framework for climate change risk and opportunity disclosure.

Endeavouring towards sustainable organisation, we have relooked our materiality matrix and established the ESG governance at tier 3 level as well as at SBU level to implement ESG projects on ground.

Hindustan Zinc joins the Taskforce on Nature-Related Financial Disclosures (TNFD) piloting with ICMM to access the challenges in implementing LEAP process of TNFD.

Miyawaki afforestation was completed at DSC and CLZS. 12,000 Indigenous Plants and 6,500 native seeds planted in the area of 1 hectare at each of the location to create a self-sustaining forest in the span of 3 years. 3 years Engagement with IUCN has initiated, under this Prepared IBAT (Integrated Biodiversity Assessment Tool) Report for all Rajasthan-based locations identifying species present in the core area, Reframed Biodiversity Policy of HZL, Ecosystem Service review conducted across the Rajasthan based locations and Biodiversity risk assessment and site visit by IUCN team members for one season completed. These studies will help HZL to prepare a strategy to achieve 'No Net Loss' towards biodiversity. Green cover study done by SRSAC (State Remote Sensing Application Centre, Jodhpur) for all Rajasthan-based locations of HZL.

One of the most notable achievements has been the successful commissioning of a 3,200 KLD Zero Liquid discharge (RO-ZLD) plant at the Dariba Smelter. Apart from that, Zawar (ZM) and Rampura Agucha Mine ZLD projects of 4,000 KLD capacity each have been initiated to improve recycling and strengthen the zero discharge. Like ZM, dry tailing plant at Rajpura Dariba Mine is also under final stage of commissioning and will result in significant amount of water recovery from the tailings.

Site Inspection and updated GISTM (Global Industry Standard on Tailing Management) Conformance Assessment completed by ATC Williams for all TSF (Tailing Storage Facility). Environment Product Declaration (a Type 3 Ecolabel) for zinc product published.

Public hearing was conducted successfully at CLZS for proposed enhancement of zinc production capacity from 504 to 630 kt and installation of Induction Furnace, Slab Casting Line, RZO Unit, change in product mix in Pyro unit on total metal basis & installation of lead refinery & minor metal complex etc.

Production performance

Production (kt)	FY 2023	FY 2022	% Change
Total mined metal	1,062	1,017	4%
Refinery metal production	1,032	967	7%
Refined zinc – integrated	821	776	6%
Refined lead – integrated[1]	211	191	10%
Production – silver (in tonnes)[2]	714	647	10%

1. *Excluding captive consumption of 7,912 tonnes in FY 2023 vs. 6,951 tonnes in FY 2022.*
2. *Excluding captive consumption of 41.4 tonnes in FY 2023 vs. 37.4 tonnes in FY 2022.*

Operations

For the full-year, ore production was up 2% YoY to 16.74 million tonnes on account of strong production growth at Rajpura Dariba Mine, SK Mines and Rampura Agucha Mine, which were up 11%, 7% and 6% respectively. FY 2023 saw the best-ever Mined metal production of 10,62,089 tonnes compared to 10,17,058 tonnes in the prior year in line with higher ore production across Mines supported by better metal grades and operational efficiencies.

For the full year, we saw our ever-highest metal production, up 7% to 1,032 kt in line with better plant and MIC availability, while silver production was 10% higher at 714 million tonnes in line with higher lead metal production.

Particulars	FY 2023	FY 2022	% Change
Average zinc LME cash settlement prices US$ per tonne	3,319	3,257	2%
Average lead LME cash settlement prices US$ per tonne	2,101	2,285	(8%)
Average silver prices US$/ounce	21.4	24.6	(13%)

FY 2023 started well with the prices around ~US$4,000/t. With the impact of the Russia-Ukraine War, lockdown announced in China and US GDP contraction, zinc prices hovered around US$4,400/t for most of April 2022 and ended at US$4,100/t. In the month of May, prices went down to US$3,499/t over concerns of economic slowdown in the US and China. Prices again rebounded above US$4,000/t driven by increased expectation of a stimulus from the Chinese government to support growth in order to offset the impact of the coronavirus. However, in Q3 FY 2023, negative sentiment of the market pushed down the LME prices in October 2022 and reached to US$2,682/t on 3 November 2022, lowest since February 2021. With the sudden end to China's zero-Covid policy at the end of CY 2022 and the prospect of Chinese demand rebound, the faith in base metals has been restored in investors. This gave the much-needed boost and prices rose above US$3,400/t in January 2023, with monthly average of US$3,289/t. However, the trend has not lasted for long and prices have corrected to US$2,956/t in March 2023.

In long term, the prices will be pressured by growing surpluses. The higher zinc prices in recent years have encouraged the development of a significant amount of new mine projects. However, the smelter capacity suggests not all of this new mined output will be processed, leading to concentrate surpluses. At the same time, smelter output growth is forecast to outpace demand growth. This, in turn, will lead to a significant refined stock build. As the cumulative surplus becomes unsustainably large, prices will fall lower to rebalance the market.

Zinc Demand-Supply

Zinc Global Balance In kt	CY 2021	CY 2022	CY 2023 E
Mine Production	13,094	12,862	13,080
Smelter Production	13,867	13,489	13,855
Consumption	14,147	13,587	13,794

Source: Wood Mackenzie, March STO

Global demand witnessed contraction in CY 2022, decreasing by 3.0% to 13.6 million tonnes, largely due to the fall in Chinese demand. At supply level, the refined zinc metal production fell by 2.6%, as several smelters closed for care and maintenance across the world owning to the increase in energy prices. The global mined zinc production is expected to grow stronger during 2023 to 2026 period as there will be new mine projects ramping-up. And it is expected that the production will grow by 1.8% to 13.8 million tonnes in 2023,.

The global zinc warehouse stocks also fell during this period due to supply constraints. The total tonnage of zinc in the Shanghai Futures Exchange (SHFE) warehouses fell to 20 kt at the end of December 2022 and settled at 97 kt at the end of March 2023, from 176 kt in April 2022. And the London Metal Exchange (LME) stocks stood at 45 kt at the end of the March 2023, down from 140 kt in April 2022.

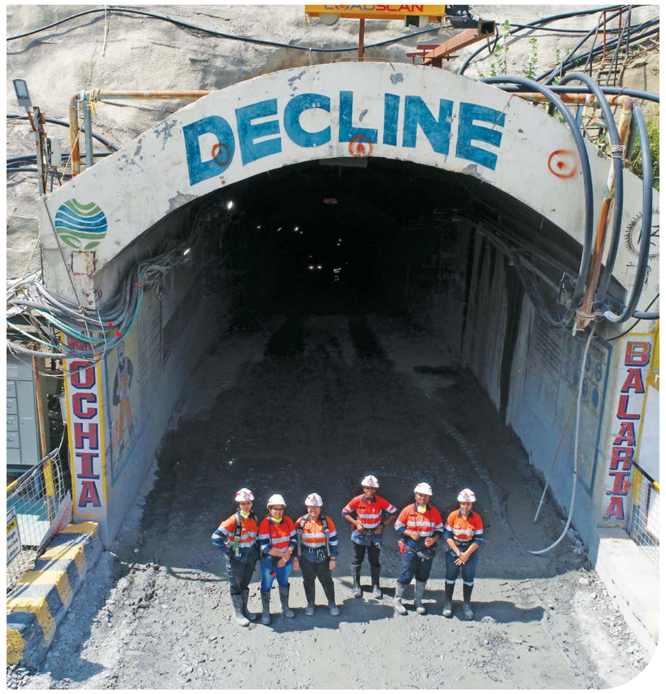
The Indian economic environment has remained optimistic. The same was reflected by the S&P Global Manufacturing PMI which stood at 56.4 in March 2023 as compared to 54.7 in April 2022 and 55.3 in February 2023, reflecting expansion in manufacturing sector. The Indian automobile industry is on a growth trajectory, with 13.5% increase in production to reach 227 lakh units till February 2023 from April 2022, compared to the same period in the previous fiscal. The passenger vehicle sales stood at 29 lakh units, marking a growth of 30% over the same period in the previous year.

(Source: SIAM & SP Global Index)

The finished steel domestic production was at 110.44 million tonnes during April 2022 to February 2023, up by 7.2% over the same period in the previous year. Consumption in domestic market during the same period stood at 108.15 million tonnes, up by 12.6%. The total net finished steel exports till February 2023 stood at 5.90 million tonnes, down by 52% over same period in the previous financial year on account of export duty levy.

(Source: MIS Report on Iron & Steel by JPC)

The overall domestic demand for primary zinc in this financial year has seen growth rate of 3.8% compared to last year, reaching pre COVID levels, and it is expected to grow further by 4% in FY 2024.



Unit costs

Particulars	FY 2023	FY 2022	% Change
Unit costs (US$ per tonne)			
Zinc (including royalty)	1,707	1,567	9%
Zinc (excluding royalty)	1,257	1,122	12%

For the full year, zinc COP excluding royalty was US$1,257/t, higher by 12% YoY (21% higher in ₹ terms). The COP has been affected by higher coal & commodity price increase partially offset by benefits from better volumes, operational efficiencies & recoveries.

Financial performance

Particulars	FY 2023	FY 2022	% Change
Revenue	33,120	28,624	16%
EBITDA	17,474	16,161	8%
EBITDA margin (%)	53%	56%	-

Revenue from operations for the year was ₹33,120 crore, up 16% YoY, primarily on account of higher metal & silver production, higher Zinc LME prices, gains from strategic hedging and favourable exchange rates partially offset by lower lead and silver prices.

EBITDA in FY 2023 increased to ₹17,474 crore, up 8% YoY. The increase was primarily driven by improved metal and silver volumes, higher Zinc LME prices, gains from strategic hedging and favourable exchange rates partly offset by higher costs and lower lead & silver prices.

Projects

In HZL journey of 1.25 MTPA MIC expansion, only left-out project of RD Beneficiation plant revamping is under execution at RD Mines which is scheduled to be commissioned in Q1 FY 2024. Fumer plant final commissioning delayed due to VISA issues of OEM from China. The plan is to complete commissioning of plant through OEM support in Q1 FY 2024. For further phase of expansion of Mines and Smelters, studies are under progress and results are expected in FY 2024.

The capacity of smelters is being enhanced by putting up a new Roaster in Debari with latest technologies. The order placement is targeted by Q1 FY 2024.

A new project of Hindustan Zinc Alloys ordered in Q1 FY 2023 is under execution and scheduled for completion in Q1 FY 2024. HZL is also setting up new Fertiliser Plant in Chanderiya for which partner has been locked in. Formal order placement is scheduled to be completed in Q1 FY 2024. Project is scheduled for completion in 24 months.

Exploration

Zinc India's exploration objective is to upgrade the resources to reserves and replenish every tonne of mined metal to sustain more than 25 years of metal production by fostering innovation and using new technologies. The Company has an aggressive exploration program focussing on delineating and upgrading Reserves and Resources (R&R) within its licence areas. Technology adoption and innovations play key role in enhancing exploration success.

The deposits are 'open' in depth, and exploration has identified number of new targets on mining leases having potential to increase R&R over the next 12 months. Across all the sites, the Company increased its surface drilling to assist in Resource addition and upgrading Resources to Reserves.

In line with previous years, the Mineral Resource is reported on an exclusive basis to the Ore Reserve and all statements have been independently audited by SRK (UK).

On an exclusive basis, total ore reserves at the end of FY 2023 totalled 173.49 million tonnes and exclusive mineral resources totalled 286.56 million tonnes. Total contained metal in Ore Reserves is 9.64 million tonnes of zinc, 2.7 million tonnes of lead and 310.2 million ounces of silver and the Mineral Resource contains 12.8 million tonnes of zinc, 5.66 million tonnes of lead and 545.7 million ounces of silver. At current mining rates, the R&R underpins metal production for more than 25 years.

Strategic Priorities & Outlook

Our primary focus remains on enhancing overall output, cost efficiency of our operations, disciplined capital expenditure and sustainable operations. Whilst the current economic environment remains uncertain, our goals over the medium term are unchanged.

Our key strategic priorities include:

- Further ramp-up of underground mines towards their design capacity, deliver increased silver output in line with communicated strategy
- Sustain cost of production to be in the range of US$1,125-US$1,175 per tonne through efficient ore hauling, higher volume & grades and higher productivity through ongoing efforts in automation and digitisation
- Disciplined capital investments in minor metal recovery to enhance profitability
- Increase R&R through higher exploration activity and new mining tenements, as well as upgrade resource to reserve
- Progressing towards sustainable future with continued efforts towards reduction in GHG emissions, water stewardship, circular economy, biodiversity conservation and waste management

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ZINC INTERNATIONAL

The year in brief

During FY 2023, Zinc International continued to ramp-up production at Gamsberg mine and achieved record production of 208 kt. This was mainly due to increase in tonnes treated and plant recoveries compared to previous financial year.

Black Mountain continued to have a improved production of 65 kt, which is significantly higher than FY 2022 due to higher lead grades and recoveries.

Skorpion Zinc has been under Care and Maintenance since start of May 2020, following cessation of mining activities due to geotechnical instabilities in the open pit. Activities to restart the mine are still in progress.

208 kt

Record mined metal production at Gamsberg

Occupational health & safety

At Vedanta Zinc International (VZI), we take the health and safety of our employees and stakeholders very seriously and we remain committed to communicating timeously and transparently to all stakeholders.

Airborne particulate management remains a key focus in reducing lead and silica dust exposures of employees (Exposure Reduction to Carcinogenic). VZI had 17 blood lead withdrawals for FY 2023, against more stringent limits than required by law. We have strengthened our Employee Wellness Programme, focussing on the increased participation of employees and communities in VCT for Aids/HIV, blood donation and wellness.

VZI is embarking on a real-time monitoring strategy and additional controls at source to reduce and eliminate exposures to both silica and lead.

The VZI LTIFR improved from 1.41 in FY 2022 to 0.75 in FY 2023. The TRIFR improved from 5.6 in FY 2022 to 3.1 in FY 2023, both improving by 46% and 44% respectively. VZI remained fatal free during FY 2023, and Black Mountain Mine achieved LTI free year. These remarkable achievements were necessitated by VZI's strong commitment to Zero harm principle and a belief that everybody coming to VZI must return home safe and healthy every day.

Leading Indicators reporting, Leadership Engagements and Critical Risk Management were the strategic initiatives central to these record setting achievements. VZI shall, in collaboration with the Mineral Council and Vedanta Group continue to seek for leading practices to continually improve our HSE performance.

Environment

VZI has secured Portion 1 of the farm Wortel 42 as the fifth Biodiversity Offset Property and has presented the property to the Department of Agriculture, Environmental Affairs, Rural Development and Land Reform (DAERDLR). Once the property is transferred to BMM's name, there will be declaration of this property as a Protected Area, as an inclusion to the Gamsberg Nature Reserve Protected Area under the National Environmental Management Protected Areas Act, 2003 (Act No. 57 of 2003). This is a requirement of Clause of the Biodiversity Offset Agreement (BOA). BMM is in negotiations with landowners to secure the remaining two farms by 1 April 2024 to ensure compliance to Clause 6 of the BOA.

The Second Independent Audit on the Implementation of the BOA between BMM and DAERDLR commenced October 2022 and the draft reports have been submitted to the implementation parties (BMM and DAERDLR) for comments and review. The final report will be available by end of March 2023 with a large improvement since the previous audit. The final report will be published in VZI Annual Report and on the VZI webpage as required by the BOA.

The implementation of the nine Biodiversity Monitoring Protocols has been completed for a test year and will be revised and updated in April 2023 for long-term implementation. BMM are awaiting verification of the status of No Net Loss that was monitored and measured as part of the implementation of the Biodiversity Monitoring Protocols and a statement regarding the findings and verification will be shared.

The installation of a dedicated anti-poaching surveillance camera network, covering a circular route of more than 400 km show good results and according to statistics received from South Africa Police Services (SAPS) and the Agri Namakwaland the surveillance camera network has resulted in a large decrease in petty crime in the area. However, incidents of poaching outside the surveillance cameras are still reported on an ad hoc basis as poachers adjust their modus operandi. An Antipoaching workshop between IUCN, BMM, DAERDLR, South Africa Biodiversity Institute (SANBI), SAPS and key role players in the area are planned for April 2023.

Production performance

Production (kt)	FY 2023	FY 2022	% Change
Total production (kt)	273	223	22%
Production – mined metal (kt)			
BMM	65	52	25%
Gamsberg	208	170	22%

Operations

During FY 2023, total production stood at 2,72,713 tonnes, 22% higher YoY. This was primarily due to tonnes treated and higher recoveries.

At BMM, production was 65,112 tonnes, 25% higher YoY. This was mainly due to 8.9% higher throughput at 1.7 million tonnes, higher lead grades (3.0% vs 2.1%) and recoveries (82.8% vs 81.6%) offset by lower grades of zinc (1.8% vs 2.1%) and recoveries (71.9% vs 75.2%).

Gamsberg's production was at 2,07,601 tonnes as the operation continues to ramp up with improved performance during current financial year. Higher production at Gamsberg YoY is attributable to 7.8% increase in throughput to 4.2 million tonnes, higher zinc grades (6.5% vs 6.2%) and recoveries (75.7% vs 69.9%).

At Skorpion Zinc engagement with technical experts to explore opportunities of safely extracting the remaining ore is ongoing. The pit optimisation work is complete. The business is currently evaluating options to restart mining.

Unit costs

Particulars (US$ per tonne)	FY 2023	FY 2022	% change
Overall Zinc COP including TcRc	1,577	1,442	9%
Gamsberg Zinc COP excluding TcRc	1,033	1,168	(12%)

Gamsberg COP excluding TcRc decreased by 12% to US$1,033 per tonne. This reflects the strength and efficiency of our operations at Zinc International. The decrease in the cost of production was driven by higher production supported by local currency depreciation against the US$ despite high input commodity inflation.

Overall Zinc COP including TcRc increased by 9% to US$1,577 per tonne, from US$1,442 per tonne in the previous year. This was mainly driven by commodity price inflation and higher treatment and refining charges, offset by higher production and local currency depreciation against the US$.

Financial performance

(₹ crore, unless stated)

Particulars	FY 2023	FY 2022	% change
Revenue	5,209	4,484	16%
EBITDA	1,934	1,533	26%
EBITDA margin	37%	34%	

During the year, revenue increased by 16% to ₹5,209 crore, driven by higher sales volumes compared to FY 2022 due to 22% higher production BMM & Gamsberg, higher zinc LME prices and favourable exchange rates movement partially offset by lower lead and silver prices.

EBITDA increased by 26% to ₹1,934 crore, from ₹1,533 crore in FY 2022 also mainly on account of improved operational performance, higher zinc LME price, favourable exchange rates movement partially offset by lower lead & silver prices and increase in TC/RC.

Projects

Refinery Conversion – The Skorpion Refinery Conversion project has reached Ready-to-order phase, post completion of FEED, feasibility study, tendering activities & techno-commercial adjudication and contract finalisation. All regulatory approval is in place to start project execution.

With power tariffs being very critical for the viability of the project, discussions/negotiations are in progress with the state power utility along with the option of renewable power which is also being explored. We are only waiting for confirmation of power tariff to take the final decision and starting the execution on the ground by H1 FY 2024.

Gamsberg Phase 2 – Gamsberg Phase 2 project includes the mining expansion from 4 MTPA to 8 MTPA and Construction of New Concentrator plant of 4 MTPA, taking the total capacity to 8 MTPA and was approved by the Vedanta Board in Q4 of FY 2022. The EPC partner, Onshore, has been appointed in Q1 FY 2023, site mobilisation completed, detailed engineering is under progress and the project is in execution phase. All Major Long lead FIMs {Ball & Sag Mill (CITIC), Crusher, Floatation, Filter Presses and Thickeners Package (MO)} Orders placed.

Cumulative progress – Engineering – 61.79%; Procurement – 35.17%; Construction - 1.57%; Overall project – 16.26%

Transformer and 11 KV Switchgear partner are locked in

Crusher House & LV Substation Foundation Works-in-Progress

Wet TSF Design under progress – Geo Chemical investigation completed. Geotech investigation in progress

External Power & Water package –Site established, and work started

Workmen Camp & Site Office Establishment – In progress

Gamsberg Smelter – The Gamsberg Smelter Project is re-defined with phased approach wherein 210 KTPA capacity phase 1 will be executed by repeating the available HZL smelter design incorporating necessary modifications required to treat Gamsberg Concentrate. The partner selection is in progress for various EPC/EP+C packages. We have appointed ThyssenKrupp (TKIS-India) as Owner's engineer. The techno-commercial proposals with Shapoorji & L&T as the prospective EP Partners. Construction Tender released on 23 November 2022.

RFQs for all FIMs released

Construction Tender released on 23 November 2022. Offers are received and are under Commercial negotiations

The techno-commercial proposal for EPC 1 (on EP basis) is received from Shapoorji and it is under commercial adjudication. L&T 's offer is awaited

Pre bid meeting conducted with all prospective partners for Renewable Power. Proposals received from 4 vendors

We have received the environmental approval for the Smelter & Bulk water pipeline construction. The Smelter EC is currently under appeal phase. We are also engaging with Gov. of South Africa on the other critical success factors like SEZ, power price, sulphuric acid offtake, logistics infrastructure and balance regulatory approvals which are vital for economic feasibility of the project.

Black Mountain Iron Ore project – This is a project to recover iron ore (magnetite) from the BMM fresh tailings. EPC's detailed engineering, procurement, earthworks, and major fabrication are completed. Construction is currently at 76.4% completion. Project being relooked for repurposing under guidance of CEO, Zinc Business.

Exploration

0.3% increase in resources from 27.20 million tonnes to 27.29 million tonnes metal and 4.4% reduction in reserve metal tonnes from 7.9 million tonnes to 7.6 million tonnes.

Total R&R for VZI decreased from 671 million tonnes to 659 million tonnes of ore, while metal decreased from 35.1 million tonnes to 34.87 million tonnes (0.7% decrease in total metal)

Reduction in reserves largely attributable mining depletions and the slight increase in resources due to addition of metal tonnes at Kloof which was offset by an increase in transport/operating costs and increased dilution which impacted the cut-offs used.

Strategic Priorities & Outlook

Zinc International continues to remain focussed to improve its YoY Production by sweating its current assets beyond its design capacity, debottlenecking the existing capacity, and adding capacity through Growth Projects. Our Immediate priority is to ramp up the performance of our Gamsberg Plant at designed capacity and simultaneously complete Gamsberg Phase 2 project to add another 190 kt to the total production of VZI. Likewise, BMM continues to deliver stable production performance and focus is to debottleneck its ore volumes from 1.8 million tonnes to 2.0 million tonnes. Skorpion is expected to remain in Care and Maintenance, while management is assessing feasible & safe mining methods to extract ore from Pit 112. Zinc International continues to drive cost reduction programme to place Gamsberg operations on 1st Quartile of global cost curve with COP< US$1,100 per tonne.

Core Growth strategic priorities include the following:

- Completion of construction activities of Gamsberg Phase 2 project with the aim to start production in H2 FY 2024
- Continue to improvise Business case of Skorpion Refinery Conversion Project and Gamsberg Smelter Project through Government support, Capex and Opex reduction

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OIL AND GAS

The year in brief

During FY 2023, Oil & Gas business delivered gross operated production of 143 kboepd, down by 11% YoY, primarily driven by natural reservoir decline at the MBA fields. The decline was partially offset by addition of volumes through new infill wells brought online in Mangala, Bhagyam and Raageshwari Deep Gas fields. Offshore assets were supported by gains from the infill drilling campaign across both assets Ravva and Cambay.

In OALP blocks, we have secured 8 blocks in DSF-III round and one Coal Bed Methane (CBM) Block in special CBM round 2021.

143 kboepd

Average gross operated production

11% YoY ↓

Occupational Health & Safety

There was one lost time injuries (LTIs) in FY 2023. Frequency rate stood at 0.03 per million-man hours (FY 2022: 0.20 per million-man hours).

Our focus remains on strengthening our safety philosophy and management systems.

Cairn Oil & Gas has taken various initiatives:

- "5S" certification for Mangala, Raageshwari and Aishwarya Mines.
- Established Mines Vocational Training Centre at RJ Oil, Barmer.
- Project CSUSP (Cairn Sustainability & Safety Performance Program), a journey to improved sustainable and increased safety performance initiated.
- Digital initiatives: NLP (Natural Language Processing) based Safety Observation Reader, Training through Virtual Reality Headsets, QR code based tracking system for fire cylinders.
- Artificial intelligence-based safety surveillance system installed across locations.
- COVID-19 mass booster dose vaccination drive for employees, their family members and business partners.

Environment

Our Oil & Gas business is committed to protect the environment, minimise resource consumption and drive towards our goal of 'zero harm, zero waste, zero discharge'. Highlights for FY 2023 are as:

- Cairn Oil & Gas declared as Water Positive Company with NPWI (Net water positive impact) index of 1.12. Four of our sites RJ Oil, RJ Gas, Midstream and Ravva) are also individually declared as water positive assets.

Biodiversity/wildlife conservation initiatives

- MoU signed with District Forest Office, Rajasthan and Gujarat for plantation of 0.35 million trees over 700 hectares in Barmer district and development of 60-hectare mangroves forest in Sural Coastal area respectively.
- Biodiversity assessment completed with objective to draw No Net Loss or Net Positive Impact.
- Drinking water facility developed for wild animals at Dhorimanna Hilly Forest Area, Barmer.
- Revival of Khejari in Thar Ecosystem through Agro forestry and distributed 300 saplings to community farmers.
- Published book "Know Your Flora – A Glimpse of Thar Ecosystem" and video on "Ravva Biodiversity - Photo Journey of a Nurtured Ecosystem".

Reduction in GHG emission:

Cairn signed Power Purchase Agreement (PPA) for 25 MW renewable energy

Installation of 150+ Solar lights at Mangala Processing Terminal & well pads for renewable power generation ~32,000 units/ annum.

Reduction in RDG flare by tuning the control valve of condensate flash drum (CFD) & Stabiliser column & recycle gas compressor optimisation with annual GHG Reduction potential of 17,300 tonnes of CO_2e/annum.

Solar rooftop installed on 10 AGIs (above ground installations) for pipeline operations (Annual GHG reduction potential of 208 tonnes of CO_2e/annum).

Installation of 220 KWP of Solar Rooftop at RJ Gas and 130 KWP at Radhanpur Terminal (Annual GHG reduction potential of ~440 tonnes of CO_2e/annum).

Commissioned 10 KWP Solar Plant at Cambay asset.

Introduced 5 new Electric Golf carts at RJ Gas for internal commuting.

All Operating assets of Cairn (RJ Oil, RJ Gas, Midstream operations, Ravva, and Suvali) have been certified as "Single Use Plastic free" premises.

Production performance

	Unit	FY 2023	FY 2022	% change
Gross operated production	Boepd	1,42,615	1,60,851	(11%)
Rajasthan	Boepd	1,19,888	1,37,723	(13%)
Ravva	Boepd	11,802	14,166	(17%)
Cambay	Boepd	10,777	8,923	21%
OALP	Boepd	147	39	277%
Oil	Bopd	1,18,634	1,35,662	(13%)
Gas	Mmscfd	144	151	(5%)
Net production – working interest	Boepd	91,485	1,03,737	(12%)
Oil*	Bopd	76,149	87,567	(13%)
Gas	Mmscfd	92	97	(5%)
Gross operated production	Mmboe	52.1	58.7	(11%)
Net production – working interest	Mmboe	33.4	37.9	(12%)

** Includes net production of 450 boepd in FY 2023 and 535 boepd in FY 2022 from KG-ONN block, which is operated by ONGC. Cairn holds a 49% stake.*

Operations

Average gross operated production across our assets was 11% lower YoY at 1,42,615 boepd. The Company's production from the Rajasthan block was 1,19,888 boepd, 13% lower YoY and from the offshore assets, was at 22,579 boepd, 2% lower YoY, owing to natural field decline. The decline has been partially offset by infill wells brough online across all assets.

Production details by block are summarised below:

Rajasthan block

Gross production from the Rajasthan block averaged 1,19,888 boepd, 13% lower YoY. The natural decline in the MBA fields has been partially offset by infill wells brought online in Mangala, Bhagyam, ABH and RDG fields.

Gas production from Raageshwari Deep Gas (RDG) averaged 142 million standard cubic feet per day (mmscfd) in FY 2023, with gas sales, post captive consumption, at 118 mmscfd.

On 26 October 2018, the Government of India, acting through the Directorate General of Hydrocarbons (DGH), Ministry of Petroleum and Natural Gas, granted its approval for a ten-year extension of the PSC for the Rajasthan block, RJ-ON-90/1, subject to certain conditions, with effect from 15 May 2020. The Division Bench of the Delhi High Court in March 2021 set aside the single judge order of May 2018 which allowed extension of PSC on same terms and conditions. We have filed a Special Leave Petition (SLP) in Supreme Court against this Delhi High court judgement.

We have served notice of Arbitration on the GoI in respect of the audit demand raised by DGH based on PSC provisions. The final hearing and arguments were concluded in September 2022. Post hearing briefs have been filed by the parties on 11 November 2022. It is our position that there is no liability arising under the PSC owing to these purported audited exceptions. The audit exceptions do not constitute demand and hence shall be resolved as per the PSC provisions.

Pursuant to GoI's approval for extension vide letter dated 26 October 2018, the parties have now executed the addendum for PSC extension for 10 years from 15 May 2020 to 14 May 2030 on 27 October 2022.

Ravva block

The Ravva block produced at an average rate of 11,802 boepd, lower by 17% YoY, owing to natural field decline.

Cambay block

The Cambay block produced at an average rate of 10,777 boepd, higher by 21% YoY, supported by gains from the infill well drilling campaign.

Prices

Particulars	FY 2023	FY 2022	% change
Average Brent prices – US$/barrel	96.2	81.15	18%

Crude oil price averaged US$96.2 per barrel in FY 2023, compared to US$81.15 per barrel in FY 2022. The continuous upward movement is mostly driven by supply constraints following Russia's invasion of Ukraine.

Early in the year, prices rose amid tight supply after a build in U.S. crude and gasoline stocks, limited spare capacity of OPEC and downfall in supply from Caspian Pipeline Consortium. Demand outlook remains clouded by increasing worries about an economic slump in the United States and Europe, debt distress in emerging market economies.

Further, faltering economic backdrop and weakening outlook for consumption caused a volatility in the oil prices. Interest rate hike by central banks around the world weighted on demand outlook and series of rate hikes by US Fed caused dollar to spiral to two decades high to make oil more expensive to the buyers holding currency other than dollar. COVID-19 restrictions in China and US administration releasing oil inventories from strategic reserve further eased the prices.

However, in March, financial markets witnessed uncertainty, triggered by the turmoil in the US and European banking sector. Concerns about potential financial contagion effects and the risk that banking sector turmoil will extend to the economy pushed crude oil prices sharply down to 15-month lows at US$75/bbl.

In April, decision by OPEC and allies to slash May production by 5,00,000 bopd in a bid to arrest the slump in prices provided floor to the prices.

Financial performance

(₹ crore, unless stated)

Particulars	FY 2023	FY 2022	% change
Revenue	15,038	12,430	21%
EBITDA	7,782	5,992	30%
EBITDA margin	52%	48%	-

Revenue for FY 2023 was 21% higher YoY at ₹15,038 crore (after profit petroleum and royalty sharing with the Government of India), as a result of the increase in oil prices, favourable exchange rate movements partially offset by lower sales volume. EBITDA for FY 2023 was at ₹7,781 crore, higher by 30% YoY as a result of higher brent prices, favourable exchange rate movement, increase in capex recovery partially offset by lower volumes and increased cost.

The Rajasthan operating cost was US$14.2 per barrel in FY 2023 compared to US$10.1 per barrel in FY 2022, primarily driven by increase in polymer commodity index, owing to oil price rally and increased well interventions to manage natural field decline.

A. Growth Projects Development

The Oil & Gas business has a robust portfolio of infill development & enhanced oil recovery projects to add volumes in the near term and manage natural field decline. Some of key projects are:

Infill Projects

Bhagyam

To accelerate production and augment reserves from Bhagyam field, infill drilling opportunities in FB1 and FB3 layers were identified. The project entails drilling of 11 infill producers and injector wells in FB3 layers and three horizontal wells in the bio-degraded zone.

As of 31 March 2023, 12 wells have been drilled, of which 7 wells are online.

Aishwarya

Based on the success of the polymer injection in Lower Fatehgarh (LF) sands of Aishwariya field, additional production opportunities were identified in Upper Fatehgarh (UF) sands. The project entails drilling of 25 infill wells in Upper Fatehgarh (UF) sands and conversion of 7 existing wells to UF polymer injectors.

As of 31 March 2023, 18 wells have been drilled, of which 8 wells are online.

Tight Oil (ABH)

Aishwariya Barmer hill infill drilling program established confidence in reservoir understanding of ABH. Based on its success, drilling of 14 additional wells were conceptualised.

Early acceleration of three wells has been completed during the fiscal year 2023. Drilling is to re-commence from first quarter of fiscal year 2024.

Tight Gas (RDG)

In order to realise the full potential of the gas reservoir, an infill drilling campaign of 27 wells has commenced during fiscal year 2022. As of 31 March 2023, 24 wells have been drilled of which 17 wells are online.

Satellite Fields

In order to monetise the satellite fields, 14 wells development campaign for 3 satellite fields (GSV, Tukaram, Raag Oil) was conceptualised. Drilling has been completed during fiscal year 2023 and they are being progressively hooked up to ramp up volumes.

Cambay (Offshore)

Infill program in Cambay over the last few years has resulted in incremental recovery. New opportunities had been identified basis integration of advanced seismic characterisation, well and production data. Project has been completed during the second quarter of fiscal year 2023 and two wells are online.

Ravva (Offshore)

To augment reserve base and manage natural decline, infill opportunities were identified in Ravva asset. The project entails drilling of four exploration wells and 1 development well.

Project has been completed during the fourth quarter of fiscal year 2023 and success has been notified in two exploration wells and 1 development well which are online and producing. No hydrocarbons were observed in two wells and have been declared dry.

Discovered Small Field (DSF)

Hazarigaon: Well intervention and testing activities was carried out in Hazarigaon-1 well and monetisation is underway. Production commenced from third quarter of fiscal year 2023.

B. Exploration and Appraisal

Rajasthan - (BLOCK RJ-ON-90/1)

Rajasthan Exploration

The Rajasthan portfolio provide access to multiple play types with oil in high permeability reservoirs, tight oil and tight gas. We have completed drilling of 2 exploration wells and to unlock the potential of unconventional resources, we completed drilling of the first shale exploration well in Rajasthan during the fiscal year 2023. We are also evaluating further opportunities to drill low to medium risk and medium to high reward exploration wells to build on the resource portfolio.

Open Acreage Licensing Policy (OALP)

Under the Open Acreage Licensing Policy (OALP), revenue-sharing contracts have been signed for 51 blocks located primarily in established basins, including some optimally close to existing infrastructure, of which 5 onshore blocks in the KG region have been relinquished.

Production commenced from Jaya discovery in Cambay region in third quarter of fiscal year 2023. This is the first of its kind production facility wherein sales through CNG cascade system are being done by an E&P operator from an exploration well site.

Drilling preparations are ongoing in the Offshore West-Coast to drill a moderate risk-high reward prospect (risked resource potential of 42 mmboe) within the Kutch-Saurashtra basin during the first quarter of fiscal year 2024. We intend to continue the exploration across Rajasthan, Cambay, and North-east in FY 2024 to unlock the full potential of the OALP blocks.

Strategic Priorities & Outlook

Vedanta's Oil & Gas business has a robust portfolio mix comprising of exploration prospects spread across basins in India, development projects in the prolific producing blocks and stable operations which generate robust cash flows.

The key priority ahead is to deliver our commitments from our world-class resources with 'zero harm, zero waste and zero discharge':

- Infill projects across producing fields to add volume in near term
- Define up to 20 potential new development projects to bring these Resources into production
- Unlock the potential of the exploration portfolio comprising of OALP and PSC blocks
- Continue to operate at a low cost-base and generate free cash flow post-capex

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ALUMINIUM

The year in brief

In FY 2023, the aluminium business achieved highest ever aluminium production of 2.29 million tonnes. It has been a remarkable year as we inched towards our vision of 3 MTPA Aluminium. Though this year we saw headwinds in cost due to rising commodity prices and the coal crisis but we undertook several structural initiatives to make our business immune from market induced volatilities. These reforms coupled with our continued focus on operational excellence, optimising our coal and bauxite mix, improved capacity utilisation across refinery, smelter and power plant, will further help reduce our cost in sustainable manner and make the business more predictable and improving our price realisation to improve profitability in a sustainable manner through well-structured PMO approach. The hot metal cost of production for FY 2023 stood at US$2,324 per tonne. We have produced 1.79 million tonnes of calcined alumina at the Lanjigarh refinery.

2,291 kt

Highest ever aluminium production

Occupational health & safety

We report with deep regret, one fatality of business partner employee during the year at Jharsuguda site. We have thoroughly investigated all the incidents and the lessons learned were shared across all our businesses to prevent such incidents in future.

This year, we experienced total 33 Lost Time Injuries (LTIs) resulting in LTIFR of 0.41 at our operations. Further, we have developed the V-SAFE portal for timely identification and reporting of safety hazard and rectification of the same.

Towards the goal of Zero Harm in Safety, the Lanjigarh Unit undertook numerous safety measures to improve workplace condition in terms of site infrastructure, safety system & safety culture. Noteworthy infrastructural improvements include safer access pathways for pedestrians and heavy vehicles across the site. Safety systems incorporated to improve safety are introduction of Driver Management Centre, monitoring of vehicles & safe driving parameters through smart cameras, speed detectors and Vehicle Tracking System. BALCO has onboarded the journey of "Vihan" - Critical Risk Management (CRM) and launched with five critical risks control this year.

The site has also implemented digitisation project v-Unified (ENABLON) to manage safety through technological tools.

The Site is committed to 'Refuse Work if it is Unsafe to Execute' and empowered all site personnel to reject any activity that posed a possible safety concern.

Environment

During the year, Jharsuguda has recycled 13.09% of the water used, while BALCO has recycled 10.76%. Our specific water consumption at VLJ metal was 0.20 m^3/t, BALCO metal was 0.61 m^3/t and alumina refinery was 2.04 m^3/t.

At Lanjigarh, biomass was co-fired in the boiler for the first time, with all defined safety measures to reduce GHG emissions (by 388 tCO_2e) of the power plant. At BALCO, biomass was co-fired in the boiler for the first time (Qty: 5 kt), with all defined safety measures to reduce GHG emissions (by 6,900 tCO_2e) of the power plant. Also started using biodiesel for the first time in technological vehicles and Ladle cleaning shop. This is in line with the Vedanta de-carbonisation and carbon neutrality plan.

EV vehicles will be used in operations as part of the green drive. Under this initiative, the Jharsuguda unit has deployed Electric 27 forklifts in place of diesel-propelled forklifts. We have planned to shift to 100% EV LMV by FY 2030. This will help us eliminate our in-plant scope 3 GHG emission from LMV operations at the Jharsuguda business. BALCO has planned to shift 2 EV LMVs in current year for the reduction of scope-3 emission at BALCO business.

This year, we produced 58 kt of Green Aluminium (YTD) under the brand name (Restora) with a potential to produce 100 KTPA. This is a strong step towards our commitment to achieve GHG emission intensity reduction of 30% by 2030 and Net zero carbon by 2050.

Restora Ultra is an ultra-low carbon aluminium brand in collaboration with Runaya Refining. Near zero carbon footprint – one of the lowest in the world. Testament to our focus on 'zero waste' through operational efficiencies and recovery from dross.

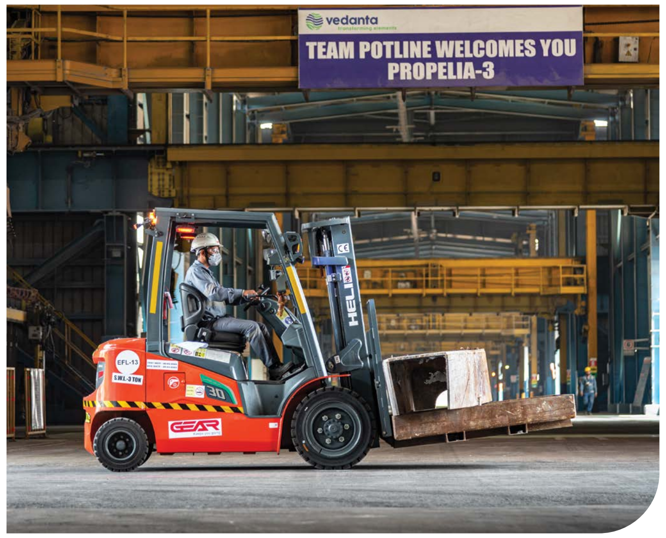
In the current fiscal year, we have reduced our GHG emission intensity by 8.3% compared to the FY 2021 baseline. We have purchased 1,323 MU of Green Power March 2023 YTD and co-fired 5,141 tonnes of Biomass. Further, the Floating

Solar Project is expected to be completed by Q3 FY 2024, thus strengthening our green power commitment.

Management of hazardous waste such as spent Pot line, aluminium dross, and high volume low toxic waste such as fly ash, red mud etc. are material waste management issues for the aluminium business. During the year, our operations have utilised 106.74% of Ash and 99.34% Dross.

Vedanta Aluminium has entered into a long-term partnership with Dalmia Cements for gainful utilisation of industrial by-products such as fly-ash and Spent Pot Lining (SPL) waste to manufacture 'green' cement. The partnership will enable Vedanta Aluminium's plant at Jharsuguda to transport around 20 rakes of fly ash per month for 5 years to Dalmia Cement plants at Odisha, Chhattisgarh, Meghalaya, and Assam, and transport Spent Pot Lining (SPL) waste for 3 years to Dalmia Cement at Rajgangpur, Odisha. Jharsuguda operations has implemented Integrated Waste Management System by NEPRA for sustainable management of non-hazardous waste like plastic, paper, food, horticulture waste and others. This will enable us to move towards 'Zero Waste to Landfill' and will help us generate wealth out of waste. Till date, total 121 rakes had been despatched which is the highest ever ash despatch for Jharsuguda unit.

BALCO is associated with Cement industries in the vicinity through road mode and striving to achieve economies of scale and enterprise solution which is environmentally friendly and cost effective. For the very purpose, BALCO has ventured into supplying the conditioned Fly Ash through Rake. This meaningful, sustainable increase in fly ash utilisation at locational, distant thermal power plant is mutual win for both Cement companies and BALCO. BALCO is also engaged in Mine back filling of Manikpur Mines which will further support the effort to utilise Fly Ash.



Our Lanjigarh operation has placed an order for manufacturing of red mud bricks. It is in the direction of waste-to-wealth initiative. On similar lines, JSG unit is working with Runaya refining for extracting valuable metals from Dross as part of waste-to-wealth initiatives.

The organisation is working proactively towards the vision of Zero Waste.

Production performance

Production (kt)	FY 2023	FY 2022	% Change
Cast Metal Production (kt)			
Alumina – Lanjigarh	1,793	1,968	(9%)
Total Aluminium Production	**2,291**	**2,268**	**1%**
Jharsuguda	1,721	1,687	2%
BALCO	570	582	(2%)

Alumina refinery: Lanjigarh

At Lanjigarh, calcined alumina production stands at 1.79 million tonnes, primarily due to the calciners shutdown for overhauling.

Aluminium smelters

We ended the year with record production of 2.29 million tonnes.

Coal Security

We continue to focus on the long-term security of our coal supply at competitive prices. We added Jamkhani (2.6 MTPA), Radhikapur (West) (6 MTPA), Kuraloi (A) North (8 MTPA), Barra coal blocks and have been declared Successful Bidder for Ghogharpalli Coal Block through competitive bidding process by GoI. We have operationalised Jamkhani Coal block in FY 2023 & intend to operationalise Kurloi (A) North and Radhikapur (West) in the next fiscal year. These acquisitions, along with 15 million tonnes of long-term linkage will ensure 100% coal security for Aluminium Business. We also look forward to continuing our participation in linkage coal auctions and secure coal at competitive rates.

Prices

Particulars	FY 2023	FY 2022	% Change
Average LME cash settlement prices (US$ per tonne)	2,481	2,774	(11%)

Average LME prices for aluminium in FY 2023 stood at US$2,481 per tonne, 11% lower YoY. Aluminium LME has been steadily declining this year, owing to a recessionary market outlook coupled with the zero Covid policy of China. However, with the opening of the Chinese economy coupled with the decrease in the inflationary pressure, the LME prices is expected to rebound. Further, the aluminium market is in a growth phase now with demand expected to be driven by sunrise sectors such as Electric Vehicle, Renewable Energy, Defence and Aerospace.

Unit costs

(US$ per tonne)

Particulars	FY 2023	FY 2022	% change
Alumina cost (Lanjigarh)	364	291	25%
Aluminium CoP	2,324	1,858	25%
Jharsuguda CoP	2,291	1,839	25%
BALCO CoP	2,424	1,913	27%

During FY 2023, the cost of production (CoP) of alumina increased to US$364 per tonne due to lower production and headwinds in the input commodity prices.

In FY 2023, the total bauxite requirement of about 5.5 million tonnes were met through domestic as well as import sources.

In FY 2023, the COP of cast metal at Jharsuguda was US$2,291 per tonne, an increase by 25% from US$1,839 per tonne in FY 2022. The cast metal COP at BALCO stood at US$2,424 per tonne, increased by 27% from US$1,913 per tonne in FY 2022. This was primarily driven by the headwinds in input commodity prices.

Financial performance

(₹ crore, unless stated)

Particulars	FY 2023	FY 2022	% Change
Revenue	52,403	50,881	3%
EBITDA	5,837	17,337	(66%)
EBITDA margin	11%	34%	

During the year, revenue increased by 3% to ₹52,403 crore, driven by improved operational performance, strategic hedging gains, favourable exchange rate movement partially offset by reduced LME. EBITDA was down at ₹5,837 crore (FY 2022: ₹17,337 crore), mainly due to fall in LME, input commodity inflation partially offset by favourable exchange rate movements.

Strategic priorities & outlook

Our focus remains on capitalisation of market opportunities through execution of right levers. Foremost priority remains delinking production cost from external volatility. Lanjigarh expansion activities is underway with full force and an upside in volume is expected in the upcoming year. Vedanta Limited was also declared the preferred bidder for Sijimali at the recently concluded Bauxite mine auction. The same would be instrumental in meeting requirement for 5 MTPA refinery operations. Full capacity production run rate at recently started Jamkhani mine should ease our dependence on spot market coal. This would be further augmented by operationalisation of other mines in the short to medium term. Effort would also be continued towards achieving better than best achieved operational performance along with increased volume delivery through debottlenecking and growth projects.

Our core business priorities include:

ESG: Safety & Well-being of all stakeholders, Low Carbon Green Aluminium Production (Restora, Restora Ultra), Diversity in Workforce, Circular Economy

Asset Optimisation: >100% capacity utilisation of assets through implementation of structured asset reliability program

Raw Material Security: Operationalise Sijimali bauxite mine, Lanjigarh expansion to 5 MTPA

Coal Security: Operationalise coal mines and improve linkage materialisation

Quality: Zero customer complaints

Operational Excellence: Continual improvement in operational parameters

Growth: 1 MTPA BALCO smelter expansion, >100% value-added capacity

Product Portfolio: Improve value-added product portfolio with focus on low carbon aluminium for better realisation.

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POWER

The year in brief

In FY 2023, TSPL's (Talwandi Sabo Power Limited) plant availability was 82% and Plant Load Factor (PLF) was 67%.

14,835 million units

Record overall power sales

Occupational health & safety

In FY 2023, TSPL focus on Category 5 Safety Incident elimination such as Critical Risk Management, Catastrophic Risk Management, Horizontal Deployment of Safety Alert Learnings,, Vedanta Safety Standard Implementation and Engineering/Controls such as Line of Fire Prevention and Safety improvement project.

We continue to strengthen the 'Visible Felt Leadership' through the on-ground presence of senior management, improvement in reporting across all risk and verification of on-ground critical controls. We also continue to build safety assisting infrastructure development through the construction of pedestrian pathways, dedicated route for bulkers, creation of secondary containment for hazardous chemicals and other infra development across sites.

Environment

TSPL focus on environment protection measures such as maintaining green cover of over 800 acres, continue the expansion of green cover inside plant premises and nearby communities. TSPL ensures availability of environment protection system such as ESP, Fabric Filters, Water Treatment Plant and RO Plant. In Tailing Dam Management, TSPL has implemented all the recommendation of M/s Golder Associates for ash dyke. Additional GISTM Conformance Assessment of TSPL Ash Dyke Facility by ATC Williams, Australia & TATA Consultancy (TCE) as Engineer of Records (EOR) to ensure Ash Dyke stability to review dyke design, quality assurance during for ash dyke raising and quarterly audit of ash dyke facility. In FY 2023, TSPL achieved 83% Ash utilisation in Road Construction, in Building sector for bricks, blocks, cements and low-lying area filling. TSPL has signed various MoUs with stakeholders to increase ash utilisation.

TSPL has recycled 12.62% of the water used & reduce the fresh water consumption by various operation controls. TSPL continues its focus on energy saving projects such as High Energy Efficient Booster Pump at Unit#02, CWP RPM reduction, HPT performance improvement, replacement of conventional lighting fixtures with LED lighting fixtures.

To stimulate efforts and reach towards new heights of sustainable business practices, TSPL established ESG transformation office. Under this initiative, TSPL has accelerated its efforts in Environment, Social and Governance aspects. TSPL ESG Transformation Office was created which included 12 communities of practice from each aspect of sustainability. Communities of Practice included Carbon, Water, Waste, Biodiversity, Supply Chain, People, Communities (CSR), Communication, Safety and Health, Acquisitions, Expansions. Each Community is led by a senior leader in the concerned department. Each community is driving sustainability initiatives in their community. In FY 2022-23, 45 new projects were identified, 38 initiatives completed and 62 improvement initiatives are in progress.

Production performance

Particulars	FY 2023	FY 2022	% Change
Total power sales (MU)	14,835	11,872	25%
Jharsuguda 600 MW	3,048	2,060	48%
BALCO 300 MW*	648	1,139	(43%)
HZL wind power	395	414	(5%)
TSPL	10,744	8,259	30%
TSPL – availability	82%	76%	

 # Malco continues to be under care and maintenance since 26 May 2017 due to low demand in Southern India.

** We have received an order dated 01 January 2019 from CSERC for Conversion of 300 MW IPP to CPP w.e.f. 01 April 2017. During the Q4 FY 2019, 184 units were sold externally from this plant.*

Operations

During FY 2023, power sales were 14,835 million units, 25% higher YoY. Power sales at TSPL were 10,744 million units with 82% availability in FY 2023. At TSPL, the Power Purchase Agreement with the Punjab State Electricity Board compensates us based on the availability of the plant.

The 600 MW Jharsuguda power plant operated at a lower plant load factor (PLF) of 63% in FY 2023.

The 300 MW BALCO IPP operated at a PLF of 66% in FY 2023.

The MALCO plant continues to be under care and maintenance, effective from 26 May 2017, due to low demand in Southern India.

Unit sales and costs

Particulars	FY 2023	FY 2022	% Change
Sales realisation (₹/kWh)[1]	3.04	3.10	(2%)
Cost of production (₹/kWh)[1]	2.38	2.42	(2%)
TSPL sales realisation (₹/kWh)[2]	4.50	3.62	24%
TSPL cost of production (₹/kWh)[2]	3.65	2.76	32%

(1) Power generation excluding TSPL

(2) TSPL sales realisation and cost of production is considered above, based on availability declared during the respective period

Average power sale prices, excluding TSPL, lower by 2% and the average generation cost was lower at ₹2.38 per kWh (FY 2022: ₹2.42 per kWh).

In FY 2023, TSPL's average sales price was higher at ₹4.50 per kWh (FY 2022: ₹3.62 per kWh), and power generation cost was higher at ₹3.65 per kWh (FY 2022: ₹2.76 per kWh).

Financial performance

(₹ crore, unless stated)

Particulars	FY 2023	FY 2022	% Change
Revenue	7,201	5,826	24%
EBITDA	851	1,082	(21%)
EBITDA margin	12%	19%	

** Excluding one-offs*

EBITDA for the year was 21% lower YoY at ₹851 crore from ₹1,082 crore.

Strategic priorities & outlook

During FY 2023, we will remain focussed on maintaining the plant availability of TSPL and achieving higher plant load factors at the BALCO and Jharsuguda IPPs.

Our focus and priorities will be to:

Resolve pending legal issues and recover aged power debtors;

Achieve higher PLFs for the Jharsuguda and BALCO IPP; and

Improve power plant operating parameters to deliver higher PLFs/availability and reduce the non-coal cost;

Ensuring safe operations, energy & carbon management.

IRON ORE

The year in brief

- Removal of trade barriers from Karnataka resulted in quick restart of export and enabled us to capture ~99% Export share from Karnataka
- Restart of WCL Operations and successfully exported 0.2 million tonnes in this financial year
- Acquisition of Bicholim mines at lowest bid premium among all iron ore mines auctioned in FY 2023

5.3 million tonnes
Production of saleable ore at Karnataka

696 kt
Pig Iron production

0.7 million tonne
Iron ore sales at Goa

Occupational health & safety

With our vision towards the aim of Zero Harm, we are committed to achieve zero fatal accident at Iron Ore Business. Our Lost Time Injury Frequency Rate (**"LTIFR"**) is 0.79 (FY 2023) compared to 0.83 (FY 2022). We are now focussing on bringing down the number of injuries by conducting a detailed review of critical risk controls through critical task audits, strengthening our work permit and isolation system through identification and closure of gaps, on site audits, increasing awareness of both Company and business personnel by conducting trainings as per requirements considering the sustainability framework.

We have strived to enhance the health and safety performance by digitalisation initiatives such as usage of non-contact type voltage detectors, underground cable detectors. We have also implemented AI cameras (T-Pulse system) for reporting of unsafe acts/conditions automatically in areas where Camera infrastructure is available with central dashboard with all details, analysis, trends and risk category, which ensures effective and immediate closure of violations at site. At VAB, we have done Geo fencing to ensure unauthorised entries in most critical operational areas.

Vedanta has launched a HSE-based portal by name V-Unified (Enablon) for reporting, collating and analysing the HSE-related data across the Business which has become a way of life since its inception during the Financial Year.

At VAB and IOK, we have launched 4 Critical Risk Management (CRM) verification by Line Managers and the observations are being tracked, analysed and rectification plan is in place. We have achieved target of 75% vs Planned.

In Health function, we have also launched SEVAMOB digital platform for digitisation of Employee Medical Records which help us in tracking and giving health-related trend analysis of employees.

In order to achieve highest levels of safety at site, we have identified key personnel from operation and maintenance to serve as Grid Owners in addition to their current roles and responsibilities. We have also conducted defensive driving trainings to further enhance driving skills thereby reducing the vehicle-related incidents. At VAB, we have conducted a training on crane and lifting safety for approving critical lift plan and better focus on safety in areas of lifting and critical lifts. We have also conducted rescue training for Confined space and Work at Height through a third party so as to authorise a shortlisted group of competent personnel as trained rescuers. To improve upon confined space safety, we have conducted "Authorised Gas Testers" training programme to strengthen our Confined space activities.

At IOK, we have conducted rescue trainings through a third-party for Confined Space and Work at Height. Traffic Management & Road Safety Training was conducted by Rashtriya Raksha University involving selected employees and Business Partners. 4 modules of AR-VR have been

launched at IOK which includes LMV operation, wheel loader operation, fire extinguisher operation and engine maintenance.

In FY 2024, we will be further launching remaining Safety Standard through CRM for strengthening our Fatality Prevention Programme.

Environment

At our Value-Added Business, we recycle and reuse all the process water. Only the non-contact type condenser cooling water of the power plant is cooled and treated for pH adjustment and discharged back into the Mandovi river, which is a consented activity by the authorities.

1,560 numbers of native species were planted in the year 2022-23 in green belt area of VAB along with 1,850 no. of native species plantation was done in surrounding villages of VAB.

Also, Value Added Business received Consent to establishment for expansion project for installing Ductile Iron plant, oxygen plant & Ferro Silicon Plant along with increasing hot metal production capacity.

At Iron ore Karnataka, continuing with its best practises, Company has constructed 38 check dams, 7 settling pond. Additionally, Company has de-silted 2 nearby village ponds increasing their rainwater harvesting potential by 20,000 m^3/annum.

In FY 2023, around 6 Ha of mining dump slope was covered with biodegradable geotextiles to prevent soil erosion & 55,000 native species saplings were planted. Various latest technologies like use of fog guns; environment-friendly dust suppressants mixed with water were adopted on the mines to reduce water consumption for dust suppression without affecting the effectiveness of the measures.

Production performance

Particulars	FY 2023	FY 2022	% Change
Production (dmt)			
Saleable ore	5.3	5.4	(2%)
Goa	-	-	-
Karnataka	5.3	5.4	(2%)
Pig iron (kt)	696	790	(12%)
Sales (dmt)			
Iron ore	5.7	6.8	(16%)
Goa	0.7	1.1	(33%)
Karnataka	5.0	5.7	(13%)
Pig iron (kt)	682	790	(14%)

Operations

At Karnataka, production was 5.3 million tonnes. Sales in FY 2023 were 5.7 million tonnes, 17% lower YoY. Production of pig iron was 6,96,559 tonnes in FY 2023, lower by 12% YoY due to shut down in blast furnaces in FY 2023.

At Goa, mining was brought to a halt pursuant to the Supreme Court judgement dated 7 February 2018 directing all companies in Goa to stop mining operations with effect from 16 March 2018.

We bought low grade iron ore in auctions held by Goa Government in Auction No. 26 & 27 in FY 2022. This opening stock of ore purchased in the auction and fresh royalty paid ore moved out of mines post the Supreme Court order, was then beneficiated and around 0.7 million tonnes were exported which further helped us to cover our fixed cost and some ore were used to cater to requirement of our pig iron plant at Amona.

Financial performance

(₹ crore, unless stated)

Particulars	FY 2023	FY 2022	% Change
Revenue	6,503	6,350	2%
EBITDA	988	2,280	(57%)
EBITDA margin	15%	36%	

In FY 2023, revenue increased to ₹6,503 crore, 2% higher YoY mainly due to restart of WCL operations. EBITDA decreased to ₹988 crore compared with ₹2,280 crore in FY 2022 was mainly due to decrease in sales at Karnataka and VAB and input commodity inflation.

Strategic priorities & outlook

Our near-term priorities comprise:

Restart mining operations at Goa

Ramp up our operations in Liberia and setting up magnetite concentrator plant

Green Mining leveraging, digitalisation, and Renewable energy

STEEL

The year in brief

ESL is an integrated steel plant (ISP) in Bokaro, Jharkhand, with a design capacity of 2.5 MTPA. Its current operating capacity is 1.5 MTPA with a diversified product mix of Wire Rod, Rebar, DI Pipe and Pig Iron.

In FY 2023, ESL Steel Limited (ESL) has achieved highest ever hot metal production of 1.37 million tonnes, up 1% YoY and highest ever saleable production of 1.29 million tonnes up 2% YoY.

196 kt
Highest ever DIP production
20% YoY ↑

1.29 million tonnes
Saleable production

ESL HSE/ESG Performance

Occupational Health & Safety

We, at ESL, believe that all accidents are preventable and to realise our vision of Zero Harm, we have carried out the following key initiatives for nurturing ZERO HARM culture across organisation.

- Launched Project VIHAAN – Critical Risk Management to verify critical risks Go and NoGo implementation periodically for various critical controls viz.
- Digital Initiatives – Launched Cardinal Safety Rule Portal, Kiosk-based safety induction for drivers and QR-based fire equipment maintenance and tracking
- Capability Building – Engaged DuPont to train and develop trainers for implementing various safety standards (160+ developed through TTT)
- Occupational Health – Engaged M/s Apollo for managing OHC & Air Ambulance services, initiated medical consultation facility for employees and their families at Bokaro City and developed 500+ trained first aiders
- Infrastructure – Conveyor guarding, drain covering, fire hydrant line revamping, settling pits, tarpaulin covering/uncovering platforms and man machine segregation across the plant roads

Environment

Waste and Circular Economy

We have achieved 100% utilisation of BF granulated slag and fly ash by re-using in cement plants & local brick manufacturers. Other types of waste viz., bottom ash, LD slag & core mould sand, we have achieved 98% of its utilisation by internal road making & mines back filling. Hazardous wastes are being sent to PCB authorised recyclers/re-processors.

Climate Change

- Reduction in False Air/Air leakages in Sinter Plant, Sinter Plant bed depth control, Fuel crushing index improvement has resulted in estimated decrease of tonnes of CO_2e by 35,000 tonnes of CO_2e
- LD gas recovery project has been undertaken by repairing and revamping the Gas Holder facility, which has led to an estimated decrease of 18,480 tonnes of CO_2e

Biodiversity/Plantation

- ESL has achieved 34.54% green belt development
- Around 25,000 saplings have been planted inside KML to drive greenbelt development project
- 10,000 fruit-bearing saplings have been distributed among 9 panchayats to drive greenbelt development in surrounding areas of ESL
- Miyawaki afforestation of 2.5 acre has been commenced in Q4 with the target of about 55,000 saplings

Water Management

- 2 nos. of rainwater settling pits along with pumps have been installed to contain the flow from the stormwater drains across the plant. This has resulted in increase in ETP water intake and optimised the usage of stormwater by 350-400 KLD
- 250 KLD sewage treatement plant has been commissioned during Q4 which would reduce fresh water offtake by 250 KL/day. This would ensure saving of fresh water by 90,000 KL/annum
- Green Belt Development – Planted more than 35,000 samplings including 10,000 fruit-bearing saplings, achieved 33% greenbelt requirement this year
- ESG – 60 projects have been identified out of which 10 have been completed and 34 have achieved IL 4 stage
- Sp. Water – We have reduced our fresh water offtake from the reservoir by 1.7 million m^3 through the following water stewardship programme. This has resulted in achieving specific water consumption of 2.88 m^3/tcs from 3.00 m^3/tcs

- Arresting water leakages and replacing firefighting pipelines
- Increasing recycle percentage through installation of ZLD pump from 12% to 24%
- Increasing cooling tower COC from 6 to 7
- Cleaning of backwash pipeline

- Sp. Energy & GHG Emissions - Against the target of 7.97 Gcal/tcs, we have achieved 7.72 Gcal/tcs (YTD), several initiatives were taken such as:
  - Optimisation of compressor, blower speed, CT fans, AC & Light operation, power consumption of other circuit hot water circulating pumps by installing VFD with feedback system
  - ID Fan VFD Installation in Sinter Plant, SMS, Lime secondary fan
  - Reduction in False Air/Air leakages in Sinter Plant, Sinter Plant bed depth control, Fuel crushing index improvement has resulted in estimated decrease of tonnes of CO_2e by 35,000 tonnes of CO_2e
  - Blast furnace dedusting damper auto control
  - Improving fuel rate by 20 kg/tcs for BF3 and 7 kg/tcs for BF2 resulting in reduction of 64,846.6 tonnes of CO_2e

Production performance

Particulars	FY 2023	FY 2022	% Change
Production (kt)	1,285	1,260	2%
Pig iron	192	186	3%
Billet	26	91	(71%)
TMT bar	463	399	16%
Wire rod	407	421	(3%)
Ductile iron pipes	196	164	20%

Operations

During FY 2023, we have achieved highest ever hot metal production of 1.37 million tonnes, up 1% YoY and highest ever saleable production of 1.29 million tonnes, up 2% YoY on account of increased availability of hot metal due to debottlenecking of blast furnace and operational efficiencies.

The priority remains to enhance production of value-added products (VAPs), i.e., TMT Bar, Wire Rod and DI Pipe. ESL achieved 83% VAP sales, 5% improvement in FY 2023, in line with priority.

There have been significant gains in Sales & NSR front. However, operational inefficiencies, higher raw material prices of coking coal & other market factors resulted in higher cost of sales. We are trying to stable our raw material prices. We have acquired two iron ore mines to achieve raw material long-term security & pricing stability.

Our Consent to Operate (CTO) for the steel plant at Bokaro, which was valid until December 2017, was not renewed by the Jharkhand State Pollution Control Board (JSPCB). This was followed by the Ministry of Environment, Forests and Climate Change (MoEF&CC) revoking the Environmental Clearance (EC) dated 21 February 2018. MoEF&CC, on 25 August 2020, has granted a Terms of Reference to ESL for 3 MTPA plant with conditions like fresh EIA/EMP reports and public hearing. The Honorable High Court of Jharkhand had extended the interim protection granted in the pending writ petitions till 16 September 2020. Hon'ble High Court on 16 September 2020, pronounced and revoked the interim stay for plant continuity w.e.f 23 September 2020. ESL filed a SLP before Hon'ble Supreme Court against 16 September 2020, order for grant of interim status quo order and plant continuity. Vide order dated 22 September 2020, Hon'ble Supreme Court issued notice and allowed plant operations to continue till further orders. In furtherance of the Supreme Court orders for plant continuity, MoEF vide its letter dated 2 February 2022 has deferred the grant of Environment Clearance till Forest Clearance Stage-II is granted to ESL. ESL has submitted its reply against MoEF letter vide letter dated 11 February 2022 for reconsidering the decision and not linking EC with FC since as per the applicable law and available precedents, grant of FC Stage-II is not a condition precedent for grant of EC. CTO will be procured post furnishing the EC. The grant of FC was kept at abeyance for want of Forest Clearance. FC Stage-I is granted to ESL, while the FC compliance are under process.

Prices

(US$ per tonne)

Particulars	FY 2023	FY 2022	% Change
Pig iron	551	545	1%
Billet	620	612	1%
TMT	700	687	2%
Wire rod	707	706	0%
DI pipe	769	628	22%
Average steel price (US$ per tonne)	**689**	**659**	**4%**

Average sales realisation increased 4% YoY from US$659 per tonne in FY 2022 to US$689 per tonne in FY 2023. Prices of iron and steel are influenced by several macro-economic factors. These include global economic slowdown, US-China trade war, Russia-Ukraine war, duties on iron and steel products, supply chain destocking, government expenditure on infrastructure, the emphasis on developmental projects, demand-supply dynamics, the Purchasing Managers' Index (PMI) in India and production and inventory levels across the globe especially China. Even though the NSR increased by US$29 per tonne, we were unable to increase our EBITDA margin & landed to US$32 per tonne for the year (against US$74 per tonne in FY 2022) due to increased raw material prices of coking coal, which continued to remain high in in Q2 and Q3, when the market prices for steel products declined sharply.

Unit costs

Particulars	FY 2023	FY 2022	% Change
Steel (US$ per tonne)	656	585	12%

Cost has increased by 12% YoY from US$585 per tonne to US$656 per tonne in FY 2023, primarily on account of increase in coking coal prices during the year, uncontrollable factors and operational inefficiencies.

Financial performance

Particulars	FY 2023	FY 2022	% Change
Revenue	7,852	6,474	21%
EBITDA	316	701	(55%)
EBITDA margin	4%	11%	-

Revenue increased by 21% to ₹7,852 crore (FY 2022: ₹6,474 crore), primarily due to higher volume and NSR. EBITDA decreased by 55% to ₹316 crore mainly due to increased cost partially offset by increased sales realisation.

Strategic priorities & outlook

Steel demand is expected to surge owing to the gradual recovery in economic activities across the world, robust demand from key sectors and the emphasis of governments to ramp up infrastructure spend in India. With the growing demand for steel in India, ESL has prioritised to increase its production capacity from 1.5 MTPA to 3 MTPA by FY 2025 and 5 MTPA by FY 2027 with a vision to become high-grade, low-cost steel producer with lowest carbon footprint. The focus is to operate with the highest Environment, Health and Safety standards, while improving efficiencies and unit costs.

The focus areas comprise:

- Ensuring business continuity
- Innovation in Technology for sustainable operations/production
- Development of low-cost CapEx products (Alloy Steel Segments and Flat Products) to capture market share
- Optimise and significantly reduce logistics cost over time
- Greater focus on Reliability Centred Maintenance
- Obtain clean 'Consent to Operate' and environmental clearances
- Raw material securitisation through long-term contracts; approaching FTA countries for coking coal
- Ensure zero harm and zero discharge, fostering a culture of 24x7 safety culture

FERRO ALLOYS CORPORATION LIMITED (FACOR)

The year in brief

FACOR has achieved highest ferro chrome ore production of 290 kt, since acquisition through operationalisation of two ore mines. Also achieved high ferro chrome production of 67 kt and sales of 67 kt.

60 KTPA
Commissioned new furnace

140 KTPA
Total ferro-chrome capacity reached

290 kt
Record chrome ore production

Occupational Health Safety

It is with deep sadness that we report the loss of two of our colleagues (Business partners) in work-related incidents at our managed operations in FY 2023, one each at Mining site and at Plant site. These incidents happened despite continuous efforts to eliminate fatalities and attain a Zero Harm work environment. A thorough investigation was conducted to identify the causes of these incidents and to share lessons learned across our sites, with the aim of preventing repeat or similar incidents.

LTIFR for the year was 0.13 as compared to 0.25 in FY 2022. The reduction was driven by several safety awareness, investigation, and prevention initiatives. As compared to a year ago, number of LTIs decreased from 2 to 1 in this FY 2023. There has been greater management focus to bring a cultural change via felt leadership programs, town halls & recognition for near-miss reporting. Our safety leadership regularly engages with the business partner site in-charges and their safety officers for their capability development and strengthening the culture of safety at our sites. We follow a zero-tolerance policy towards any safety related violations with stringent consequence management.

In FY 2023, FACOR complied with all its statutory requirements related to its Health, Safety and Environment. In terms of Safety, we continued creating awareness on various Safety topics through Monthly Safety Themes and Awareness programs. We successfully eliminated a few critical jobs from line of fire with “Installation Wagon Pusher Device at our Wagon Tripler area” and “Shifting of Ladle Cleaning area out of the hot metal handling zone”. We also completed our major Furnace relining job safely. AI-based Safety System “T-Pulse” was installed in CCTV Cameras of Charge Chrome Plant (CCP) Hot Metal Area to auto detect Unsafe observations. For Risk Management, EOT Cranes were provided with Anti-Collison device and Audio-Visual Alarm, Silpaulin were installed on weak benches of the Mines dump, Proximity sensors and Semi Fire Suppression System (SFSS) were installed at all Mines Dumpers and Inhouse Machine Guarding work was done throughout all the Conveyors across all the units.

Environment

For environment, on statutory front, Environment Clearance and Consent to Establish (CTE) was obtained for 33 MVA Furnace and Consent to Operate (CTO) was extended for Kalarangiatta Mines. We started utilising Spent resin which is a hazardous waste in our Powerplant (FPL) boiler after due approvals. For the first time, we started disposing our Plastic waste from both Plant and Mines to authorised vendors. Plantation of more than 12,000 saplings were conducted across all units of FACOR.

Our business is committed to protect the environment, minimise resource consumption and drive towards our goal of Net Water Positivity and 100% Waste utilisation. A few more highlights for FY 2023 are:

- Installation of a new Sewage Treatment Plant
- Installation of Weather Monitoring Station
- Installation of Ambient Air Quality Monitoring System (AAQMS)
- Conducted CGWA Water Audit and Ground Water Impact Assessment
- Velocity of flue gas – Installation of Stack & integrated with CEMS data at FPL
- Installation of CEMS analysers at Gas Cleaning Plant

At Charge Chrome Plant (CCP), We recorded Ferrochrome metal volume of 67 kt in FY 2023. We started blending Met Coke with Anthracite coal and Coke Fines Briquettes and were able to achieve average blending of 20% (15% Anthracite Coal and 5% Coke Fine Briquettes) in FY 2023 from 14% of FY 2022. We also reduced our specific Power consumption up to levels of 3,316 kWh/t against 3,345 kWh/t. In the month of January 2023, we have made second highest ferro chrome production of 6,840.

Financial performance

(₹ crore, unless stated)

Particulars	FY 2023	FY 2022	% Change
Revenue	768	830	(8%)
EBITDA	149	325	(54%)
EBITDA margin	19%	39%	-

Revenue decreased by 8% to ₹768 crore (FY 2022: ₹830 crore), primarily due to lower sales volume. EBITDA decreased by 54% to ₹149 crore mainly due to lower sales volume and higher cost.

Production performance

Particulars	FY 2023	FY 2022	% Change
Ore Production (kt)	290	250	16%
Ferrochrome Production (kt)	67	75	(11%)
Ferrochrome Sales (kt)	67	77	(12%)
Power Generation (MU)	112	294	(6%)

At Mining division, we recorded highest ever Chrome Ore production of 290 kt in FY 2023 since acquisition. Through disrupt ideas and out of the box thinking, we also achieved highest ever monthly and quarterly Ore Production of 49 kt in April 2022 and 140 kt in Q1 FY 2023 since acquisition. Ensuring our commitment towards zero harm, we have installed fatigue monitoring systems, AFDSS and proximity sensors in all tippers. The mining division has achieved a milestone in observational reporting since FY 2022, through state-of-the-art inhouse developed 'FACOR – SO' mobile application along with geo-tagging.

Strategic priorities & outlook

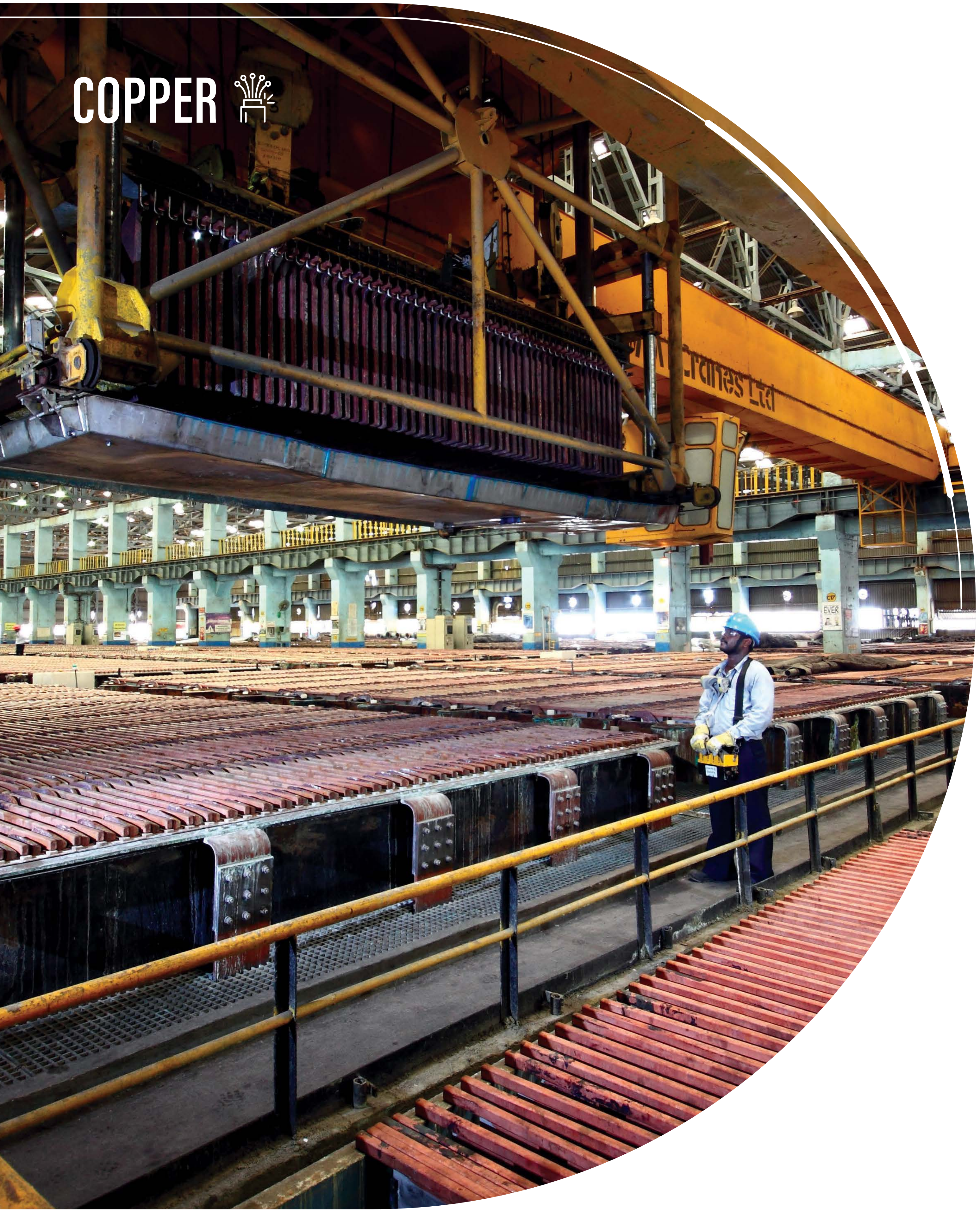
Expansion of Growth Capex project of 300 KTPA

Expansion of Mines from current capacity of 290 kt to 390 kt

Metal capacity addition of 76 KTPA through new 33 MVA Furnace

100 MW Power Generation & sale of additional power

New COB plant commissioning of enhanced capacity of 50 TPH



The year in brief

Silvassa operations continued to deliver 20% growth in sales volume on YoY basis and largely catering to India's domestic copper requirement.

The copper smelter plant at Tuticorin was under shutdown for the whole of FY 2023, while we continue to engage with the Government and relevant authorities to enable the restart of operations at Copper India.

148 kt
Cathode production from Silvassa
18% YoY ↑

Occupational Health & Safety

The lost time injury frequency rate (LTIFR) was 2.77 in FY 2023 (FY 2022: 0). Dupont Process Safety Management (PSM) Tool was launched for addressing the core elements of safety driven by sub committees under each PSM element. Received 4 Star Safety Rating from British Safety Council.

We conducted safety stand-downs to communicate the learnings from safety incidents and prevent future incidents. Our safety leadership regularly engages with the business partner site in-charges and their safety officers for their capability development and strengthening the culture of safety at our sites.

Environment

Aligned with the Vedanta's vision to reach net zero emissions by 2050, Sterlite Copper has entered into a renewable energy sourcing agreement to produce Green Copper using 100% renewable energy & implemented AI & ML based Smart fuel optimisation for combined targeted GHG Emission reduction by 68,000 tCO_2.

Copper Mines of Tasmania continued in care and maintenance awaiting a decision on restart. Meanwhile, a small, dedicated team is maintaining the site and there were no significant safety or environmental incidents during the year. The site retained its ISO accreditation in safety, environment and quality management systems and the opportunity of a lull in production was used to review and further improve these systems.

Production performance

Particulars	FY 2023	FY 2022	% Change
Production (kt)			
India – cathode	148	125	18%
Sales	164	137	20%

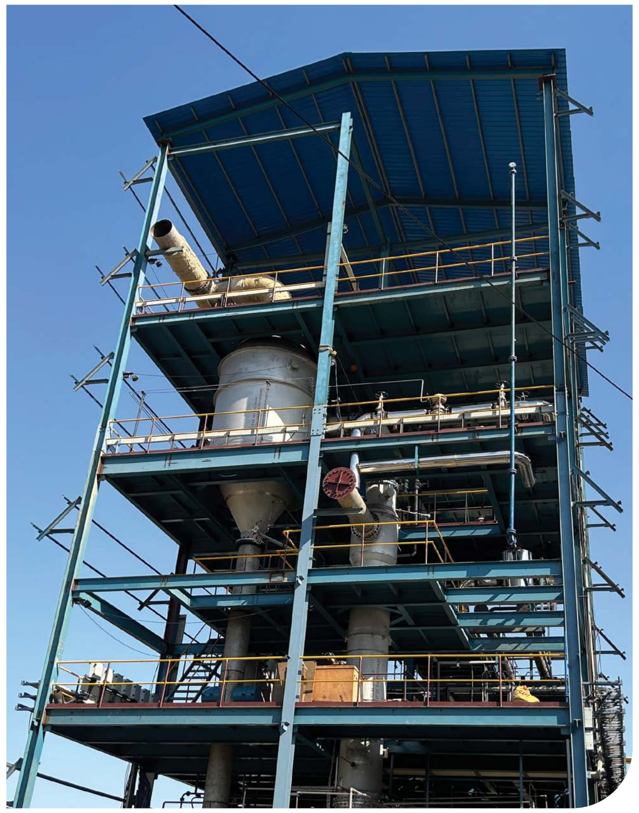
Operations

Copper production operations in Silvassa increased by 18% to 148 kt and have also seen growth of 20% in terms of sales volume and realised highest sales after closure of the Tuticorin unit and improved operational efficiencies, debottlenecking & capability building initiatives carried across the plant, the year also marked remarkable growth in free cash flow.

The Tamil Nadu Pollution Control Board (TNPCB) vide order, dated 9 April 2018, rejected the consent renewal application of Vedanta Limited for its copper smelter plant at Tuticorin. It directed Vedanta not to resume production operations without formal approval/consent (vide order dated 12 April 2018) and directed the closure of the plant and the disconnection of electricity (vide order dated 23 May 2018).

The Government of Tamil Nadu also issued an order dated 28 May 2018 directing the TNPCB to permanently close and seal the existing copper smelter at Tuticorin; this was followed by the TNPCB on 28 May 2018. Vedanta Limited filed a composite appeal before the National Green Tribunal (NGT) against all the above orders passed by the TNPCB and the Government of Tamil Nadu. In December 2018, NGT set aside the impugned orders and directed the TNPCB to renew the CTO. The order passed by the NGT was challenged by Tamil Nadu State Govt. in the Hon'ble Supreme Court.

The Company had filed a Writ Petition before the Madras High Court challenging the various orders passed against the Company in 2018 and 2013. On 18 August 2020, the Madras High Court delivered the judgement wherein it dismissed all the Writ Petitions filed by the Company. The Company has approached the Supreme Court and challenged the said High Court order by way of a Special Leave Petition (SLP) to Appeal and also filed an interim relief for care & maintenance as well as trial operation of the plant. The matter was then listed on 2 December 2020, before the



Supreme Court. The Bench after having heard both the sides on the interim relief of trial operation of the Plant, concluded that at this stage the interim relief could not be allowed. Further, the matter was listed as item no. 22 on 10 April 2023 and was taken up and heard by the Supreme Court. The Bench allowed the activities as permitted in the letter of the Additional Chief Secretary to the district collector, namely:

I. Gypsum evacuation
II. Operation of Secured Landfill (SLF) leachate sump pump
III. Bund rectification of SLF - 4
IV. Green-belt maintenance

Our copper mine in Australia has remained under extended care and maintenance since 2013. However, we continue to evaluate various options for its profitable restart, given the Government's current favourable support and prices.

Prices

Particulars	FY 2023	FY 2022	% Change
Average LME cash settlement prices (US$ per tonne)	8,530	9,689	(12%)

Average LME copper prices reduced by 12% compared with FY 2022 predominantly due to low demand in China owing to COVID restrictions.

Financial performance

(₹ crore, unless stated)

Particulars	FY 2023	FY 2022	% Change
Revenue	17,491	15,151	15%
EBITDA	(4)	(115)	97%
EBITDA margin	0%	(1%)	

During the year, revenue was ₹17,491 crore, an increase of 15% on the previous year's revenue of ₹15,151 crore. The increase in revenue was mainly due to higher volume, favourable exchange rate partially offset by lower Copper LME prices. EBITDA improvement ₹111 crore mainly on account of improved operational efficiencies, higher volumes and increase in Sales Margin largely offset by a onetime charge against duty entitlement scripts of ₹64 crore.

Strategic priorities & outlook

Over the following year our, focus and priorities will be to:

Engage with the Government and relevant authorities to enable the restart of operations at Copper India;

Improving operating efficiencies, increasing Sales Margin, reducing our cost profile;

Upgrade technology & digitalisation to ensure high-quality products and services that sustain market leadership and surpass customer expectations; and

Continuous debottlenecking and upgrading our processing capacities for increased throughput.

PORT BUSINESS

Vizag General Cargo Berth (VGCB)

The volumes handled increased slightly by 1% YoY and the despatch volume increased by 4% YoY. 3% of the total volumes handled represents Multi-cargo (i.e., other than coal) under supplementary agreement signed with Visakhapatnam Port Authority (VPA).

Risk Management Pg. 56

Vedanta has a well-defined risk management framework involving identification, evaluation, mitigation and monitoring of all risks to meet its objectives. This is enabled by a robust process that ensures all risks are identified at individual business level and across ongoing projects. The entire mechanism is led by structured risk management system and governance framework to ensure monitoring at multiple levels, and thus ensure operating controls are aligned to vision, mission and strategy. All the respective businesses of Vedanta undertake to review on a quarterly basis the risks relevant to it, the risk trend, control measures and actionable. Each business also develops its risk matrix and risk register, basis which the Group's principal risks are identified, and response mechanism formulated. Vedanta's risks are broadly classified under sustainability risks, operational risks, compliance risks and financial risks.

Human Resources Pg. 102

People are a key resource at Vedanta, and the Company strives to give them an enabling and fulfilling workplace. This is achieved through sustained actions around improving health and safety, driving diversity, equity and inclusion, and facilitating them equal learning and development opportunities. Transforming workplace is an important pillar in Vedanta's ESG strategy, and the Company is undertaking definitive actions to achieve the various goals set under it.

Vedanta maintains a strong focus on attracting and retaining the best employees, which now includes finest minds from over 30 countries. The Company has a robust mechanism to hire talent from campuses and groom them. It also has multiple programs to build leadership, including 'ACT-UP' to identify and nurture talent and 'Emerging Leaders Programme' to identify and elevate individuals to CXO roles. During FY 2023, more than 500 employees were elevated through various programs. Vedanta is further using digital technologies to enhance learning experiences through initiatives like 'Gurukul' for knowledge-sharing and 'Knolskape' for simulation-based learning.

The Company has been actively promoting diversity and inclusivity with focus on improving representation of women, LGBTQ+ and other underprivileged or underrepresented communities. Programs like 'V Lead' and 'V Engage' are enabling this. The Company has also adopted a globally benchmarked methodology for rewarding and motivating its people and business partners, for long-term success. To notch-up safety, the Company launched HSE digital – incident management module in FY 2023 and also initiated roll-out of a critical risk management (CRM) module.

The Company's robust people practices have resulted in several prestigious awards including Great Place to Work and Kincentric Best Employer 2022. As of 31 March 2023, the Company had 87,500+ in total workforce, with women representation increasing to 14% from 11% previous year.

Information Technology Pg. 66

Technology implementation centred around digitalisation, automation, data analytics and Industry 4.0 technologies are major enablers of growth and future-readiness at Vedanta. The Company has made several investments towards this to enhance operational productivity, safety and sustainability. 100% of the Company's workforce at digitally literate. Vedanta is currently implementing its digital transformation phase-2 project, aimed at becoming smarter and data-driven. Towards this, investments are being made in advanced technologies like advanced process control, digital twin, predictive analysis and asset performance monitoring among others. They are set to make the operations more reliable and efficient, with the use of data to analyse performance and take necessary actions.

DIRECTORS' REPORT

Dear Members,

Your Directors take pleasure in presenting the Integrated Report (prepared as per the framework set forth by the International Integrated Reporting Council) and the Annual Standalone as well as Consolidated Financial Statements of Vedanta Limited ("Company") for the financial year ended 31 March 2023.

1. KEY BUSINESS, FINANCIAL AND OPERATIONAL HIGHLIGHTS

COMPANY OVERVIEW

Vedanta Limited (**"Vedanta" or "Company"**), a subsidiary of Vedanta Resources Limited, is a leading global natural resources conglomerate operating across India, Namibia, South Africa, Liberia and UAE. It is headquartered in Mumbai, India.

Vedanta has a diversified portfolio and produces commodities vital for global decarbonisation and materials intensive energy transition. The Company produces aluminium, copper, zinc, lead, silver, iron ore, steel, ferro chrome, oil & gas, nickel, cement and commercial energy. It strives to create long-term value for all our stakeholders through exploration, discovery, sustainable development and utilisation of diversified natural resources. The Company's steadfast focus remains on delivery and operational excellence while increasing technology adoption and digitalisation to enhance profitability and deliver metals of the future.

Vedanta's strategic priorities, while moving towards responsible growth, are good governance and social licence to operate. The Company demonstrates world-class standards of governance, safety, sustainability, and social responsibility. It's our fundamental values of **"Trust, Entrepreneurship, Innovation, Excellence, Integrity, Care and Respect"** that guide and help us accomplish our purpose. These serve as the foundation for everything we do and accomplish.

Furthermore, India is Vedanta's largest market, which is one of the most stable and fastest growing economies in the world. India's continued strength augurs well for its business performance.

Aluminium

- **Largest aluminium capacity in India** with captive power and an alumina refinery
- **9th largest Aluminium producer globally** in terms of smelting production

Zinc & Silver

- One of the **largest integrated zinc-lead smelter**
- Rampura Agucha - **largest underground mine globally**
- 5th largest silver producer globally
- Gamsberg - **one of the largest deposits in the world**

Oil & Gas

- **India's largest private-sector crude oil producer**
- **One of the lowest cost producers** in the world
- Strong exploration fundamental supports reserves and resources growth (46 OALP Blocks, 10 DSF Blocks and 1 CBM Block)

Iron & Steel

- **India's largest private sector** exporter of iron ore since 2003, according to the Federation of Indian Mineral Industries
- ESL Steel is engaged in the manufacturing of steel with a total current capacity of 1.5 million tonnes per year and **the potential to increase to 3 million tonnes per year**

Complemented by other key business segments including Copper and Power

Uniquely Positioned to Deliver Sustainable Value

World-Class Natural Resources Powerhouse

- Diverse portfolio, strong exposure to right commodities — Aluminium, Zinc, Silver, Oil & Gas
- Tier-1 low-cost assets with margin stability through commodity cycle
- Strong management team with track record of delivering growth
- Long-life assets with exploration upside

Competitive position in Indian and Global market

- Well-placed to benefit from growing Indian economy, favorable regulatory environment
- Natural benefit from large market size and supply-demand gap

Delivering growth by capacity expansion

- Production ramp-up across all businesses
- Unlock operating efficiencies through technology and digitalisation
- Turnaround performance of acquisition assets

Contributing to a sustainable development

- Net Zero carbon by 2050; reduce 25% carbon emissions by 2030
- Net water positive by 2030
- Channeling innovation for a greener business model
- Uplifting lives of people where we work and beyond
- Contributed ~₹73,486 crore to exchequer in FY 2023

GROUP COMPANY PERFORMANCE

Financial Highlights

Revenue ₹1,45,404 crore All Time High	EBITDA Margin[1] 28%	ROCE ~21%	Dividend Declared ₹101.5 Per Share
EBITDA ₹35,241 crore 2nd highest	PAT ₹14,503 crore	FCF (pre capex) ₹28,068 crore All Time High	C&CE ₹20,922

ROCE: Return on Capital Employed | PAT: Profit after Tax | FCF: Free Cash Flow | C&CE: Cash and cash equivalent
1. Excludes custom smelting at Copper Business

- Historic high shareholders return; declared interim dividend of ₹101.5 per share
- Highest ever contribution to exchequer ~₹73,486 crore in FY 2023
- Continue to maintain strong double-digit return on capital employed ~21%
- Net Debt/EBITDA of ~1.28x, maintained within capital allocation framework
- Record Free cash flow (pre capex) of ₹28,068 crore, up 3% YoY

The standalone and consolidated financial statements of the Company for the financial year ended 31 March 2023, prepared as per Indian Accounting Standards (**"Ind AS"**) and in accordance with the provisions of the Companies Act, 2013 (the **"Act"**) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"Listing Regulations"**) forms part of this Annual Report.

Operational Highlights

Record production across key business

Aluminium: 2.3 million tonnes
HZL: crossed 1 million tonnes mark
- MIC: 1.062 million tonnes
- Refined metal: 1.032 million tonnes

Gamsberg: 208 kt, up 22% YoY
ESL: saleable production of 1.3 million tonnes

Other key achievements

Coal Mines
- Jamkhani: Production commenced
- Chhotia restarted

Successful bidder for:
- Bicholim iron ore mine in Goa
- Sijimali bauxite mine
- Ghogarpalli and Barra coal block

FACOR New Furnace 60 KTPA commissioned
Cairn - 10-year PSC extension for RJ block

- **Aluminium:** Highest ever Aluminium production of 2,291 kt, up 1% with Jharsuguda ramp-up
- **Zinc India:** Historic high refined metal production at 1,032 kt, up 7% YoY
- **Zinc International:** Gamsberg achieved record production of 208 kt, up 22% YoY
- **Oil & Gas:** Commenced first Gas and Condensate production facility in Jaya field of OALP block
- **IOB:** Commenced commercial production at Nicomet - India's only Nickel Cobalt operations
- **Steel:** Highest ever hot metal production of 1,376 kt
- **FACOR:** Achieved all time high ore production of 290 kt, up 16% YoY
- **Copper India:** 148 kt Cathode production from Silvassa, up 18% YoY

Business highlights

Zinc India
- Record ore production of 16.74 million tonnes
- Highest ever annual mined metal production of 1,062 kt, up 4% YoY
- Highest ever annual refined zinc-lead production of 1,032 kt, up 7% YoY

Zinc International
- Record mined metal production at Gamsberg of 208 kt, up 22% YoY. On track to surpass design capacity in FY 2024
- Significant increase in BMM production YoY by 25% to 65 kt

Oil & Gas
- Average gross operated production of 143 kboepd, down 11% YoY, owing to natural field decline. The decline has been partially offset by new infill wells brought online across all assets and exploration success in Ravva asset
- Key growth projects update:
  - Infill drilling was carried out to sustain volumes in Mangala, Bhagyam, Aishwariya, Tight Oil (ABH), Tight Gas (RDG), Satellite Field (Raag Oil, Tukaram) and Offshore (Ravva, Cambay)
  - 74 wells drilled and 63 wells hooked up during FY 2023 across all assets

- OALP and DSF - Commenced production from Jaya and Hazarigaon fields. Drilling preparations are ongoing in West-Coast Offshore to drill a moderate risk-high reward prospect (risked resource potential of 42 mmboe) within the Kutch-Saurashtra basin

Aluminium
- Highest ever aluminium production at 2,291 kt. Continue to be the largest primary Aluminium producer in the country
- Alumina production from Lanjigarh refinery at 1,793 kt, down 9% YoY

Power
- Record overall power sales at 14,835 million units, higher by 25% YoY driven by improved performance of Talwandi Sabo Power Limited (**"TSPL"**) and Jharsuguda
- TSPL achieved highest ever PLF of 67% with lowest ever auxiliary power consumption of 6.86%
- TSPL plant availability was 82% in FY 2023

Iron Ore
- Production of saleable ore at Karnataka at 5.3 million tonnes
- Pig Iron production at 696 kt
- Iron ore sales at Goa at 0.7 million tonnes

Steel
- Highest ever hot metal production of 1.37 million tonnes, up 1% YoY
- Highest ever saleable production of 1.28 million tonnes post-acquisition, up 2% YoY
- Highest ever DIP production of 196 kt, up 20% YoY

FACOR
- Record chrome ore production recorded at 290 kt, up 16% YoY
- Ferro chrome production of 67 kt, down 11% YoY and sales of 67 kt, down 12% YoY

Copper India
- Due legal process being followed to achieve a sustainable restart of operations
- Cathode production from Silvassa was 148 kt, up by 18% YoY driven by continuous debottlenecking of plant capacity and improved operational efficiencies
- Enhanced product portfolio to include Research Designs and Standards Organisation approved 19.6 MM and 23.5 MM Rod

The details of the business, results of operations and the significant developments have been further elucidated in Management Discussion and Analysis section of the Annual Report.

ESG Highlights

RE Power
1,636 MW PDA in place
2 Bn+ Units utilised

Waste Utilisation
162% HVLT usage
204% Fly Ash usage

Water Positivity
4 Units Water +ve
29.4% Water Recycling

Nand Ghars
4,500+

Biomass
~78,000 tonnes of Biomass firing (4x more than FY 2022)

ESG Ratings
6th Global ranking on Dow Jones Sustainability Index ("DJSI")

GHG Intensity
6.24 tCO_2 per tonne of metal
(4% lower from FY 2021 baseline)

Biodiversity
1 million trees
Planted as part of commitment to plant 7 million trees by 2030

Gender Diversity
14%
(vs 11% in FY 2022)

PDA: Power Delivery Agreement

- Ranked 6th among DJSI's top 10 global diversified Metal and Mining peers
- Cairn, IOB, VZI- BMM achieved water positivity
- Workplace gender diversity increased to 14% from 11% in FY 2022
- Biomass usage improved to 78,000 tonnes, 4x higher than FY 2022
- 1 million trees planted as part of the commitment to plant 7 million trees by 2030
- 4,500+ Nand Ghars created for women and child welfare
- Spent ₹454 crore on CSR initiatives, positively impacting 44 million lives

The details of the business, results of operations and the significant developments have been further elucidated in ESG section of the Annual Report.

Strategy to enhance long-term value

Strategic Priorities	**Committed to ESG leadership**	**Augment reserves and resources base**	**Operational excellence and cost leadership**	**Optimise capital allocation and maintain strong Balance Sheet**	**Delivering on growth opportunities**
Focus Area	• Achieve net zero carbon mission by 2050 and water positivity by 2030	• Disciplined approach to exploration	• Focus on full capacity utilisation • Improve business efficiencies • Maintain 1st quartile cost curve positioning globally • Digital transformation	• Maximise free cash flow and optimise leverage • Disciplined capital allocation • Proactive risk management	• Timely execution of growth projects • Focus on growing our operations organically through brownfield opportunities

KEY EVENTS DURING THE YEAR

Delisting of American Depositary Shares from New York Stock Exchange and Termination of American Depositary Share Program, and Deregistration from U.S. Securities & Exchange Commission

The Company had announced its intention to delist American Depositary Shares (**"ADS"**) from the New York Stock Exchange (**"NYSE"**) and to terminate its American Depositary Share Program on 23 September 2021. The ADS of the Company have been delisted from NYSE effective close of trading on NYSE on 29 October 2021. This follows the filing done by the Company of Form 25 with Securities and Exchange Commission (**"SEC"**) on 29 October 2021. As a consequence of the delisting becoming effective, termination of the Deposit Agreement under which the ADS were issued (the **"Deposit Agreement"**) has also become effective close of trading on NYSE on 08 November 2021. The said action has no impact on the current listing status or trading of the Company's equity shares on BSE Limited (**"BSE"**) and National Stock Exchange of India Limited (**"NSE"**).

In furtherance to above, the Company had filed Form 15F on 01 December 2022 with the SEC to deregister the ADS and the underlying equity shares pursuant to the U.S. Securities Exchange Act of 1934, as amended (**"Exchange Act"**). As a result, the Company's reporting obligations under the Exchange Act were ceased and the Company has been deregistered with SEC under the Exchange Act effective from 01 March 2023.

The complete details can be accessed at www.vedantalimited.com.

Scheme of Arrangement between Vedanta Limited and its Shareholders under Section 230 and other applicable provisions of the Companies Act, 2013

The Board of Directors of the Company, basis the recommendation of the Audit & Risk Management Committee and Committee of Independent Directors of the Company, at its meeting held on 29 October 2021, approved the Scheme of Arrangement between the Company and its shareholders under Section 230 and other applicable provisions of the Act (**"Scheme"**). The Scheme provides for capital reorganisation of the Company, inter alia, providing for transfer of amounts standing to the credit of the General Reserves (as defined in the Scheme) to the Retained Earnings (as defined in the Scheme) of the Company with effect from the Appointed Date.

The National Company Law Tribunal, Mumbai Bench (**"NCLT"**) vide its order dated 26 August 2022 (**"NCLT Order"**), inter alia, directed the Company to:

1. Convene meeting of its equity shareholders to seek their approval to the Scheme; and
2. File consent affidavits of all the secured creditors and unsecured creditors of at least value of 90% of unsecured creditors, at the time of filing the Company Scheme Petition.

In this regard, a meeting of the equity shareholders of the Company was held on 11 October 2022 and the proposed Scheme was approved by the equity shareholders with requisite majority.

The Company is in the process of complying with the further requirements specified in the NCLT Order.

Pursuant to the Scheme, the Company will possess greater flexibility to undertake capital related decisions and reflect a much efficient balance sheet of the Company. The Scheme is in the interest of all stakeholders including public shareholders.

The complete details can be accessed at www.vedantalimited.com.

Scheme of Amalgamation of Facor Power Limited into Ferro Alloys Corporation Limited and their respective Shareholders and Creditors under Section 230 to 232 of the Companies Act, 2013

The National Company Law Tribunal vide order dated 15 November 2022 has sanctioned the Scheme of Amalgamation of Facor Power Limited (**"Transferor Company"**), subsidiary of Ferro Alloys Corporation Limited into Ferro Alloys Corporation Limited (**"Transferee Company"**), a subsidiary of Vedanta Limited and their respective shareholders and creditors under Section 230 to 232 of the Act. The Transferor Company was dissolved without winding-up and merger effected from 22 November 2022 upon filing of certified copy of NCLT Order dated 15 November 2022 in INC-28.

Tie-up for long-term renewable power supply for the Vedanta Group

The Company has entered into certain long-term power security agreements to source Renewable Energy (**"RE"**) for its operations across India, which will be created through dedicated Special Purpose Vehicle (**"SPV"**) for each entity.

The Power Delivery Agreements (**"PDA"**) have been executed with SPVs i.e., affiliates of Serentica Renewables India Private Limited (**"SRIPL"**) to supply 1,626 Megawatts (**"MW"**) of renewable power by 2025 which will not only strengthen our commitment towards a clean future but also help reduce emissions to the tune of ~6.6 million tCO_2e.

The project is being conceived to be built under Group Captive model under an SPV, wherein the Company will own 26% of equity.

SRIPL shall help in setting-up RE Developer (the **"Project"/"SPV"**) on Build Own Operate (**"BOO"**) basis for supply of the Contracted Capacity of Renewable Power to Captive User/Consumer, under Group Captive arrangement on long-term basis as per the terms of the transaction document.

Aligned with Vedanta's ESG vision of **"Transforming for Good"**, the move marks the beginning in the series of actions by the Company to deliver on its goal of becoming **"Net Zero Carbon by 2050 or sooner"** and **"using 2.5 GW of Round the Clock ("RTC") Renewable Energy for its operations by 2030"**.

The complete details can be accessed at www.vedantalimited.com.

ACQUISITIONS

In FY 2023, Vedanta Limited acquired Athena Chhattisgarh Power Limited (**"ACPL"**), under the liquidation proceedings of the Insolvency and Bankruptcy Code, 2016 (**"IBC"**). ACPL is building a 1,200 MW (600 MW x 2) coal-based power plant located at Champa district, Chhattisgarh. The first 600 MW unit is ~80% completed and estimated to be fully complete by FY 2025. The plant is expected to fulfill the captive power requirements for the company's aluminium business.

Additionally, Vedanta Limited has been declared as successful bidder in FY 2023 for Meenakshi Energy Limited (**"MEL"**) under Corporate Insolvency Resolution Process (**"CIRP"**) under IBC. MEL is a 1,000 MW coal-based power plant located at Nellore, Andhra Pradesh comprising of two phases of 300 MW and 700 MW. The 300 MW is completed and has been operational in past. The plant utilises a mix of imported and domestic coal and is envisaged to function as IPP. The acquisition is currently pending NCLT approval.

In furtherance to the same, Vedanta Limited has also been declared as preferred bidder for various mining and composite licenses namely Bicholim Iron Ore block in Goa, Sijimali Bauxite and Ghogharpalli Coal blocks in Odisha, Ghanpur Mudholi Copper and Sasoli Iron blocks in Maharashtra and Kewaldabri (Ni and Cr) block in Chhattisgarh.

PROJECTS AND EXPANSION PLAN

Projects are key driving factor of our Group as our aspirations for growth are very different from any of the peers globally.

HZL: As we march on the journey of 1.25 MTA MIC expansion, several projects have been undertaken throughout the year. RD mill revamping project for capacity enhancement to 1.3 MTPA will improve plant reliability by replacing obsolete Grinding, Floatation and Filtration and improve recovery of Zinc, Lead, Silver. The project is under full swing and is scheduled to be commissioned in Q1FY2024. In line with our vision of increasing metal volumes to 1.2 MTPA, new 160 KTPA Roaster will be installed in Debari for which EPC partner finalisation is under progress and final commissioning is targeted by Q4FY2024. A new project of Hindustan Zinc Alloys is under final leg of completion with site execution completed and mechanical completion of line-1 is scheduled for completion by early Q1FY2024. Another project of 1.6 LTPA Fumer plant will help in additional metal to the tune of 40 TPA. The plan is to complete commissioning of plant through OEM support in Q1FY2024. HZL is also setting up new Fertiliser Plant in Chanderiya for which partner has been locked in and order placement to be completed in Q1FY2024 and final completion in 24 months. For further phase of expansion of Mines and Smelters, studies are under progress and results are expected in FY 2024.

Aluminium: We are currently India's largest primary Aluminium producers and aim to be among the top 5 global producers with expansion to 3 MTPA capacity along with 100% backward and forward integration. We have recently concluded ramp-up at Jharsuguda to 1.8 MTPA, a significant step towards our goal. Expansion activities are in full swing at Bharat Aluminium Co. Limited (**"BALCO"**) and 1 MTPA project is estimated to be completed by first half of FY 2025. We are committed to our journey of 100% Value Added Product (**"VAP"**) Production and the current project pipeline is on track for completion in FY 2024. This would help us cater to growing demand from sunrise sectors such as EVs, Renewables, Defence, and Aerospace. This facility is expected to cater to more than 100 downstream SMEs.

Lanjigarh refinery expansion from 2 MTPA to 5 MTPA remains our key focus area with first alumina expected in FY 2024. LOI has also been issued for the Sijimali bauxite block, with an estimated reserve of 311 million tonnes of bauxite. On the Coal front, operationalisation of Jamkhani coal mine was a significant milestone in the current year. We also expect commencement of Kuraloi A North and Radhikapur West mines in the next 12-18 months. We were also declared the preferred bidder for Ghogharpalli coal block and Coal Mine Development & Production Agreement (**"CMDPA"**) has been executed for Barra block. Collectively, this would comfortably help us gain 100% coal security and delink our operations from market volatility.

VZI: In line with our vision of increasing MIC from 300 KTPA to 600 KTPA, Zinc (**"Zn"**) Concentrator Plant with capacity of 200 KTPA is on track, EPC partner has been locked and major long lead items ordering completed, project commissioning expected in Q1FY2025. For 210 KTPA Gamsberg Smelter project, partner finalisation is under progress and project will be commissioned in Q4FY2025. The continuous focus is on increasing Gamsberg phase-2 will further enhance the mining capability and processing capacity to double the current volumes. Gamsberg mining potential from 45 MTPA to 100 MTPA through engaging various mining partners.

Cairn: we remain committed to our journey of producing 50% of India's Oil & Gas production. In-line with our vision, we brought 55 wells online in FY 2023 across various assets. In Ravva, total 5 wells were put on production which led to increase in production from 10 kboepd to 13 kboepd. Cambay campaign– 3 wells were put online leading to increased volumes from 11kboepd to 13 kboepd. RDG Campaign – total 14 wells were put on production thereby increasing volume from 25 Kboepd to 29 Kboepd. We continue to undertake further Infill Drilling campaigns across fields to maximise recovery and exploration campaigns to discover resources for further growth. We also expanded our geographical footprint and commenced production from Assam and Onshore Gujarat, thereby helping us diversify our asset base.

ESL: 3 MTPA project - The steel expansion project with an investment of ₹2,696 crore comes with additional Blast Furnace of 1,264 m^3 supported by a 0.5 MTPA Coke Ovens, 2.4 MTPA Pellet Plant, 800 TPD Oxygen Plant and other auxiliaries and infrastructure upgradation including Railway siding to Plant head. This project also comes with a new 0.18 MTPA Ductile Iron Pipe Plant which will help us to maximise VAP. The project along with debottlenecking of BF#3, Sinter Plants and new LRF will take us to the capacity of 3 MTPA with the lowest quartile cost and premium product portfolio. Expected HCO #1 commissioning by Q1FY2024, RMHS by Q3FY2024, BF #1 completion by Q4FY2024.

FACOR: This year, in March 2023, we have successfully commissioned the project of 33 MVA Furnace which will take Fe-Cr production from 90 KTPA to 15 KTPA. Additionally, 0.5 MTPA COB Tomka project for deploying additional Chrome ore Beneficiation plant outside the mining lease located in TOMKA, TOR has been approved, PH will be conducted soon. Project is expected to be completed by October 2023.

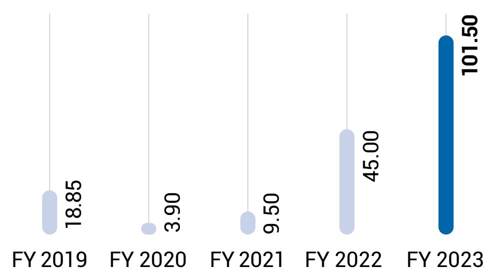
Nicomet: In FY 2023, we have successfully operationalised Nickle plant and were able to stabilise the plant operations for producing premium quality of our product. Additionally, we have successfully commissioned Nickle metal plant for producing Ni metal in Q4FY2023. First dispatch of NiSo4 and Ni metal executed in March 2023. Going forward, focus is on developing customer base in domestic and export market.

DIVIDEND DISTRIBUTION POLICY AND DIVIDEND

In terms of the provisions of Regulation 43A of the Listing Regulations, the Company has adopted Dividend Distribution Policy to determine the distribution of dividends in accordance with the applicable provisions. The policy can be accessed on the website of the Company at www.vedantalimited.com.

With consistent dividend as a healthy sign of our sustained growth, our firm belief in percolating the benefits of our business progress for widespread socioeconomic welfare facilitates the equitable sharing of our economic value generated. Attaining steady operational performance and a harmonised market environment in continuation of the historical trends helped us to reaffirm the realisation of competent numbers for FY 2023.

Return to Shareholders (₹ per share)



~30% dividend yield with record dividend declaration of ₹101.50/ share in FY 2023.

The Company has declared the following dividends during the year in compliance with the Dividend Distribution Policy:

Particulars	Interim Dividend – FY 2023				
	1st	2nd	3rd	4th	5th
Date of Declaration	28 April 2022	19 July 2022	22 November 2022	27 January 2023	28 March 2023
Record Date	09 May 2022	27 July 2022	30 November 2022	04 February 2023	07 April 2023
Date of Payment	Within 30 days from the date of declaration				
Rate of Dividend per share (Face Value of ₹1 per share)	31.50	19.50	17.50	12.50	20.50
%	3,150	1,950	1,750	1,250	2,050
Total Payout (₹ in crore)	11,710.14	7,249.13	6,505.63	4,646.88	7,620.89

Pursuant to the Finance Act, 2020, dividend is taxable in the hands of the shareholders with effective from 01 April 2020 and tax has been deducted at source on the Dividend at prevailing tax rates inclusive of applicable surcharge and cess based on information received by the Registrar and Transfer Agent (**"RTA"**) and the Company from the Depositories.

The Board of Directors did not recommend any final dividend for the financial year ended 31 March 2023.

CREDIT RATING

Your Company is rated by CRISIL and India Rating and Research Private Limited on its various debt instruments.

A detailed status of the Credit Ratings on various facilities including Bank Loans, Working Capital Lines, Non-Convertible Debentures and Commercial Papers forms part of the Report on Corporate Governance Report of this Annual Report.

ECONOMIC RESPONSIBILITY

Vedanta guided by its vision and mission adopts a comprehensive value creation process that leverages on all available resources and relationships while addressing material issues and strategic focus areas. At the core remains ESG, where our purpose **'Transforming for Good'**, supplemented by the more comprehensive **'Transforming Together'** theme is deeply embedded into this value creation process. The inherent community value empowers our decision-making to drive business success, while contributing to the nation's growth. Our continuous endeavour is to build a sustainable world with a shared value creation for all stakeholders.

Our value creation drive is focussed on optimising capital allocation and maintaining a strong balance sheet while generating strong free cash flows. We invest in best-in-class equipment and machinery to ensure operational efficiency and safety, at both our current operations and expansion projects.

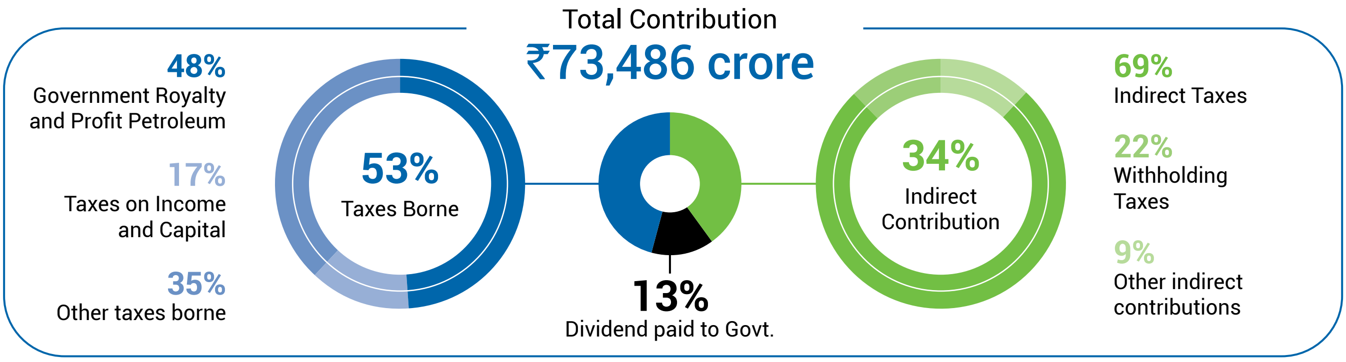
We promote diversity, equality and inclusivity, while also investing in people development, safety and well-being. We empower them to think independently, creatively and innovatively. We strive to operate responsibly through sustainable use of resources and investing in various environmental goals.

Lastly, we are committed to nurturing lasting and enduring relationships with our stakeholders, built on trust and concern for their individual and collective well-being through meaningful engagements.

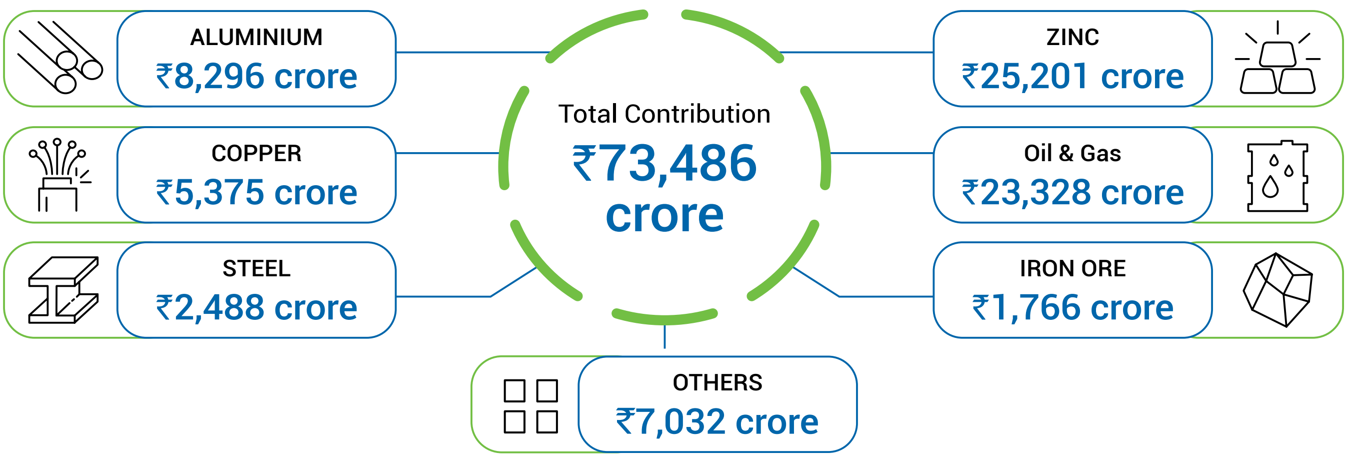
Vedanta's large, diversified asset portfolio, with an attractive cost position in many of its core businesses, enables us to deliver strong margins and free cash flows through the commodity cycle. Vedanta continued its strong growth momentum and witnessed steady volume performance across all businesses, with aluminium and zinc delivering record performance, despite the challenging environment, in terms of geo-politics, rising energy prices and uncertainty in commodities market.

At Vedanta, FY 2023 was a year of remarkable progress on the ESG front led by our 'Transforming for Good' purpose. We positively touched more than 44 million lives through our CSR progammes, improved diversity, inclusion and governance practices and took major strides in the areas of carbon neutrality, water positivity and a greener business model.

In line with the past trends, we are proud to declare that we have contributed ₹73,486 crores to the public exchequer of the various countries where we operate in FY 2023. The total contribution to exchequer is the result of value addition by various business segments across their respective value chain and multiple hierarchies of business cycle.



BUSINESS SPREAD OF CONTRIBUTION TO EXCHEQUER



Your Company publishes Tax Transparency Report which provides an overview of the tax strategy, governance and tax contributions made by the Company. Such report is a testimony to the conglomerate's endeavor towards absolute transparency in disclosure of profits made and taxes paid.

The report is available on the website at www.vedantalimited.com.

2. SUSTAINABILITY AND SOCIAL RESPONSIBILITY

ENVIRONMENTAL, SOCIAL AND GOVERNANCE APPROACH

Transforming for Good

Introduction:

The current fiscal year is significant as we focus on putting in place an Environmental, Social, and Governance (**"ESG"**) framework to drive our ESG agenda for the long term. Our efforts are guided by senior management and supported by the creation of 14 Communities of Practice (**"CoP"**) to drive and achieve results in specific directions. Our 3 Pillars and 9 aims set the path for us to become a leader in the ESG space. We have started building momentum towards achieving our commitments to our stakeholders, and our work plan for attaining our ESG goals is being put in place.

ESG Targets:

We are building our focus to achieve our stated 2030 ESG targets, which will improve our business sustainability and make us agile, future-ready, and an employer of choice. Our 14 CoPs are working towards achieving these goals, and we have made considerable efforts to align our future business trajectory with our ESG goals. Given the long-term nature of our targets, the roadmaps are constantly evolving, and our consistent and focussed approach towards these goals will help us to get near our targets.

Green Shoots/Major Achievements:

Considerable efforts are being made in every ESG aim that we are working on, and some significant achievements in FY 2023 give confidence to the Company that we are on the right track. These include:

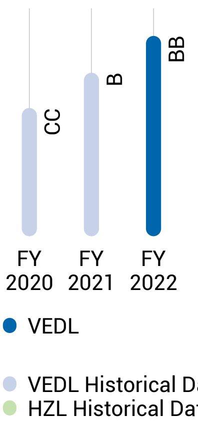
1. ***Transforming Communities:***
   - Our flagship Nand Ghar programme has reached 4,533 Nand Ghars, impacting 2.9 million women and children through our initiative.
   - Our Corporate Social Responsibility programmes that focus on improving the skill sets of communities are helping around 4,00,000 families improve their earning potential and achieve financial independence.
2. ***Transforming Planet:***
   - PDAs are in place for 838 MW of Renewable Energy Round The Clock power for our operations, with the potential to abate ~7 $MMtCO_2e$ per year.
   - Four of our operations (Hindustan Zinc Limited, Cairn India, Iron Ore Business, and Black Mountain Mine) are now water positive.
3. ***Transforming Workplace:***
   - Our total women employee base has improved to 14% from our FY 2021 baseline of 11% which shows significant progress in making our workforce more diverse.
   - Our women representation in decision-making roles is expected to improve from 12 to 16% in FY 2023, which means more leadership roles for women employees to lead businesses.

ESG Ratings:

Our jumpstart in ESG performance has been endorsed and acknowledged by ESG rating providers. We have improved our ESG rating in renowned ESG rating providers like Dow Jones Sustainability Index (**"DJSI"**), Sustainalytics, MSCI, CDP (Water) while retaining our CDP rating in climate performance. This is the result of putting organisation-wide efforts on changing the on-ground situation for the better, which is getting reflected in ESG ratings.

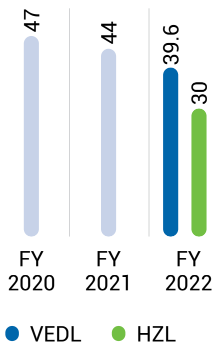
MSCI

- No significant votes against directors
- Incentivisation of sustainability Performance in executive pay policies



Sustainalytics

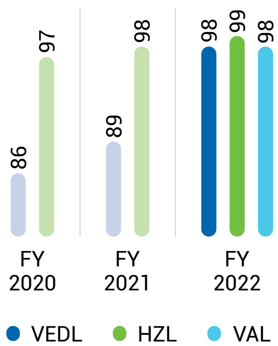
- Improvement from severe to high risk
- Improved management of ESG risks cited as reason for better rating



VEDL High Risk category
HZL Medium Risk category

DJSI

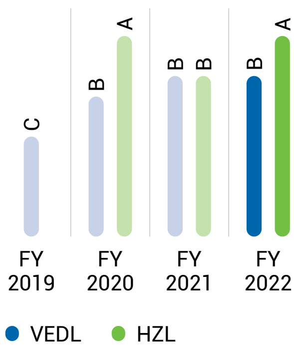
- Part of Sustainability World Index
- Only Indian company to be added in FY 2022
- Also, part of 'Emerging Markets Index'



HZL #3 | M&M Index
VEDL #6 | M&M Index
VAL #2 I AL Sector

CDP

- B-rating for CDP Climate and CDP Water
- CDP Water disclosed for 1st time



HZL rated A for CDP climate and CDP water

Challenges:

Safety Performance

While there are green shoots visible in almost all the ESG Key Performance Indicators, our safety performance remains a cause of concern. Unfortunately, we had 13 fatalities in FY 2023, which belied our efforts to improve our safety scores. To overcome this issue, we are implementing a Critical Risk Management (**"CRM"**) framework at all our locations, which ensures working on top reasons/root causes for fatality elimination. CRM is a proven way to improve fatality reduction and has been implemented by global metals and mining majors. We are trying to fast-track the progress of this project as much as possible.

Growth Projects

Our growth projects planned from FY 2024 to FY 2030 period, while improving our portfolio of energy transition metals, will add more pressure on our environmental performance (emissions, water, waste, etc.). This growth project pipeline can affect our 2030 targets for environment, but we are devising the strategy for ensuring that our growth trajectory is as green as possible.

To achieve our ESG aims, we have created a strong pipeline of more than 1,100 projects in all 3 major areas of transformation, which will take us in the required direction. With the help of technology and focussed approach, we are on right track to achieve leadership position in ESG space.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

Since FY 2022, our Business Responsibility and Sustainability Report (**"BRSR"**) disclosures have been aligned with the regulations issued by the Securities and Exchange Board of India (**"SEBI"**), which mandate compulsory disclosures for top 1,000 companies by market capitalisation in India. As per SEBI directives on Integrated Reporting (**"IR"**), the Company follows the <IR> framework of the International Integrated Reporting Council to report on all the six capitals that are used to create long-term stakeholder value and also continues to provide the requisite mapping of principles between the Integrated Report, the GRI and the Business Responsibility Report **("BRR")** which has now been advanced to the BRSR as per new SEBI requirements. Hence, a BRSR containing basic information about the Company's sustainability practices is being published as a part of the Integrated Report this year. These disclosures will help Government to focus on major areas of policy actions and for improved compliance of ESG issues at large to align with Government's own goals for business sustainability.

As part of our commitment to upholding ESG priorities, the Board of Directors at Vedanta have taken steps to strengthen our focus on ESG matters. The Board-level ESG Committee meets every six months to oversee and guide the business on its ESG strategy. The Committee is headed by an Independent Director. Additionally, the Board is supported by ESG advisors with extensive expertise in areas such as communities and social performance, requiring collective efforts on various fronts. Details of the composition of the Committee, its terms and reference and information on ESG advisors, and the meetings held during FY 2023 are elucidated in the Corporate Governance Report.

A separate detailed report on company's Sustainability Development also forms part of the Annual Reporting suite. Your Company publishes an annual Sustainability Report prepared in accordance with the Global Reporting Initiative (**"GRI"**) Standards; mapped to the United Nations Global Compact (**"UNGC"**); and aligned to Sustainable Development Goals (**"SDGs"**). It reports our approach and disclosure towards triple bottom line principles - People, Planet and Profit.

Detailed information about the Company's sustainability performance can be found in our annual Sustainability Report which can be accessed at www.vedantalimited.com.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption stipulated under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed herewith as **'Annexure A'**.

The details of the Foreign Exchange Earnings and Outgo are as follows:

(₹ in crore)

Particulars	Standalone		Consolidated	
	FY 2023	FY 2022	FY 2023	FY 2022
Expenditure in foreign currency	5,172	2,574	7,266	9,324
Earnings in foreign currency	31,035	33,744	49,439	47,991
CIF Value of Imports	26,437	22,918	34,137	29,520

CORPORATE SOCIAL RESPONSIBILITY ("CSR")

Vedanta has committed itself towards reaching out and giving back to its communities. Creating an ecosystem of development through planned interventions, Vedanta is ensuring that its vision for the development of the nation reaches the farthest geographies.

With a consistent focus on bringing a transformational change in its communities, Vedanta is implementing sustainable and inclusive growth and has reached out to **4,39,14,230 total beneficiaries** across **1,268 villages** in FY 2023.

Spearheading Women and Child Development through its flagship project **'Nand Ghar'**, a total of **4,533 centres** across **14 states** in India have been developed that cater to more than 3 lakh children and women of rural India. Nand Ghars are transforming the landscape of rural India with best-in-class infrastructure and facilities. Project Nand Ghar is emerging as synonymous to nutrition. This year, with Vedanta Delhi Half Marathon and Vedanta Pink City Half Marathon, more than 50,000 people ran for the cause "Zero Hunger". These marathons reached out to international and domestic runners and with the zeal and enthusiasm of the participants, Vedanta was able to commit 2 million meals for a healthy and nourished India. Catering to the needs of building a resilient future generation, Nand Ghar also launched a multi-millet nutria bar for children's holistic nutrition as part of its preparations for its objective for a healthy India.

Vedanta has always found its purpose in giving back multifold to its communities and ensuring no being is left behind. Broadening its reach into the realm of welfare, Vedanta has launched a first of its kind, **Animal Welfare** Project, **The Animal Care Organisation ("TACO")**. An initiative focussed on improving animal health and welfare, TACO is currently operating in Haryana and Rajasthan. Its goal is to offer top-notch amenities, veterinary care, training, and animal shelters to protect and care for animals. Additionally, TACO has provided aid to Ranthambore National Park to help preserve the diverse wildlife found within the sanctuary.

Furthermore, to accelerate social growth and development, with a well-defined roadmap and a commitment to invest ₹5,000 crore, Anil Agarwal Foundation, the philanthropic arm of Vedanta aims to take the mission of creating strong and resilient communities in India ahead.

In FY 2023, Vedanta has won several awards for its community development initiatives like National CSR Award, Platts Global Metal Awards for Corporate Social Responsibility, ICC Social Impact Award 2022, FICCI CSR Award 2022, 11th India CSR Award 2022, India CSR Award etc.

An overview of CSR initiatives is provided in earlier section of this Annual Report and report on CSR activities for FY 2023 as per Section 135 of the Act and rules made thereunder forms part of this Directors' Report and is annexed hereto as **'Annexure B'**.

Further, the Company has in place a CSR Policy approved by the Board of Directors and the same can be accessed at www.vedantalimited.com.

Excellence in Corporate Social Responsibility

An essential aspect of most of the programs is adopting a community engagement strategy that begins from the grassroots level. This approach fosters community ownership and long-term sustainability with efficiently implemented programs working for the betterment of the communities.

Understanding and prioritising the needs of the communities, several interventions with focus on women and child development, healthcare, sustainable livelihood, sports and culture and community development have been designed and implemented across more than 1,000 villages.

Impact at a Glance

Nand Ghar
3,16,000 Women and Children Beneficiaries

Sports and Culture
3,55,525 Beneficiaries
13 Initiatives

Health
26,96,689 Beneficiaries
33 Initiatives

Women Empowerment
44,503 Beneficiaries
7 Initiatives

Drinking Water and Sanitation
6,25,528 Beneficiaries
17 Initiatives

Children Wellbeing and Education
3,87,25,079 Beneficiaries
28 Initiatives

Environment
4,19,670 Beneficiaries
3 Initiatives

Livelihood
94,577 Beneficiaries
11 Initiatives

Skill Development
5,400 Beneficiaries
10 Initiatives

Disaster Relief
50 Beneficiaries

Community Infrastructure/ Mobilisation
6,28,511 Beneficiaries
15 Initiatives

Impact Assessment

KPMG carried out a scoring exercise for each Business Unit wherein their relative performance per project was ascertained and presented basis the OECD-DAC Framework. It comprises a set of criteria that aids in the systemic and objective assessment of ongoing or completed development programs, their design, and implementation, using six evaluation criteria – Relevance, Coherence, Effectiveness, Efficiency, Impact and Sustainability.

The exercise of carrying out the studies were intended to provide an understanding of what were the best practices emerging from the study and what can be done next as part of the way forward.

The following process was undertaken to conduct the study

Adopting different study approaches based on existing community sentiment:

1. Research approach
2. CSR focussed approach

Strengthening existing impact map with SDG indicators

Mixed methods approach to data collection - surveys, interviews and FGDs, etc.

Recommendations for exiting/consolidating current programs

Scoring each project Business Unit wise

Data analysis and benchmarking with national and state averages

Strategic inputs for further strengthening of CSR programs with a focus on:

- Impact
- Perception of stakeholders
- Emerging priority areas
- Business drivers

The following questions are asked through the study

What impact have the CSR activities been able to create (intended and unintended)?	How do local communities and other stakeholders perceive Vedanta's CSR activities vis-à-vis its business operations?	How are the CSR programs helping strengthen the social licence to operate for the respective Business Units?	What are the current needs of the community and baseline values for the indicators Vedanta wants to impact?	How are different projects/BUs/thematic areas performing with respect to each other and what course of corrective actions are needed?

Thematic Area	Indicators	(%)
Education	Ensure all achieve literacy	91
	Improvement in passing percentage	62
Sustainable Livelihoods	Employed community members	79
	Association with Farmer Producer Organisations	23
Skilling	Placement rate of trained youth	91
	Trained population that could retain their job beyond 18 months	39
Health, Water and Sanitation	Accessing public health facilities	85
	Population stating improvement in quality of healthcare	39
Community Assets Creation	Access to clean drinking water	55
	Presence of drinking water source within the house or its periphery	56
Women Empowerment	Women associated with Self Help Groups	48
	Women that always make their own decisions on education, finances, family planning etc.	52

Primary Data

Perception of CSR Management

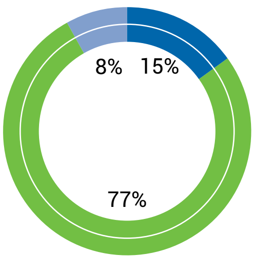
- 47 CSR Management Interviews were conducted across 8 Business Units of the Company
- 95% respondents feel that Vedanta's focus on business drivers through CSR over the last three years has improved community relations

75% respondents feel that CSR generates value and success for both the Company and society

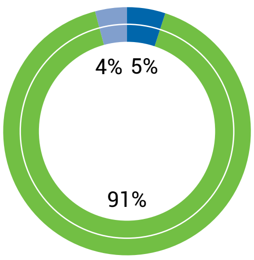
25% respondents feel that CSR is an integral part of strategy that drives the business forward through the generation of trust

Only **6%** respondents feel that CSR is a compliance requirement and is separate from the rest of the business

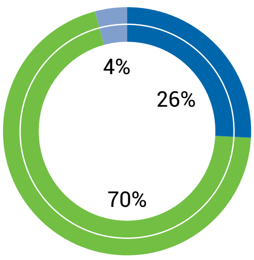
Beneficiaries and Community



Local Stakeholders



Districts' Stakeholders



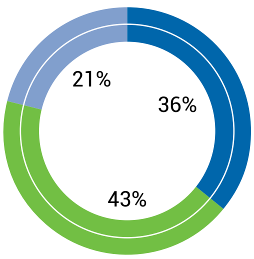
Exceeding expectations *Satisfied* *More support required*

Secondary Data

A digital listing and topic analysis was performed on ESG activities of Vedanta Resources Limited (**"VRL"**) and its subsidiaries across the World Wide Web to analyze the brand mentions and other digital media Key Performance Indicators (**"KPIs"**) surrounding them.

This was done to understand the perception that netizens have around the brand's CSR activities and to identify opportunities for Vedanta that can be carried out as part of CSR.

Sentiment Analysis



Positive *Neutral* *Negative*

Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014

As per the revised CSR Rules issued by Ministry of Corporate Affairs ("**MCA**") in January 2021, every company having an average CSR obligation of ten crore rupees or more in the three immediately preceding financial years, shall undertake impact assessment, through an independent agency, for their CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study.

In line with the above requirement, a brief outline of the projects for which Impact Assessment was carried out and the executive summary of the Impact Assessment Reports is annexed as **'Annexure B-1'** to the Annual Report on CSR Activities for FY 2023 forming part of this Annual Report.

The complete Impact Assessment Reports of the applicable projects can be accessed at the Web-link provided in the said annexure.

3. HUMAN RESOURCES MANAGEMENT

PEOPLE AND CULTURE

Our Company has always aspired to build a culture that demonstrates world-class standards in safety, environment and sustainability. People are our most valuable asset and we are committed to provide all our employees, a safe and healthy work environment. Our culture exemplifies our core values and nurtures innovation, creativity and diversity. We ensure alignment of business goals and individual goals to enable our employees to grow on personal as well as professional front.

It is through the passion and continued dedication of our people that our Company continues to succeed and we have always unequivocally and firmly believed in rewarding our people for their consistent efforts through our best-in-class and globally benchmarked people practices and reward programs.

We have been recognised for our people practices by coveted External Award:

- **100+** External Recognitions received in last 7 years
- Vedanta Group identified as **Great Place to Work** second time in a row along with a special mention for being India's Best Employers Among Nation-Builders 2022
- Kincentric Best Employer Award 2022 for **Commitment to Diversity and Inclusion**
- Featured in **Top 10 Happiest Workplaces** 2022 by Business World along with other prominent brands
- Arogya World Healthiest Workplace Award - **Recognised at Gold Level** for Vedanta Group for best practices in Health and Well-Being 2022
- Recognised with Economic Times - **Company with Great Managers** year-on-year
- Recognised for 'Significant Achievement to HR Excellence' by CII

Great Place To Work. India's Best Employers Among Nation-Builders | The Happiest Workplaces by BUSINESSWORLD | KINCENTRIC Best Employers | AROGYA WORLD HEALTHY WORKPLACE | THE GREAT MANAGER AWARDS | CII

People Practices

Best Talents to change Fabric of the Organisation - Right Roles, best benefits, career path and anchoring diverse talent: gender, skill and geography

- 1,200+ Freshers out of which 150+ from premier campuses, 38% gender diversity, 12% minority and 30% Rank holders
- Vedanta Leadership Development Program (**"VLDP"**) hiring from top IITs and IIMs, XLRI, NITIE
- Hiring at mid and entry level positions from top global campuses from US, UK, Australia, Asia etc.
- Anchoring and mentorship by senior leaders, tracked digitally via V-Excel Platform for the campus hires
- **Family Business Hiring** is a unique initiative where the objective is to get professionals who bring entrepreneurial skillset into the system
- **Global Talent and Subject Matter Experts** hired with niche skillset to give us the competitive advantage. We have talents from around 30 different nationalities

Diversity Equity and Inclusion ("DEI") - Vedanta has already embarked with the journey to build an inclusive and empowered workforce. To create organisational capability for future, our BUs have differentiated themselves through continuous efforts in creating positive transformation that is based on meritocracy without any scope of discrimination on the ground of age, sex, colour, disability, marital status, nationality, caste or religion. Ensuring an inclusive environment is a key part of our belief that drives equality and innovation. All our DEI principles focus on:

- Enabling and empowering diversity
- Promoting equality
- Inclusive policies
- Inclusion of LGBTQ as a part of the workforce
- Training and Sensitisation of workforce - Gender intelligence workshop
- **Project Panchi,** Sapnon ki Udaan was launched with Vedanta's focus on giving back to the community and Nation - Desh Ki Zarooraton ke Liye. It is aimed at the upliftment of the society by providing opportunity to groom 1,000 girls from the marginalised community and make them a part of our Vedanta Family. This program will focus on upskilling the 'Panchis' to enable them to work in business shop floors and other functions. This will strengthen them from all aspects - financially, emotionally and socially ensuring their safety and security

Leadership Development and Succession Planning - In line with our core philosophy of **"Leadership from within"**, we run some of the industry's most sought after leadership development programs. We identify high quality talent with focus on young talent to make Vedanta truly 'future-ready'

- **Robust Second-in-line Leadership:** The Emerging Leaders Program was a group-wide talent identification initiative, to identify and place Hi-Po talent in Deputy CXO Roles across businesses, SBUs and functions. 130 leaders were elevetated into key critical roles while shadowing the CXO. Successors identified through a rigorous structured process of assessments and feedback
- **Executive Education and C-Suite Coaching:** 100+ leaders identified for Executive Education programs from Premier B-Schools like IIM B, ISB and INSEAD to enhance leadership and managerial acumen. All senior CXOs mapped with Internationally Acclaimed Executive Coaches

Enabling Women Leadership: V-Lead, our Flagship Women Leadership Development Program to create a strong pipeline of women CXOs and include them in decision-making bodies

- 120 high-potential women leaders covered
- 25 Vedanta CXOs anchoring V-Lead Leaders
- 80% of our V-Lead Leaders elevated to Leadership Roles in last two years through growth workshops, ACT-UP etc.
- 40% of our V-Lead Leaders recognised across Vedanta with the prestigious Chairman Awards

Complete Talent Coverage: Employees across all functions, grades, experience/seniority levels are included in our Talent Development Initiatives which ensures fast-tracked career progression for all employees at the right time

- **This year, Multiple ACT-UP programs were held focussed on critical functions such as Projects and Mining. Unique initiatives such as Non-HR to HR, V-Excel, V-Reach Tech, V-Lead were executed** covering a specific pool of employees which included new campus hires, Cross-Functional leaders (Mining, Projects, Commercial and Marketing etc.) and Women Leaders. **Gurukul**, a digitally-driven feedback-centric Learning and Development initiative which gives internal leaders and external experts a platform to share their expertise, has grown and now boasts of a 24*7 digital repository of all knowledge sessions along with top emerging ideas

A detailed update on People and Culture detailing the Company's initiatives, recruitment strategy, hiring projects and talent management and development is elucidated in the Sustainability and ESG Section of the Annual Report.

EMPLOYEE STOCK OPTION SCHEME ("ESOS")

Employee stock options is a conditional share plan for rewarding performance on pre-determined performance criteria and continued employment with the Company. It provides a much better line-of-sight to all the employees and gives the control of outcome to employees.

Our Company had launched a stocks-based incentive scheme viz., 'Vedanta Limited Employee Stock Option Scheme 2016'. The Scheme was framed with a view to reward employees for their contribution in successful operation of the Company with wealth creation opportunities, encouraging high-growth performance and reinforcing employee pride.

The Scheme was launched after obtaining statutory approvals, including shareholders' approval by way of postal ballot on 12 December 2016.

On 28 October 2022, the Nomination & Remuneration Committee (**"NRC"**) approved the grant of Employee Stock Options 2022 to Vedanta employees covering 43% of eligible population. For the first time, all the campus hires were provided with stock options, to enable young talent to grow and contribute towards overall business performance.

In order to align the scheme with the best-in-class reward practices globally and pertinent Indian peers, as well as to emphasise on our value system of 'CARE' for employees and culture of 'Pay for Performance', the ESOS 2022 plan is driven by Business and Individual performance.

The scheme is robust with an objective to place greater prominence on superior individual performance thereby recognising high performing talent while keeping them accountable for business delivery. It has been ensured that the scheme fulfils its motive of wealth creation for employees to fulfill their financial goals and at the same time gives them the sense of ownership.

Vesting of the awarded grants are completely based on performance, linked to individual & business parameters. Since this is a long-term incentive, continued employment with the company from the grant till vesting is a construed condition to be eligible for vesting. Vedanta follows performance-based cliff vesting with vesting on 3rd anniversary of grant. To give prime importance to sustainable business delivery, ESG and Carbon footprint are part of additional parameters to measure business performance. To ensure that we operate sustainably in line with our motto of 'zero harm, zero waste and zero discharge', multiplier based on fatalities has also been included as a performance parameter for vesting.

The Scheme is currently administered through Vedanta Limited ESOS Trust (**"ESOS Trust"**) which is authorised by the Shareholders to acquire the Company's shares from secondary market from time to time, for implementation of the Scheme.

No employee has been issued stock options during the year, equal to or exceeding 1% of the issued capital of the Company at the time of grant.

During the year, the acquisition by the Trust does not exceed 2% of the paid-up capital of the Company. Further, the total acquisition by Trust at no time exceeded 5% of the paid-up equity capital of the Company.

Pursuant to the provisions of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (**"Employee Benefits and Sweat Equity Regulations"**), disclosure with respect to the ESOS Scheme of the Company as on 31 March 2023 is available on the website of the Company at www.vedantalimited.com.

The Company confirms that the Scheme complies with the Employee Benefits and Sweat Equity Regulations and there have been no material changes to the plan during the financial year.

A certificate from M/s Vinod Kothari & Company, Practicing Company Secretaries, Secretarial Auditors, with respect to the implementation of the Company's ESOS Schemes, would be placed before the shareholders at the ensuing Annual General Meeting (**"AGM"**). A copy of the same will also be available for inspection through electronic mode.

MANAGERIAL REMUNERATION, EMPLOYEE INFORMATION AND RELATED DISCLOSURES

The remuneration paid to Directors, Key Managerial Personnel (**"KMP"**), and Senior Management Personnel (**"SMP"**) during FY 2023 was in accordance with the Nomination and Remuneration Policy of the Company.

Disclosures under Section 197 of the Act and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (**"Rules"**) relating to the remuneration and other details as required are appended as **'Annexure C'** to the Report.

In terms of provision of Section 136 of the Act and Rule 5(2), the Report and the Financial Statements are being sent to the Members of the Company excluding the statement of particulars of employees as prescribed under Rule 5(2) of the Rules. The said information is available for inspection through electronic mode. Any member interested in obtaining a copy of the said statement may write to the Company Secretary and the same shall be furnished upon such request.

COMPENSATION GOVERNANCE PRACTICES AT VEDANTA

Our Compensation Philosophy: People are our greatest asset and we are committed to providing all our employees, a safe and healthy work environment. **Linkage of Reward Priorities to Business Priorities Ensuring a Uniform Experience Across Group**. Built on the core objective of driving **'Pay for Performance'** culture, the mix of components of the Executive Compensation aims to drive the short as well as long-term interests of the Company and its shareholders through strong emphasis on operational/financial fundamentals, social licence to operate, business sustainability and strategic objectives of resource and reserve creation along with wealth creation for stakeholders.

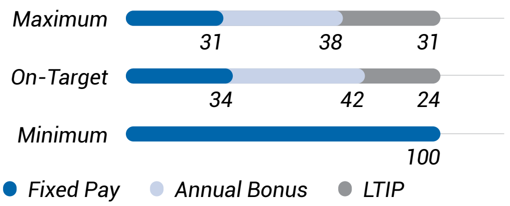
Business Priorities

- Zero Harm, Zero Waste and Zero Discharge
- Build a Performance Driven Culture
- Reflect and Enable Long-Term Business Growth and Vision
- I-RECITE at Heart

Rewards Priorities

Zero Undesirable Talent Loss	**Above Market Pay Positioning**
Relentless Focus on Productivity and Performance	**Compelling Pay Mix Basis Position in the Firm**
It Pays to Perform	**High Differentiation at 1.8 - 2.2X**
Individualised Employee Value Proposition	**Holistic Employee Growth**

Executive Committee Members



Ratio of Fixed Pay vs Variable Pay in Senior Executives' Remuneration

Linkage to ESG/Safety

- **Scorecard-based performance management approach:** Greater emphasis is laid on setting of objective KPIs along with the continuous performance dialogue
- **Culture of safety and sustainability to achieve our ultimate vision of "Zero Harm", "Zero Waste" and "Zero Discharge":** The safety and sustainability scorecards under the Vedanta Sustainability Assurance Program form an integral component. Progressively, impact of carbon footprint has been added as a performance parameter
- **ESG Component in Annual Performance Bonus:** Based on a balanced scorecard of financial, operational, sustainability & ESG, people and strategic metrics, appropriate weightage is allocated to efforts towards business and individual performance. Business performance parameters include Volume, CoP, FCF, EBITDA, Reserves. Any fatality in the group impacts the variable of the employees.
- **Long Term Incentive Plan ("LTIP"):** The vesting is attributed to sustained business and individual performance against the pre-determined performance criterion which also includes ESG and Carbon Footprint
- **Employee Benefits Policy:** Road-based transportation is responsible for ~12% of global GHG emissions. At Vedanta, we have committed to do our bit to eliminate these emissions. As an organisation, we want to ensure that 100% of our light motor vehicles are decarbonised by 2030. Towards the above goals, a radical change to our Company Car Policy was announced involving Electric Vehicle (**"EV"**) Kicker to incentivise employees to opt for EV. Additionally, a new policy on EV Incentive for the purchase of electric two-wheelers was launched to benefit all the employees across the organisation
- **Governance:** The Executive Compensation Philosophy is well established and benchmarked across relevant industry comparators which enables us to differentiate people on the basis of performance, potential and criticality in order to provide a competitive advantage in the industry. All parameters are reviewed each year by the NRC. Timely risk assessment of compensation practices is done in addition to review of all components of compensation for consistency with stated compensation philosophy
- **Voice of the Employee:** Involvement of bright minds from diverse functions and best in market external partners as well as timely communication to ensure transparency to all employees

  Vedanta has been built on a strong foundation of governance where the Board, Key Executives and Compliance Officer have been vigilant and committed to ensure structural integrity, soundness and highest standards of compensation practices. Over the last few years, we have matured many of our reward practices as an attempt to continue to raise the bar

➢ The composition of NRC is in compliance with the Listing Regulations and majority of the members are Independent Directors. The Chairman of the Committee is an Independent Director

➢ The members of NRC together bring out the rich expertise, diverse perspectives and independence in decision-making on all matters of remuneration for Directors, KMP and SMP. The Independent Directors are actively engaged throughout the year as members of NRC in various people matters even beyond remuneration

➢ A Board charter appoints and sets primary responsibilities of NRC which includes selecting, compensating, monitoring and, when necessary, replacing key executives and overseeing succession planning

➢ Best-in-class independent consultants are engaged to advise and support the Committee on matters of Board evaluation and leading reward practices in the industry

➢ Timely risk assessment of compensation practices is carried in addition to review of all the components of compensation for consistency with stated compensation philosophy:

- Financial analysis and simulation of the long-term cost of reward plans and their Return on Investments (**"ROI"**)
- Provision of claw back clause as part of the ground rules of our long-term incentive scheme for all our leaders
- Upper limits and caps defined on incentive pay-outs in the event of over-achievement of targets to avoid windfall gains

➢ We do not encourage provision of excessive perks or special clauses as a part of employee contract such as:

- No provision of Severance Pay in Employment contracts of Whole-Time Directors (**"WTD"**), KMP and SMP
- No Tax Gross up done for executives except for expatriates as a part of tax equalisation
- No provision of unearned incentives/unvested Stock or Cash Options

Any benefit provided to Key Executives (including but not limited to CEO/CFO/CHRO) are available to all the employees of the Company as per the defined Company policy.

We continue to corroborate the Internal Pay Equity Principles, sustained attention to equity grant practices and maintain checks and balances to confirm that the practices are legally and ethically compliant with international, national and state/regional laws.

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE ("POSH")

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at Workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder for prevention and redressal of complaints of sexual harassment at workplace.

As part of Vedanta Group, your Company is an equal opportunity employer and believes in providing opportunity and key positions to women professionals. The Group has endeavoured to encourage women professionals by creating proper policies to tackle issues relating to safe and proper working conditions and create and maintain a healthy and conducive work environment that is free from discrimination. This includes discrimination on any basis, including gender, as well as any form of sexual harassment. During the period under review, seventeen (17) complaints were received and resolved. Your Company has constituted Internal Complaints Committee (**"ICC"**) for various business divisions and offices, as per the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

4. RISK MANAGEMENT

RISK MANAGEMENT

The businesses are exposed to a variety of risks, which are inherent to a global natural resources organisation. The effective management of risk is critical to support the delivery of the Group's strategic objectives. Risk management is embedded in the organisation's processes and the risk framework helps the organisation meet its objectives by aligning operating controls with the mission and vision of the Group set by the Board.

As part of our governance philosophy, the Board has a Risk Management Committee to ensure a robust risk management system. The details of Committee and its terms of reference are set out in the Corporate Governance Report which forms part of this Annual Report.

With effect from 06 June 2020, the Risk Management Committee has been consolidated with the Audit Committee comprising of only Independent Directors ensuring robust risk management systems in place with valued feedback of Independent Directors being on the Committee.

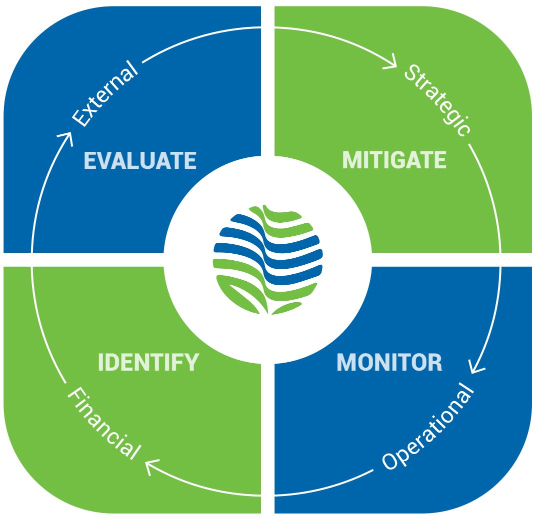
Our risk management framework is designed to be simple, consistent and clear for managing and reporting risks from the Group's businesses to the Board. Our management systems, organisational structures, processes, standards, and code of conduct together form the system of internal controls that govern how we conduct business and manage associated risks. We have a multi-layered risk management framework to effectively mitigate the various risks, which our businesses are exposed to in the course of their operations.

The The Audit & Risk Management Committee of the Board aids the Board in the risk management process by identification and assessment of any changes in risk exposure, review of risk control measures and by approval of remedial actions, where appropriate. The said Board-level Committee is in turn, supported by the Internal Group Risk Executive Management Committee (**"GRMC"**) which helps the said Board-level Audit & Risk Management Committee in evaluating the design and operating effectiveness of the risk mitigation program and the control systems.

Major risks identified by businesses and functions are systematically addressed through mitigating actions. Risk officers have also been formally nominated at operating businesses, as well as at the Group level, to develop the risk management culture within the businesses.

The Risk Management Policy of the Company revised in 2019 covers cybersecurity as well.

Group Risk Management Framework



For a detailed risk analysis, you may like to refer to the risk section in the Management Discussion and Analysis Report which forms part of this Annual Report.

CYBER SECURITY

The Group has a structured framework for cybersecurity. The Audit & Risk Management Committee ensures the overall responsibility for oversight of cybersecurity frameworks. Each of the Business Units has a Chief Information Officer (**"CIO"**) with suitable experience in Information/Cybersecurity. Every year, cybersecurity review is carried out by IT experts (belonging to IT practices of Big-4 firms). Vulnerability Assessment and Penetration Testing

("**VAPT**") review is also carried out by cyber experts. This practice has been in place for several years now and has helped in strengthening the cyber security environment in the Group. At the same time, the external environment on cybersecurity is continuously evolving. The respective CIOs are responsible for ensuring appropriate controls are in place to address the emerging cyber risks.

INTERNAL FINANCIAL CONTROLS

Your Board has devised systems, policies, and procedures/ frameworks, which are currently operational within the Company for ensuring the orderly and efficient conduct of its business, which includes adherence to policies, safeguarding its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial information. In line with the best practices, the Audit & Risk Management Committee and the Board reviews these internal control systems to ensure they remain effective and are achieving their intended purpose. Where weaknesses, if any, are identified as a result of the reviews, new procedures are put in place to strengthen controls. These controls are in turn reviewed at regular intervals.

The systems/frameworks include proper delegation of authority, operating philosophies, policies and procedures, effective IT systems aligned to business requirements, an internal audit framework an ethics framework, a risk management framework, and adequate segregation of duties to ensure an acceptable level of risk. Documented controls are in place for business processes and IT general controls. Key controls are tested by entities to assure that these are operating effectively. Besides, the Company has also adopted an SAP GRC (Governance, Risk and Compliance) framework to strengthen the internal control and segregation of duties/access.

The Company has documented Standard Operating Procedures ("**SOP**") for procurement, project/expansion management capital expenditure, human resources, sales and marketing, finance, treasury, compliance, Safety, Health, and Environment ("**SHE**"), and manufacturing.

The Group's internal audit activity is managed through the Management Assurance Services ("**MAS**") function. It is an important element of the overall process by which the Audit & Risk Management Committee and the Board obtains the assurance on the effectiveness of the relevant internal controls.

The scope of work, authority and resources of MAS are regularly reviewed by the Audit & Risk Management Committee. Besides, its work is supported by the services of leading international accountancy firms.

The Company's system of internal audit includes covering monthly physical verification of inventory, a monthly review of accounts and a quarterly review of critical business processes. To enhance internal controls, the internal audit follows a stringent grading mechanism, focusing on the implementation of recommendations of the internal auditors. The internal auditors make periodic presentations on audit observations, including the status of follow-up to the Audit & Risk Management Committee.

The Company's Internal Financial Control ("**IFC**") framework is commensurate with the size, nature and complexity of the Company's operations and is based on the criteria aligned to the Committee of Sponsoring Organizations of the Treadway Commission ("**COSO**") framework and requirement of the Act. Through the IFC framework in place, the Audit & Risk Management Committee and the Board gains assurance from the management on the adequacy and effectiveness of Internal Controls over Financial Reporting ("**ICOFR**").

In addition, as part of their role, the Board and its Committees routinely monitor the Group's material business risks. Due to the limitations inherent in any risk management system, the process for identifying, evaluating, and managing the material business risks is designed to manage, rather than eliminate risk. Besides, it is created to provide reasonable but not absolute assurance against material misstatement or loss.

Since the Company has strong internal control systems which are further strengthened by periodic reviews as required under the Listing Regulations and ICOFR compliance by the Statutory Auditors, the Chief Executive Officer (**"CEO"**) and Chief Financial Officer (**"CFO"**) recommend to the Board continued strong internal financial controls.

There have been no significant changes in the Company's internal financial controls during the year that have materially affected or are reasonably likely to materially affect its internal financial controls, other than as mentioned in the **"Audit Report and Auditors"** section of this Report.

There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their objectives. Moreover, in the design and evaluation of the Company's disclosure controls and procedures, the management was required to apply its judgement in evaluating the cost-benefit relationship of possible controls and procedures.

Further, the Audit & Risk Management Committee annually evaluates the internal financial controls for ensuring that the Company has implemented robust systems/framework of internal financial controls viz. the policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

"Internal Financial Control are **policies and procedures** adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the **safeguarding of its assets**, the **prevention and detection of frauds and errors**, the **accuracy and completeness of the accounting records**, and the **timely preparation of reliable financial information.**"

Building Blocks

Policies and procedures

- Policies and procedures exist for effective conduct of business, delegation of authority is formally documented and implemented, organisation structure is defined, and segregation of duties and responsibilities is maintained.

Prevention and detection of frauds and errors

- Proactive anti-fraud controls/fraud risk management framework has been implemented.

Timely preparation of reliable financial information

- Financial items are properly described, sorted and classified;
- Financial information is provided as per the timelines defined by the relevant stakeholders.

Safeguarding of assets

- Ownership and rights to assets are maintained with the Company;
- The Company has implemented processes for safeguarding of assets.

Accuracy and completeness of the accounting records

- All transactions occurred during a specific period have been recorded;
- Asset, liability, revenue and expense components are recorded appropriately.

VIGIL MECHANISM

The Company has in place a robust vigil mechanism for reporting genuine concerns through the Company's Whistle-Blower Policy. As per the Policy adopted by various businesses in the Group, all complaints are reported to the Director – MAS, who is independent of operating management and the businesses. In line with global practices, dedicated email IDs, a centralised database, a 24x7 whistle-blower hotline and a web-based portal have been created to facilitate receipt of complaints. All employees and stakeholders can register their integrity related concerns either by calling the toll-free number or by writing on the web-based portal which is managed by an independent third party. The hotline provides multiple local language options. All cases reported as part of whistle-blower mechanism are taken to their logical conclusion within a reasonable timeframe. After the investigation, established cases are brought to the Group Ethics Committee for decision-making. All Whistle-Blower cases are periodically presented and reported to the Company's Audit & Risk Management Committee. The details of this process are also provided in the Corporate Governance Report and the Whistle-Blower Policy is available on the Company's website at www.vedantalimited.com.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report for the year under review, as specified under Regulation 34 read with Schedule V of Listing Regulations is presented in a separate section, forming part of this Annual Report.

5. INNOVATION, DIGITALISATION AND TECHNOLOGY

INNOVATION, DIGITALISATION AND TECHNOLOGY

At Vedanta, we have a tech-forward strategy which aims to create a One-Vedanta experience while boosting operational effectiveness and productivity, fully embracing digitalisation, and fostering a culture of digital inclusion among employees while creating a start-up ecosystem.

Vedanta's digital-first approach has a keen focus on advanced technologies which has resulted in improved processes, volume upliftment and easy access to information for effective decision-making.

In FY 2023, through digital initiatives, we are looking to achieve tangible value in the form of 1.5x growth in EBITDA impact and gains such as enhanced safety and security, sustainability, better governance, and improved employee productivity. At the Group level, Project Pratham was launched as a flagship program to facilitate the rapid digital transformation across our businesses. Each of Vedanta's businesses has embarked on their own transformational journey towards digitalisation and innovation. In our mining & smelting complexes, we are at the forefront in implementing smart manufacturing by leveraging technologies under the Industry 4.0 umbrella. Initiatives that were implemented in current fiscal year include Integrated Petro-Technical Cloud at Cairn Oil & Gas, Smoke Hours Drilling (Tele-remote and Automation) at Hindustan Zinc Limited, Coal Blend Optimisation at Sesa

Goa, **'V-Aikyam'** as our new digital Human Resource and Performance Management System to enhance employee experience and **'V-Unified'** to have a complete standardised and uniform Health, Safety and Environment ("**HSE**") observation reporting platform across the Group.

Building upon the success of the previous edition, we introduced the second edition of Vedanta Spark, or **'Vedanta Spark 2.0'** to collaborate with creative start-ups and take use of their technological capabilities and agility. In this edition, Vedanta carried out more than 30 unique start-up engagements catering to 70+ pilot projects to solve business challenges across Vedanta's diversified business. Moreover, Vedanta is establishing its Corporate Venture Capital to support these budding start-ups, to mentor them, and to help them unlock their true potential and value.

To encourage innovation within the Company, the **'V-Ideate'** (Innovation and Technology theme) programme was launched. Employees and partners submitted 100+ business ideas as part of this effort which aims to reward grassroots inventions and bring about a digital cultural shift. **'Spotlight'** and **'Think Digital'** initiatives sensitised the workforce towards disruptive innovations and technology implementation happening within and outside the organisation.

We are extremely focussed in bringing about a culture change into empowering users to take advantage of advances in technology and even in day-to-day activities, to supply tomorrow's metals and energy in an effective and sustainable way. Vedanta will keep on expanding on its accomplishments in the mining and metals as well as the oil & gas sectors to realise the true potential of the digital age.

POLICY & ADVOCACY

Vedanta's initiatives are essentially premised on its 'Nation-First' philosophy. Vedanta's advocacy aims to create an enabling regulatory framework to fulfil the resource needs of the country, be it those of green energy, electric vehicles, or infrastructure. This is executed through participation in stakeholder consultations on global value chains, ease of doing business, financial reforms and other matters related to responsible business practices. Because of our frequent collaborations with academia, think-tanks, industry associations and media organisations, our initiatives are strongly backed by research and holistic stakeholder feedback. India's growth story requires an abundance of minerals, metals and fuel, which Vedanta aims to support.

RESEARCH AND DEVELOPMENT (R&D)

R&D is a critical component of Vedanta's growth strategy. It enables us to stay competitive by developing innovative products and services that meet the changing needs of customers. Vedanta invests a significant amount of resources into R&D to improve the quality of its products and services, reduce costs, and increase efficiency. R&D helps the Company to differentiate itself from competitors and maintain its market position.

- **In Aluminium business**, the R&D vertical has been working diligently to deliver innovative solutions in several key areas, including new product development, waste to wealth, beneficiation of Bauxite and process intensification.
  - **In the waste to wealth segment**, FY 2023 was a year of successful transformation of collaborative projects from laboratory developed processes to the stage of setting up a pilot plant.
  - Notable among these were recovery of high purity graphite >99% and cryolite from the wastes like Spent Pot Liner and Shot Blast Dust. With high purity graphite, Applications Development programme has been initiated for development of Anode of Lithium Battery, Electrostatic Dissipative coating and Conductive ink. Pilot Plants from these innovative processes will not only help to reduce environmental impact but also create new revenue streams for our business.
  - **Synthesis of high purity AlF_3** along with crystals of pure silica gel from dross slag waste is one of another significant achievement done in the lab scale and is now planned for a Pilot Plant and subsequent commercialisation. Such projects of extracting the valuables from waste will set perfect examples of Circular Economy.
  - Aligning with the **net zero carbon goal**, innovative research initiatives are being taken to reduce net carbon consumption. Specialised coating on Carbon Anodes will have a potential to reduce Net Carbon Consumption by 10 kg per million tonnes of Aluminium, this will translate to reduction in 0.06 million tonnes of carbon dioxide. It is worth mentioning that we are carrying out a high-end Modelling and Simulation exercise of Carbon anode to reduce the voltage drop to the extent of 2 mV in Pot Line by an improved green manufacturing process.
  - In the category of **New Product**, two new alloys have been developed and prototypes have been demonstrated. High strength 6XXX series alloy with 20% higher strength has been developed by new alloy design including homogenisation cycle, extrusion process and heat treatment cycle optimisation. This will lead to increase the wind load bearing capacity of doors and windows assembly. Lead and Tin free highly machinable 6XXX series alloy has been developed for automotive segments by new alloy designing and process optimisation. Machining properties like higher cutting speed, depth of cut and feed rate can be achieved with lower cutting force and superior surface finish for this alloy.
  - In the **beneficiation of Bauxite**, we have developed a process to improve the Alumina to iron oxide ratio which will result into reduced generation

of Red Mud by at least 20%. Beneficiation of Bauxite to reduce reactive Silica by almost 1% has shown promising results for plant level commercialisation. Utilisation of Red Mud has been a major focus area where we have already initiated and entered into a big collaboration with other industrial players and CSIR laboratories and JNARDDC, Nagpur for a technology development for holistic utilisation of red mud for extraction of metallic values and residue utilisation. We have also developed recipe to utilise Red Mud for partial substitution of sand, Road Sub Layer and Red Mud based Geo Polymer Concrete.

➢ **Hindustan Zinc Limited** has stayed focussed on business outcomes, and research activities have been initiated in multiple areas of interest, including additional process monitoring, digital data analysis and process simulation. We remain focussed on aspects related to the changing characteristics of the ore, while looking into improving our mineral processing and smelting processes for increased recovery and efficiency. Collaboration with world-class universities and institutes, technology providers, and start-ups is an essential part of our innovation process. Significant commercial implementations of this year include process for increasing Ag metal recovery during production of lead concentrates. Successful plant implementation has been achieved for enhanced minor metal recovery from smelter residues. In the coming year, we are aiming to develop process control strategies based on the new process parameter measurements and data analysis.

➢ **Specific R&D focussed projects include:**

- Implemented the process to improve silver recovery at Zawar by utilising silver promoter reagent
- Deployed non-hazardous flotation/depression reagent for graphite across sites
- Alternative low-capex process for jarosite preparation for its use in cement industry, customer test ongoing
- Sodium-based salt production from Effluent stream and its use in hydro process
- Increase the current efficiency of Zn electrowinning process and improve quality of HG grade Zinc in the manually operated zinc cell house
- Geo-metallurgical studies have provided advance insight of ore performance to guide flotation recipe for plant problem-solving and to support mines expansion plans
- Optimise the use of strontium-based reagent and explore the alternate reagent to suppress Pb impurities in zinc cell house

➢ **At Copper business,** the unit is engaged into innovative Collaborative Research programme of Council of Scientific and Industrial Research, Government of India as Industrial Beneficiary wherein CO_2 can be preferentially adsorbed and converted into Carbon nanostructures or even high vale methanol or Formic Acid.

- R&D activities at Copper business involve debottlenecking, backward integration and process improvements for quality, cost optimisation and recycling.
- In the journey towards 'Green Copper', we are executing a renewable energy supply contract for the entire Silvassa unit's electricity requirement, with an estimated reduction of the carbon footprint by approximately 58%.
- Artificial Intelligence and Machine Learning based smart fuel optimisation project under the digitalisation initiative in our furnaces has been implemented and is estimated to reduce 3,554 tCO_2 eq./year.
- Under the sustainable packaging initiative, a 100% recyclable packaging solution has been introduced for the copper rod. This packaging provides protection even under adverse climate conditions and has led to customer delight.
- With the view to recover minor metals and ensure additional revenue, some crucial in-house R&D has been performed and a new process to recover Precious Metals from anode Slime has been successfully developed. In addition to this, tellurium has also been recovered. Along with it, Selenium recovery trials are in pipeline.

➢ **In Iron & Steel sector,** the focus is to produce green steel, green pig iron and green iron ore production.

- Currently R&D study is ongoing with the IIT, Bombay to develop technology for green hydrogen production. IIT, Bombay has done studies on industrial iron ore samples and witnessed positive outcomes. Further development is in progress and we have extended our engagement by another six months.
- At our Met coke division (VAB), with in-house design modifications, we have reduced the coking cycle by 4 hours and gained 4% productivity by modifying refractory design (introducing tongue and groove floor refractory brick) and MOC.
- Further under digitalisation, we are using AI-ML based coal blend optimiser model in our coke oven (VAB) which has resulted in cost saving and quality benefit of coke and similar model is being applied in our blast furnace for burden Optimisation.

- **In Cairn,** focus is to enhance production, improved operational efficiencies and reduced exposure to risk through R&D vertical.
  - For enhancing production, an extensive **hydraulic fracturing campaign** (>40 wells) in Mangala field was carried out to improve productivity in wells which had seen significant drop due to polymer deposition related near well damage. This is the largest such campaign carried out in multi-Darcy reservoir (4-5 Darcy), perhaps for the first time anywhere in the world.
  - We are also exploring the feasibility of taping the potential of Geothermal energy in our Rajasthan gas fields in collaboration with the Indian Institute of Technology (**"IIT"**).
  - We have also collaborated with TERI research institute for examining the feasibility of microbial injection in Bhagyam field, which can reduce the oil viscosity and lead to incremental recoveries.
  - As part of our digitalisation journey, we have implemented the **"Smart Oilfield"** technology as a part of our digitalisation efforts to transform our ways of working.
  - For improving operational efficiencies, we have undertaken end-to-end digitalisation from supply to consumption of polymer to enhance tracking, improve quality, optimise usage, and reduce the overall cost.
  - We are also utilising **machine learning based reservoir-stimulation models** to automate routine surveillance tasks and build analytical models to make data-driven decisions for production enhancement.
  - Cairn has also rolled out the **Metaverse platform** for improved employee engagement while ramping up AR/VR-based HSE training for plant employees.

6. INVESTOR RELATIONS

Vedanta has an active Investor Relations function (**"IR function"**) that continuously engages with domestic and international shareholders and proactively solicits input from all stakeholders. The function strives to continuously incorporate and outperform international benchmarks for IR practices. The IR function endeavours to communicate the Company's unique investment case and value creation potential, to capital market participants, to enable fair valuation of the Company's stock.

Shareholder Engagement

The IR Function engages with shareholders at various platforms to communicate business outlook, risks and opportunities, new macro and company specific developments. This reduces information asymmetry and builds positive perception. The engagement platforms include quarterly earnings calls, Investor/Analyst Day, site visits for key businesses, sell-side conferences, one-on-one and group meetings. These engagements are extended to include the senior leadership of the Company on occasions. These engagement opportunities, with the Group's Promoters, CEO and CFO along with business CXOs are well appreciated by the shareholder and analysts.

Shareholder Communication

Shareholders can contact the Company at any time with the contact details available online for Queries, Concerns and Inquiries or Feedback at www.vedantalimited.com. The feedback, suggestions and concerns shared by our shareholders and analysts are promptly communicated to the Board through the Chairman, the Senior Independent Director, the CEO, the CFO, Investor Relations Head and Company Secretary. Continuous communication with our stakeholders enables the Board and senior management to gain insight into shareholder perception and concerns.

Shareholder Disclosures

Vedanta has set high standards of reporting through detailed and transparent disclosures on the Company's operational and financial performance. Your Company had voluntarily created its first Integrated Report (for FY 2018) and continued its publication ever since. An integrated report has a forward-looking focus and sets out how an organisation's strategy, governance and performance lead to creation of value. The Company has a digital, interactive microsite on the Vedanta corporate website to provide an interactive experience to shareholders, investors and analysts among other stakeholders. This enables timely dissemination of business updates beyond the communication through annual reports and quarterly results collaterals. The Company was declared the **'Platinum Winner'** within its industry in $10+ billion revenue category at the LACP Vision Awards for its Integrated Annual Report FY 2022.

KEY INITIATIVES WITH RESPECT TO VARIOUS STAKEHOLDERS

The Company maintains its focus on all-round development and contribution towards its stakeholders. The Integrated Report and the Sustainability Report, which are separately published, provide detailed information on the ESG and investor-focussed key initiatives taken by the Company towards its employees, shareholders, investors, business partners, civil society, local community and nation at large.

7. CORPORATE GOVERNANCE

REPORT ON CORPORATE GOVERNANCE ("CORPORATE GOVERNANCE REPORT")

Good corporate governance underpins the way we conduct business. Your Directors reaffirm their continued commitment to the highest level of corporate governance practices. Your Company fully adheres to the standards set out by the SEBI for corporate governance practices.

Your Company is consistent in maintaining the exemplary standards of corporate governance in the management of its affairs and ensuring its activities reflect the culture we wish to nurture with our colleagues and other stakeholders.

As part of commitment to the various stakeholders, the Company follows global best practices. To meet its obligations towards its shareholders and other stakeholders, the Company has a corporate culture of conscience and consciousness, integrity, transparency and accountability for efficient and ethical conduct of business.

Our disclosures seek to attain the best practices in international corporate governance, and we constantly endeavor to enhance long-term shareholder value. Our Corporate Governance Report for FY 2023 forms part of this Annual Report.

DIRECTORATE, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT PERSONNEL

The Board of Directors of the Company provide entrepreneurial leadership and plays a crucial role in providing strategic supervision, overseeing the management performance, and long-term success of the Company while ensuring sustainable shareholder value. Driven by its guiding principles of Corporate Governance, the Board's actions endeavor to work in the best interest of the Company.

The Directors hold a fiduciary position, exercises independent judgement, and plays a vital role in the oversight of the Company's affairs. Our Board represents a tapestry of complementary skills, attributes, perspectives and includes individuals with financial experience and a diverse background.

In line with the recommendation of SEBI and our relentless endeavor to adhere to the global best practices, the Company is chaired by Mr. Anil Agarwal, Non-Executive Chairman effective 01 April 2020.

Directors

During FY 2023, no new appointment was made on the Board of the Company.

Further, pursuant to the recommendation of NRC, the Board approved the re-appointment of Mr. Akhilesh Joshi (DIN: 01920024) for a 2nd and final term of 2 years effective from 01 July 2022 to 30 June 2024, Ms. Padmini Sekhsaria (DIN: 00046486) for a 2nd and final term of 2 years effective from 05 February 2023 to 04 February 2025 and Mr. DD Jalan (DIN: 00006882) for a 2nd and final term of 3 years effective from 01 April 2023 to 31 March 2026.

The re-appointment of Mr. Akhilesh Joshi was approved by shareholders in the Annual General Meeting held on 10 August 2022 and the re-appointment of Ms. Padmini Sekhsaria and Mr. DD Jalan were approved by the shareholders through postal ballot resolution on 28 April 2023.

In the opinion of the Board, the Independent Directors re-appointed during the year, possess requisite integrity, expertise, experience and proficiency.

Brief Profile and other related information seeking re-appointment is provided in the AGM Notice.

Key Managerial Personnel

Mr. Ajay Goel, Acting Group Chief Financial Officer of the Company tendered his resignation in the Board Meeting dated 28 March 2023 effective from close of business hours on 09 April 2023. The Board took note of the same and placed on record its sincere appreciation for the services rendered by him during his tenure and wished him the very best for his future endeavours.

Senior Management Personnel

The Board, on the basis of the recommendation of NRC, in its meeting held on 27 January 2023, appointed Mr. Nicholas John Robert Walker, CEO – Oil & Gas Business, as SMP of the Company with immediate effect.

Mr. Nicholas John Robert Walker brings 30 years of rich and diverse international experience in technical, commercial, and executive leadership roles. He has served as President and Chief Executive Officer at Lundin Energy, one of the leading European Independent E&P companies and been associated with the Companies like BP, Talisman Energy and Africa Oil. Your Board believes that Mr. Nicholas will drive adoption and deployment of best-in-class oil & gas technologies and processes, with focus on innovation and digitalisation, for business transformation.

The KMP and SMP, similarly, comprises multifarious leaders with each member bringing in their key proficiency in different areas aligned with our business and strategy.

A comprehensive update on the change in the Directorate, KMP and SMP of the Company along with the directorships held in other Companies, their skills and expertise have been explicated in the Corporate Governance Report forming part of this Annual Report.

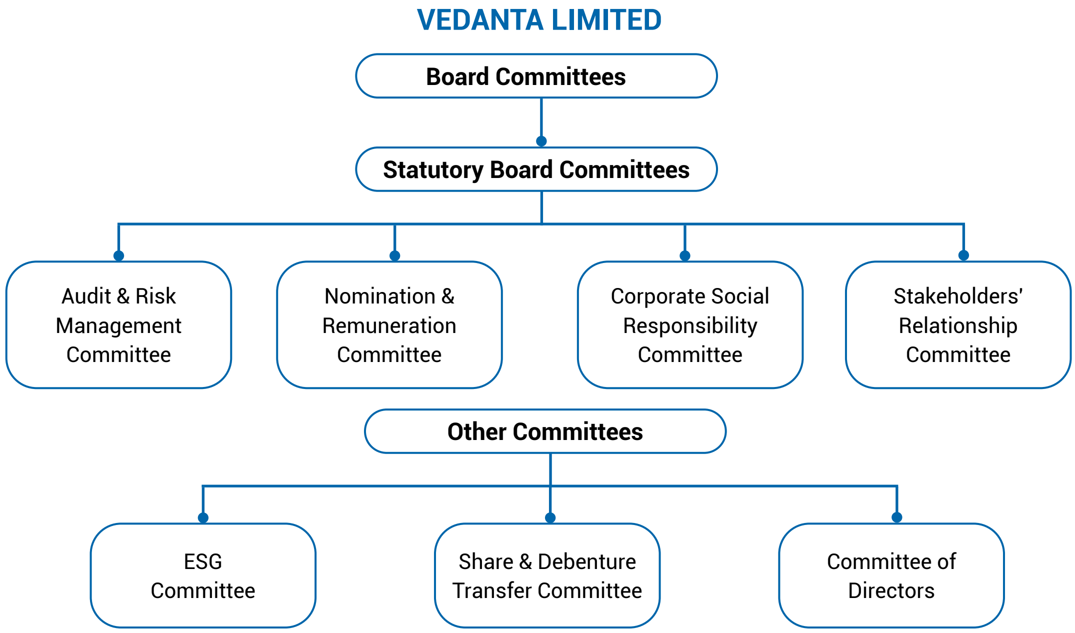
DIRECTOR RETIRING BY ROTATION

As per the provisions of the Act, Mr. Sunil Duggal (DIN: 07291685), WTD and CEO of the Company, is liable to retire by rotation at the ensuing AGM and being eligible, offers himself for re-appointment. Based on the performance evaluation and recommendation of NRC, Board recommends his re-appointment.

BOARD AND COMMITTEES

The Board has overall responsibility for establishing the Company's purpose, values, and strategy to deliver the long-term sustainable success of the Company and generate value for shareholders. The Board places great importance on ensuring these key themes continue to be appropriate for the businesses and markets in which we operate around the world, while being aligned with our culture.

The Board is supported by the activities of each of the Board Committees which ensure the right level of attention and consideration are given to specific matters. Accordingly, the Board has established Committees to assist it in exercising its authority. Each of the Committees have terms of reference under which authority is delegated by the Board. At present, the Company has the following Board Committees which ensures greater focus on specific aspects of Corporate Governance and expeditious resolution of issues of governance as and when they arise.



An all-embracing update on the Board, its committees, their composition, terms and reference, meetings held during FY 2023 and the attendance of each member is detailed in the Corporate Governance Report.

BOARD EFFECTIVENESS

Familiarisation Program for Board Members

Your Company has developed comprehensive induction processes for the new Board members which aim to provide them with an opportunity to familiarise themselves with the Company, its Board and management, its operations and the Company's culture. They are also familiarised with Company's organisational and governance structure, governance philosophy/principles, code of conduct and key policies, Board's way of working and procedures, formal information sharing protocol between the Board and the management, Directors' roles and responsibilities and disclosure obligations.

The details of the familiarisation programme and process followed are provided in the Corporate Governance Report forming part of this Annual Report and can also be accessed on the website of the Company at www.vedantalimited.com.

Annual Board Evaluation

The Board is committed to transparency in assessing the performance of Directors. Pursuant to the provisions of the Act and Listing Regulations, the Board has carried out an annual evaluation of its own performance, the performance of its Committees, Chairman, Vice-Chairman, CEO, Directors, and the governance processes that support the Board's work.

As a part of governance practice, the Company, had engaged, a leading consultancy firm, to conduct the Board Evaluation Process which was facilitated by way of an online structured questionnaire ensuring transparency and independency of the management. The evaluation parameters and the process have been explained in the Corporate Governance Report.

Feedback Mechanism

The results of evaluation showed high level of commitment and engagement of Board, its various committees and senior leadership. The Board was satisfied with overall performance and effectiveness of the Board, Committee and Individual Directors and appreciated Company's ethical standards, transparency and progress on sustainability/ESG during the year. The Board Members also provided their inputs on the Board processes, areas of improvement and the matters for enhancing the overall effectiveness of the Board. It was noted that the Board as a whole is functioning as an effective and cohesive body.

BOARD DIVERSITY AND INCLUSION

The Board sets the tone for diversity and inclusion across the Group and believes it is important to have an appropriate balance of skills, knowledge, experience, and diversity on the Board and at senior management level to ensure good decision-making. It recognises the need to create conditions that foster talent and encourage all colleagues to achieve their full potential. A diverse Board with a range of views enhances decision-making which is beneficial to the Company's long-term success and in the interests of Vedanta's stakeholders.

The Board Diversity Policy adopted by the Board sets out its approach to diversity. The Policy can be accessed at www.vedantalimited.com.

Additional Details on the Board Diversity and the key attributes of the Board Members are explicated in the Corporate Governance Report forming part of this Annual Report.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Nomination & Remuneration Policy adopted by the Board on the recommendation of NRC enumerates the criteria for assessment and appointment/re-appointment of Directors, KMP and SMP on the basis of their qualifications, knowledge, skill, industrial orientation, independence, professional and functional expertise among other parameters with no bias on the grounds of ethnicity, nationality, gender or race or any other such discriminatory factor.

The Policy also sets out the guiding principles for the compensation to be paid to the Directors, KMP and SMP; and undertakes effective implementation of Board familiarisation, diversity, evaluation and succession planning for cohesive leadership management.

Company ensures compliance with the Policy in true letter and spirit. The complete Policy is reproduced in full on our website at www.vedantalimited.com and a snapshot of the Policy is elucidated in the Corporate Governance Report.

OBSERVANCE OF THE SECRETARIAL STANDARDS

The Directors state that proper systems have been devised to ensure compliance with the applicable laws. Pursuant to the provisions of Section 118 of the Act, 2013 during FY 2023, the Company has adhered with the applicable provisions of the Secretarial Standards (**"SS-1"** and **"SS-2"**) relating to 'Meetings of the Board of Directors' and 'General Meetings' issued by the Institute of Company Secretaries of India (**"ICSI"**) and notified by MCA.

INDEPENDENT DIRECTORS STATEMENT

The Company has received declaration from all the Independent Directors confirming that they continue to meet the criteria of independence as prescribed under the Act and Listing Regulations and comply with the Code for Independent Directors as specified under Schedule IV of the Act.

The Directors have also confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

In terms of Section 150 of the Act read with Rule 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, Independent Directors of the Company have confirmed that they have registered themselves with the databank maintained by the Indian Institute of Corporate Affairs (**"IICA"**).

ANNUAL RETURN

In terms of provisions of Section 92(3), 134(3)(a) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return in Form MGT-7 for the financial year ended 31 March 2023 is placed on the website of the Company and can be accessed at www.vedantalimited.com.

AUDIT REPORTS AND AUDITORS

Audit Reports:

The Statutory Auditors have issued unmodified opinion on the financial statements of the Company as of and for the year ended 31 March 2023.

- The Statutory Auditors' report for FY 2023 does not contain any qualification, reservation or adverse remarks which calls for any explanation from the Board of Directors. The Auditors' report is enclosed with the financial statements in the Annual Report.
- The Secretarial Audit Report for FY 2023 does not contain any qualification, reservation, or adverse remark. The report in form MR-3 along with Annual Secretarial Compliance Report is enclosed as **'Annexure D'** to the Directors' Report. Further, in terms of Regulation 24(a) of Listing Regulations, the Secretarial Audit Report of BALCO, an unlisted material subsidiary of the Company is also enclosed as **'Annexure D-1'** to this report.

Auditors Certificates:

- As per the Listing Regulations, the auditors' certificate on corporate governance is enclosed as an Annexure to the Corporate Governance Report forming part of the Annual Report. The Certificate does not contain any other qualification, reservation, or adverse remark except as mentioned in the report.
- A certificate from Company Secretary in Practice certifying that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI/MCA or any such statutory authority forms part of the Corporate Governance Report.

Auditors:

Statutory Auditors

- M/s S.R. Batliboi & Co. LLP, Chartered Accountants (Firm Registration No. 301003E/E300005) had been appointed as the Statutory Auditors of the Company in the 56th Annual General Meeting to hold office for a period of five (5) years to the conclusion of 61st Annual General Meeting.
- The Auditors have confirmed that they are not disqualified from being re-appointed as Statutory Auditors of the Company.
- The report of the Statutory Auditors along with notes to financial statements is enclosed to this Report. The Notes on financial statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.
- The Auditors have also furnished a declaration confirming their independence as well as their arm's length relationship with the Company. The Audit & Risk Management Committee reviews the independence and objectivity of the auditors and the effectiveness of the audit process.
- The Statutory Auditors were present at the last AGM of the Company.

Secretarial Auditors

- M/s Vinod Kothari & Co., Practicing Company Secretaries had been appointed by the Board to conduct the secretarial audit of the Company for FY 2023.
- The Company had received a certificate confirming their eligibility and consent to act as the Auditors.
- The Secretarial Audit Report for FY 2023 forms part of this report and confirms that the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines and that there were no deviations or non-compliances.
- Pursuant to SEBI circular no. CIR/CFD/CMO1/27/2019 dated 08 February 2019, the Company has also undertaken an audit for all applicable compliances as per the Listing Regulations and circular guidelines issued thereunder. The Annual Secretarial Compliance Report for FY 2023 has also been submitted to the Stock Exchanges within the stipulated timeline.
- The Secretarial Audit Report of its unlisted material subsidiary is annexed to this report.
- The Secretarial Auditors were also present at the last AGM of the Company.

Cost Auditors

- M/s Shome and Banerjee and M/s Ramnath Iyer & Co., Cost Accountants, had been appointed by the Board to conduct the audit of cost records of the Oil & Gas Business and other Business segments of the Company respectively for FY 2023.
- M/s Ramnath Iyer & Co., Cost Accountants were nominated as the Lead Cost Auditors.
- The Company had received a certificate confirming their eligibility and consent to act as the Auditors.
- The cost accounts and records of the Company are duly prepared and maintained by the Company as required under Section 148(1) of the Act pertaining to cost audit.

Internal Auditors

- M/s KPMG had been appointed as the Internal Auditors of the Company for FY 2023 to conduct the Internal Audit on the basis of detailed Internal Audit Plan.
- The Company has an independent in-house MAS team to manage the group's internal audit activity and that functionally reports to the Audit & Risk Management Committee.

REPORTING OF FRAUD BY AUDITORS

During the reporting year, under Section 143(12) of the Act, none of the Auditors of the Company have reported to the Audit & Risk Management Committee of the Board, any instances of fraud by the Company or material fraud on the Company by its officers or employees.

LEGAL, COMPLIANCE, ETHICS AND GOVERNANCE FUNCTION

Through its concerted efforts to generate value while keeping integrity at the forefront, the legal function of your Company is a valued partner in providing regulatory support and gauging the viability of strategic assistance for business partnership and expansion. It ensures advisory and compliance services pertaining to existing regulations and legislative developments for facilitating business agenda in the areas of effective claims and contract management, mergers and acquisitions, dispute resolution, litigation and adherence to competition, business ethics and governance.

With the aim to ensure smooth operations and to safeguard the interests of your Company for business growth and sustenance in an evolving, ambiguous and complex environment, the function continues to focus on presenting areas of opportunities, mitigating risks, providing proactive assistance to other functions and departments; and bringing about policy changes based on persistent interaction with various Government bodies and industrial associations like CII and FICCI.

As newer technologies continue to transform the market, your Company ensures adeptness in mechanisms to safeguard the data security and privacy of our stakeholders with enhanced legal and security standards. Simultaneously, to meet the growing business needs, the Legal function continues to seek and identify technological opportunities while harnessing existing know-how to streamline compliance frameworks, litigation management and conduct online ethics awareness training.

Our organisational values and principles are made applicable to all our employees through our Code of Business Conduct and Ethics. In a bid to create a better understanding of its practical implications, the Legal function conducts an annual online ethics training module to necessitate all employees to mandatorily embrace the values and principles embodied as a part of the aforementioned Code. Additionally, the function drives an Ethics Compliance Month initiative for raising awareness by conduct of employee trainings in areas of ethical concern such as insider trading, prevention of sexual harassment, anti-bribery, anti-corruption, and anti-trust laws through use of interactive learning tools.

Through our Supplier Code of Conduct, we also ensure that third parties, including their employees, agents and representatives who have a business relationship with your Company, are bound by industry standards as well as applicable statutory requirements concerning labour and human rights, health, safety and environment, and business integrity.

8. OTHER DISCLOSURES

RELATED PARTY TRANSACTIONS

Your Company has in place a Policy on Related Party Transactions **("RPT") ("RPT Policy")** formulated in line with the provisions of the Act and Listing Regulations. The Company has voluntarily adopted a stricter policy as against the legal requirements. The Policy may be accessed at www.vedantalimited.com.

The Policy sets out the philosophy and processes to be followed for approval and review of transactions with Related Party and intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions with Related Parties.

A detailed landscape of all RPTs specifying the nature, value, and terms and conditions of the transaction is presented to the Audit & Risk Management Committee. Also, a Standard Operating Procedures has been formulated to identify and monitor all such transactions.

During FY 2023, all the contracts/arrangements/ transactions entered into by the Company with the related parties were in the ordinary course of business and on an arm's length basis and were in compliance with the provisions of the Act and Listing Regulations other than those mentioned in the **'Annexure IV'** of the Report on Corporate Governance forming part of the Annual Report.

All RPTs are subjected to independent review by a reputed accounting firm to establish compliance with the requirements of RPTs under the Act and Listing Regulations.

During the year, the materially significant RPTs pursuant to the provisions of Listing Regulations had been duly approved by the shareholders of the Company in the 57th Annual General Meeting held on 10 August 2022. Further, there have been no materially significant RPTs during the year pursuant to the provisions of the Act. Accordingly, the disclosure required u/s 134(3)(h) of the Act in Form AOC-2 is not applicable to your Company.

SHARE CAPITAL AND ITS EVOLUTION

The Authorised Share Capital of the Company is ₹74,12,01,00,000 divided into 44,02,01,00,000 number of equity shares of ₹1/- each and 3,01,00,00,000 Preference Shares of ₹10/- each. There was no change in the capital structure of the Company during the period under review.

The details of share capital as on 31 March 2023 is provided below:

Particulars	Amount (₹)
Authorised Share Capital	74,12,01,00,000
Paid-up Capital	3,71,75,04,871
Listed Capital	3,71,71,99,039
Shares under Abeyance pending allotment	3,05,832

The details of the Capital Evolution has been provided on the Company's website and can be accessed at www.vedantalimited.com.

SUBSIDIARIES, JOINT VENTURES, AND ASSOCIATE COMPANIES

Your Company has 44 subsidiaries (13 direct and 31 indirect) as at 31 March 2023, as disclosed in the notes to accounts.

During the year and till date, the following changes have taken place in Subsidiary Companies:

- Athena Chhattisgarh Power Limited acquired on 21 July 2022 under the liquidation proceedings of the Insolvency and Bankruptcy Code, 2016, subject to NCLT approval which is pending as on the balance sheet date. Hence, not covered in the total number of subsidiaries above.
- Facor Realty and Infrastructure Limited struck off on 13 January 2023.
- Hindustan Zinc Fertilizers Private Limited incorporated on 07 September 2022.
- Zinc India Foundation incorporated on 05 August 2022.
- Cairn Energy Gujarat Block 1 Limited, deregistered on 05 July 2022.
- Lakomasko BV liquidated on 03 March 2023.
- CIG Mauritius Holding Private Ltd. and CIG Mauritius Private Ltd. have been dissolved effective from 01 March 2023. Pursuant to dissolution, Cairn Lanka Private Limited has become the direct subsidiary of Cairn Energy Hydrocarbons Limited.
- The Mumbai NCLT and Chennai NCLT has passed orders dated 06 June 2022 and 22 March 2023 respectively sanctioning the scheme of amalgamation of Sterlite Ports Limited (**"SPL"**), Paradip Multi Cargo Berth Private Limited (**"PMCB"**), Maritime Ventures Private Limited (**"MVPL"**), Goa Sea Port Private Limited (**"GSPL"**), wholly owned subsidiaries/step down subsidiaries of Sesa Resources Limited (**"SRL"**), with Sesa Mining Corporation Limited (**"SMCL"**). Statutory filing with MCA is in progress.
- Facor Power Limited is merged into Ferro Alloys Corporation Limited effective on 21 November 2022.

As at 31 March 2023, the Company has 06 associate companies and joint ventures.

Associate Companies and Joint Ventures:

- Gaurav Overseas Private Limited
- RoshSkor Township (Pty) Ltd
- Goa Maritime Private Limited
- Madanpur South Coal Company Limited
- Rosh Pinah Health Care (Proprietary) Limited
- Gergarub Exploration and Mining (Pty) Limited

As required under Listing Regulations, the Consolidated Financial Statement of the Company and its subsidiaries and joint ventures, prepared in accordance with Ind AS 110 issued by the Institute of Chartered Accountants of India, form part of the Annual Report and are reflected in the Consolidated Financial Statement of the Company.

During the year, the Board of Directors have reviewed the affairs of the subsidiaries. Pursuant to Section 129(3) of the Act, a statement containing the salient features of the financial statement of the subsidiary and associate companies is attached to the financial statement in Form AOC-1. The statement also provides details of performance and financial position of each of the subsidiaries and their contribution to the overall performance of the Company.

In accordance with Section 136 of the Act, the audited Standalone and Consolidated financial statements of the Company along with relevant notes and separate audited accounts of subsidiaries are available on the website of the Company at www.vedantalimited.com. Copies of the financial statements of the Company and of the subsidiary companies shall be made available upon request by any member of the Company. Additionally, these financial statements shall also be available for inspection by members on all working days during business hours at the Registered Office of the Company.

MATERIAL SUBSIDIARIES

The Company has adopted a policy on determination of material subsidiaries in line with Listing Regulations. The policy aims to determine the Material Subsidiaries and Material Unlisted Indian Subsidiaries of the Company and to provide the governance framework for such subsidiaries. The policy may be accessed at www.vedantalimited.com.

In accordance with Regulation 16(1)(c) of the Listing Regulations, your Company has the following material subsidiary companies during FY 2023:

- Hindustan Zinc Limited (**"HZL"**), a listed subsidiary;
- Cairn India Holdings Limited (**"CIHL"**), an unlisted subsidiary; and
- Bharat Aluminium Co. Limited (**"BALCO"**), an unlisted subsidiary.

Further, the SEBI vide SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2023, requires additional details to be provided for material subsidiaries. The details are as follows:

Particulars	Material Subsidiary		
	HZL	CIHL	BALCO
Date of Incorporation	10 January 1966	02 August 2006	27 November 1965
Place of Incorporation	Udaipur	Jersey	New Delhi
Name of Statutory Auditors	S.R. Batliboi & Co. LLP	MHA MacIntyre Hudson	S.R. Batliboi & Co. LLP
Date of appointment of Statutory Auditors	09 August 2021	10 March 2021	17 September 2021

In terms of the provisions of Regulation 24(1) of the Listing Regulations, during FY 2023, appointment of one of the Independent Directors of the Company on the Board of unlisted material subsidiary was applicable only to CIHL.

In compliance with the above requirement, Mr. DD Jalan, Independent Director of the Company, had been appointed as Director of CIHL.

The Company is in compliance with the applicable requirements of the Listing Regulations for its Subsidiary Companies during FY 2023.

DEBENTURES

During FY 2023, your Company raised ₹4,889 crore through issuance of Secured and Unsecured, Rated, Redeemable, Non-Cumulative, Non-Convertible Debentures (**"NCDs"**) of face value of ₹10,00,000 each on private placement basis as per the following details:

Coupon Rate	Date of Allotment	No. of NCDs	Total Amount (in ₹ crore)	Tenor	Maturity Date
8.74% Secured Rated Listed Redeemable Non-Convertible Debentures	29 June 2022	40,890	4,089	10 years	29 June 2032
3M T Bill Linked Unsecured Rated Listed Redeemable Non-Convertible Debentures	16 December 2022	8,000	800	01 year 03 months	15 March 2024

The aforesaid debentures are listed on BSE.

Further, the details of outstanding NCDs as of 31 March 2023 have been detailed in the Corporate Governance Report.

COMMERCIAL PAPERS

The Commercial Papers (**"CPs"**) issued by the Company have been listed on NSE and have been duly redeemed on timely basis.

As on 31 March 2023, there are outstanding CPs aggregating to ₹500 crore. Further details have been provided in the Corporate Governance Report.

UNCLAIMED SHARES

Pursuant to the SEBI Circular and Regulation 39 of Listing Regulations regarding the procedure to be adopted for unclaimed shares issued in physical form in public issue or otherwise, the Company has a separate demat account in the title of 'Vedanta Limited – Unclaimed Suspense Account' with HDFC Bank Limited. The details of shares lying in the unclaimed suspense account are provided below:

Description	No. of Shareholders	No. of Equity Shares of ₹1/- each
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	520	5,14,372
Number of shares transferred to the unclaimed suspense account during the year	-	-
Number of shareholders who approached issuer for transfer of shares from suspense account during the year	06	7,836
Number of shareholders to whom shares were transferred from suspense account during the year	-	-
Number of shares transferred to Investor Education and Protection Fund (**"IEPF/ Fund"**) account pursuant to IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (**"IEPF Rules"**) read with Amendment Rules, 2017	63	46,920
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year. The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares	451	4,59,616

TRANSFER OF UNPAID AND UNCLAIMED AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

In accordance with the provisions of the Act and IEPF Rules, as amended from time to time, the Company is required to transfer the following to IEPF:

- Dividend amount that remains unpaid/unclaimed for a period of seven (07) years; and
- Shares on which the dividend has not been paid/claimed for seven (07) consecutive years or more.

Additionally, pursuant to Rule 3(3) of IEPF Rules, in case of term deposits of companies, due unpaid or unclaimed interest shall be transferred to the Fund along with the transfer of the matured amount of such term deposits.

Your Company, in its various communications to the shareholders from time to time, requests them to claim the unpaid/ unclaimed amount of dividend and shares due for transfer to IEPF established by the Central Government. Further, in compliance with IEPF Rules including statutory modification(s) thereof, the Company publishes notices in newspapers and sends specific letters to all shareholders whose shares are due to be transferred to IEPF, to enable them to claim their rightful dues.

With the continuous efforts of the Company, a total of 87 investor claims have been released from IEPF till 30 April 2023 aggregating to 1,21,570 equity shares.

Dividend and other amounts transferred/credited to IEPF during FY 2023

The details of dividend and other unpaid/unclaimed amounts transferred to IEPF during the year are provided below:

Dividend and other unpaid/unclaimed amounts transferred to IEPF during the year				
Financial Year	Type of Amount	Date of Declaration	Amount transferred to IEPF (in ₹)	Date of transfer to IEPF
2014-15	Final Dividend	11 July 2015	1,86,14,486.00	03 September 2022
2014-15	Final Dividend	21 July 2015	46,62,800.00	14 September 2022
2015-16	Interim Dividend	27 October 2015	3,09,22,500.00	06 December 2022
Total			**5,41,99,786.00**	

**An additional amount of ₹4,05,581 (including ₹10,000 related to sub-judice matter) pertaining to Unpaid Matured Deposits and interest accrued thereon has been identified for transfer to IEPF during the year. The same is in the process of transfer.*

In view of specific order(s) of court/tribunal/statutory authority restraining transfer of shares and dividend thereon, such shares and unpaid dividend have not been transferred to IEPF pursuant to Section 124 of the Act and Rule 6 of IEPF Rules including statutory modification(s) or re-enactment(s) thereof.

The details of dividend declared during the year on shares already transferred to IEPF are provided below:

Dividend declared during FY 2023 on shares already transferred to IEPF			
Type of Dividend	Date of Declaration	Amount transferred to IEPF (in ₹)	Date of transfer to IEPF
Interim Dividend (1st)	28 April 2022	13,54,67,698.11	23 May 2022
Interim Dividend (2nd)	19 July 2022	8,33,63,314.19	08 August 2022
Interim Dividend (3rd)	22 November 2022	7,68,84,463.84	13 December 2022
Interim Dividend (4th)	27 January 2023	5,57,79,361.00	16 February 2023
Interim Dividend (5th)	28 March 2023	9,30,00,087.78	17 April 2023
Total		**44,44,94,924.92**	

Shares transferred/credited to IEPF during FY 2023

During the year, the Company transferred 2,48,924 equity shares of ₹1/- each comprising of 891 shareholders to IEPF.

The Company has also uploaded the details of unpaid and unclaimed amounts lying with the Company as on 10 August 2022 (the date of last AGM) on the website of the Company at www.vedantalimited.com. Further, the details of equity shares transferred are also made available on the website of the Company at www.vedantalimited.com.

The shareholders whose shares/dividends have been transferred to IEPF can claim the same from IEPF in accordance with the prescribed procedure and on submission of such documents as prescribed under the IEPF Rules. The process for claiming the unpaid shares/dividends out of IEPF can be accessed on the IEPF website at www.iepf.gov.in and on the website of the Company at www.vedantalimited.com.

Dividend due to be transferred to IEPF during FY 2024

The dates on which unclaimed dividend and their corresponding shares would become due to be transferred to IEPF during FY 2024 are provided below:

Dividend due to be transferred to IEPF during FY 2024				
Particulars	Date of Declaration	Date of completion of seven years	Due date for transfer to IEPF	Amount as on 31 March 2023 (in ₹)
Final Dividend 2015-16	21 July 2016	26 August 2023	25 September 2023	32,09,337.00
Interim Dividend 2016-17	28 October 2016	03 December 2023	02 January 2024	1,71,96,505.25
Total				**2,04,05,842.25**

Ms. Prerna Halwasiya, the Company Secretary and Compliance Officer of the Company is designated as the Nodal Officer under the provisions of IEPF. The contact details can be accessed on the website of the Company at www.vedantalimited.com.

TRANSFER TO RESERVES

The Company proposes Nil transfer to General Reserve out of its total profit of ₹27,356 crore for the financial year.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilised as per the provisions of Section 186 of the Act are provided in the standalone financial statements. (Please refer to Notes to the standalone financial statements).

FIXED DEPOSITS

As on 31 March 2023, deposits amounting to ₹54,000 remain unclaimed. Since the matter is sub judice, the Company is maintaining status quo.

PUBLIC DEPOSITS

The Company has not accepted any deposits falling under the ambit of Section 73 of the Act and the Rules framed thereunder during the year under review.

MATERIAL CHANGES AFFECTING THE FINANCIAL POSITION OF THE COMPANY

No material changes and commitments have occurred subsequent to the close of the financial year till the date of this Report which may affect the financial position of the Company.

SIGNIFICANT and MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

Provided below are the significant and material orders which have been passed by any regulators or courts or tribunals against the Company impacting the going concern status and Company's operations in the future.

Iron-Ore Division – Goa Operations

The Supreme Court of India (**"SC"**) in the Goa Mining matter in 2014 declared that the deemed mining leases of the lessees in Goa expired on 22 November 1987 and the maximum of 20 years renewal period of the deemed mining leases in Goa under the Mines and Minerals (Development and Regulation) Act (**"MMDR"**) had also expired on 22 November 2007 and directed state to grant fresh mining leases.

Thereafter, various mining leases were renewed by the State Government before and on the date the MMDR Amendment Ordinance 2015 came into effect (i.e. 12 January 2015).

These renewal of mining leases were challenged before the SC by Goa Foundation and others in 2015 as being arbitrary and against the judgment of the SC in the earlier Goa mining matter. The SC passed the judgement in the matters on 07 February 2018 wherein it set aside the second renewal of the mining leases granted by the State of Goa. The court directed all lease holders operating under a second renewal to stop all mining operations with effect from 16 March 2018 until fresh mining leases (not fresh renewals or other renewals) in accordance with the provisions of the MMDR Act, 1957 and fresh environmental clearances are granted.

Subsequently, mining lessees and other mining stakeholder had filed applications in the pending Abolition Act matter for resumption of mining in the State. The Central Government had also filed an early hearing application in the long pending abolition matter.

We separately also filed a Special Leave Petition in the SC in appeal from the High Court order against a non-consideration of our representation seeking an amendment of the mining lease till 2037 based on the provisions of the MMDR Amendment Act, 2015. The Special Leave Petition was disposed off by the SC vide an order dated 07 September 2021. We had filed a review petition against the order passed by SC dated 07 September 2021 which was dismissed by the SC.

On 04 May 2022, Vedanta Limited and other group companies received notices from DMG, Goa under the provisions of Section 12(1)(hh) of the Mineral Concession Rules (Other than Atomic and other Hydrocarbon Energy Minerals) Concession Rules, 2016 directing to vacate the mining leases by 06 June 2022 pursuant to judgment of the SC banning mining operations in the State of Goa. Writ petitions were filed against these notices of DMG on 17 May 2022 before the High Court of Bombay at Goa contending that Section 12(1)(hh) of MCR Rules, 2016 cannot be extended to dispossession from the mining leases. Further, the challenge to the constitutional validity of the Goa, Daman, and Diu Mining Concession (Abolition and Declaration of Mining Leases) Act, 1987 which abolished the mining concessions and converted them to mining lease, is pending before the Supreme Court since 1998, and until the matter is pending, no decision regarding the title of the mining leases could be taken as the companies have been granted the mining concession in perpetuity by the Portuguese mining laws.

The writ petitions were reserved for orders on 19 August 2022. Vide order dated 07 October 2022, the High Court of Bombay at Goa dismissed all the writ petitions. Thereafter, a Special Leave Petition was filed by another mining lessee before the SC against the order dated 07 October 2022. The said SLP was also dismissed vide order of the Supreme Court dated 21 November 2022.

Copper Division

The Copper division of Vedanta Limited has received an order from Tamil Nadu Pollution Control Board (**"TNPCB"**) on 09 April 2018 whereby they have rejected the Company's application for renewal of Consent to Operate (**"CTO"**) for the 4,00,000 metric tonnes Per Annum (**"MTPA"**) Copper Smelter plant in Tuticorin. In furtherance to the order of TNPCB rejecting the Company's application, the Company decided to shut its Copper smelting operations at Tuticorin and filed an appeal with TNPCB Appellate authority against the order. During the pendency of the appeal, the TNPCB vide its order dated 23 May 2018 ordered disconnection of electricity supply and closure of the Company's Copper Smelter plant. Post this, the Govt of Tamil Nadu on 28 May 2018 ordered the permanent closure of the plant. The Company challenged the same in the National Green Tribunal (**"NGT"**) which passed a favorable order for reopening of the plant. The order was appealed by the TNPCB and the State of Tamil Nadu in the Supreme Court. The Supreme Court passed an order upholding the appeal and granted liberty to the Company to approach the Madras High Court for relief.

On 18 August 2020, the Division Bench of Madras High Court dismissed all the writ petitions filed by the Company. Vedanta Limited subsequently filed a Special Leave Petition to appeal against the Madras High Court decision before the Supreme Court. The Supreme Court, on 04 May 2023, upon taking up the interlocutory applications filed by the Company for essential care and maintenance of the Plant and for removal of material within the Plant premises, directed the State Government to take necessary directions with respect to certain activities and to reconsider certain other activities in furtherance of its earlier order within specified timelines. The Court further ordered for the SLP to be listed on 22 and 23 August 2023 for final hearing.

In the meantime, the Madurai Bench of the High Court of Madras in a public interest litigation filed against Vedanta by Fathima Babu held through its order dated 23 May 2018, that the application for renewal of the environmental clearance for the expansion project shall be processed after a mandatory public hearing and the said application shall be decided by the competent authority on or before 23 September 2018. In the interim, the High Court ordered Vedanta to cease construction and all other activities on site for the proposed expansion project with immediate effect. Currently, the Ministry of Environment, Forest and

Climate Change (**"MoEF"**) has updated on its website that Vedanta Limited's environmental clearance for expansion project will be considered for ToR either upon verdict of the NGT case or upon filing of a Report from the State Government/District Collector, Thoothukudi. Separately, SIPCOT through its letter dated 29 May 2018, cancelled 342.22 acres of the land allotted to Vedanta Limited for the proposed expansion project. Further, the TNPCB issued orders on 07 June 2018, directing the withdrawal of the consent to establish the expansion project, which was valid until 31 March 2023. In a writ filed before Madras High Court Madurai Bench challenging the lease cancellation order, Madras High Court through its order dated 03 October 2018 has granted an interim stay in favour of the Company cancelling on the cancellation of 342.22 acres of the land allotted.

Further, on 07 June 2018, TNPCB withdrew the CTE granted for a period of five (05) years for the expansion project. The Company has filed Appeals before the TNPCB Appellate Authority challenging withdrawal of CTE by the TNPCB.

CHANGE IN NATURE OF BUSINESS OF COMPANY

There is no change in the nature of business of your Company during the year under review.

FAILURE TO IMPLEMENT ANY CORPORATE ACTION

There were no instances where the Company failed to implement any corporate action within the specified time limit.

9. AWARDS AND RECOGNITION

In a bid to keep ensuring its relentless quest for growth and excellence, the Company continues to be committed towards maintaining the highest standards of corporate governance and sustainable practices. As a recognition for our unconventional innovations and focussed drive to achieve best-in-class operations, the Company has been winning a multitude of accolades at various forums while acquiring plaudits as the recipient of numerous prestigious awards for demonstrating its business ethos.

These embellishments to Vedanta's cognizant candidature deliver a testament to the progress made by the Company and honor its diligent efforts towards delivering value for the welfare of all stakeholders and the society as a whole.

The details of the key recognitions secured by the Company have been highlighted in a separate section in the Annual Report.

10. DIRECTORS' RESPONSIBILITY STATEMENT

As stipulated in Section 134 of the Act, your Directors subscribe to the **"Directors' Responsibility Statement"** and to the best of their knowledge and ability, hereby confirms that:

(a) in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures from the same;

(b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of FY 2023 and of the profit and loss of the Company for that period;

(c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, 2013 for safeguarding the Company's assets and for preventing and detecting fraud and other irregularities;

(d) the annual accounts have been prepared on a going concern basis;

(e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

(f) proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

11. ACKNOWLEDGEMENTS AND APPRECIATION

At Vedanta, our business is deftly managed by an adroit set of leaders with global and diverse experience in the sector in order to accomplish the mission of carving our niche as the leading global natural resource company. The professionally equipped and technically sound management has set progressive policies and objectives, follows best global practices, all with a plausible vision to take the Company ahead to the next level.

Having received external reassurance in all our commitments over the years, the Directors take this opportunity to place on record, their sincere appreciation for the Central and State government authorities, bankers, stock exchanges, financial institutions, depositories, analysts, advisors, local communities, customers, vendors, business partners, shareholders, and investors forming part of the Vedanta family for their sustained support, admirable assistance and endless encouragement extended to the group at all levels.

We would also like to express our earnest regard to all employees for their ardent enthusiasm and interminable efforts directed towards lodging significant and effective contributions to the continued growth of the Company. Our heartiest gratitude is further undertaken to be rendered to all our stakeholders for their unflinching faith in the Company.

We look forward for bestowal of your continued support and solidarity in future as we diligently strive to deliver enhanced value for our stakeholders and inscribe on the footprints of nation building for one of the fastest growing economies of the world.

For and on behalf of the Board of Directors

Anil Agarwal
Non-Executive Chairman
DIN: 00010883

Place: London
Date: 12 May 2023

ANNEXURE A

Conservation of Energy and Technology Absorption

(A) Conservation of Energy:

Conservation of natural resources continues to be the key focus area of your Company. Some of the important steps taken in this direction are as follows:

OIL & GAS BUSINESS:

Rajasthan Operations

i. Cairn has signed PDA for 25 MW renewable energy with Serentica Renewable 3 India Private Limited: Annual GHG reduction potential of 1,31,000 tonnes of CO_2e/annum.

ii. Installation of 3x1.1 MW Gas Engine Generators at MWP - 01 and 12 Local separation facility: Annual GHG reduction potential of 7,650 tonnes of CO_2e/annum.

iii. Reduction in RDG flare by process interventions e.g., optimisation of recycle gas compressors and installation of ejector: Annual GHG reduction potential of 17,850 tonnes of CO_2e/annum.

iv. Installation of 220 KWP of solar rooftop in RJ Gas: Annual GHG reduction potential of ~275 tonnes of CO_2e/annum.

v. Installation of 130 KWP solar rooftop at Radhanpur Terminal: Annual GHG reduction potential of ~165 tonnes of CO_2e/annum.

vi. Installation of ~200 Solar lights at Mangala Processing Terminal and associated well pads for renewable power generation ~41,500 units/annum.

vii. Solar rooftop installed on 10 AGIs (Above Ground Installations) for pipeline operations: Annual GHG reduction potential of ~190 tonnes of CO_2e/annum.

viii. Revamping of 100 KWP solar plant at Sara WP - 01: Annual GHG reduction potential of 130 tonnes of CO_2e/annum.

ix. Energy conservation by conversion of induction motor to Permanent Magnetic Motor (**"PMM"**) has resulted in energy saving of ~10,000 GJ and GHG reduction of 1,976 tonnes of CO_2e in FY 2023.

x. Energy conservation by replacement of conventional lights by energy efficient lighting: ~6 lakh units energy saved in FY 2023 resulted in GHG reduction of ~420 tonnes of CO_2e.

Ravva Operations

i. Installation of VFD in ETP Blower at Ravva for energy conservation ~4.2 lakh kWh/annum. Annual GHG reduction is 180 tonnes of CO_2e/annum.

Cambay Operations

i. Commissioned 10 KWP Solar Plant at Cambay asset.

COPPER BUSINESS:

i. 16 MW Renewable Energy contract signed off with Serentica Renewables India Private Limited.

ii. Smart (AI and ML based) fuel optimisation project kicked off with estimated 3,554 tCO_2 eq. reduction/year.

iii. Secondary Copper Sourcing – 13,329 MT (Est)

- Silvassa - Estimated reduction of 9,630 tCO_2 eq. (Scope 3 emissions).
- Fujairah - Estimated reduction of 5,074 tCO_2 eq. (Scope 3 emissions).

iv. Solar Power Plant Commissioning and Generation

- 826 KWP Ground mounted Solar Power plant and 100 KWP Roof top Solar power plant commissioned.
- YTD Renewable Energy generation of 6,90,872 kWh resulting in reduction of 567 tCO_2 eq.

v. Cleaner Fuel

- Silvassa: CCR – LPG to PNG
Boiler – FO to PNG
- Fujairah: LPG to PNG – 216 tCO_2 eq.

vi. Switched to LED lights – 239 tCO_2 eq./year reduction.

SESA GOA BUSINESS:

VAB

i. Installed VFD for air compressors in Power plant (Saving – 1,26,000 kWh/annum).

ii. Replace existing HT motors with super energy efficient IE4 motors for Blowers (Saving – 3,64,140 kWh/annum).

iii. Replacing the old Slag Granulation pumps with energy efficient pumps (Saving – 2,52,000 kWh/annum).

iv. Replacing the old furnace RWP with energy efficient pump (Saving – 5,88,000 kWh/annum).

v. Installation of CO analyzer to supply sufficient air to boiler in PP-2 (Saving – 1,050 KNm^3 of BFG/annum).

vi. Replacement of ACW pumps in PP1 with energy efficient pumps (Saving – 1,26,000 kWh/annum).

vii. Conversion of conventional lamps with LED lamps (Saving – 84,000 kWh/annum).

Iron Ore Karnataka ("IOK")

i. Installation of 120 LED streetlights in haul road from Circle Gate to North Block. The streetlights uses timer-based automatic switching on/off of lights which cuts down extra usage of energy.

ii. Elimination of Mobile Lighting towers by installation of Inhouse fabricated 7m lighting towers and supply given through common DG/K.E.B. supply. Diesel saving of 1.92KL/IR/annum eliminated. A total of 4 IRs were eliminated in a similar way.

Iron Ore Goa ("IOG")

i. Dewatering Pumps running of VFD 120 HP (02 Nos.) and 75 HP (01 No.) at 2 Top Mines: resulting saving 25% on normal consumption.

ii. Apron feeder VFD 22 KW Amona Mining 1A Plant: resulting saving 25% on normal consumption.

iii. Classifier 1 and 2 VFD 18.5 KW Amona Mining 1A Plant: resulting saving of 50% on normal consumption.

iv. Scrubber VFD 110 KW Amona Mining 1A Plant: resulting saving 25% on normal consumption.

v. LED conversion 100 Nos. Amona Mining Plant: Resulting Saving of 50% on normal consumption.

- Saving of 2,640 kWh/month and cost saving of ₹12,276/month (Apron VFD).
- Saving of 8,880 kWh/month and cost saving of ₹41,292/month (Classifier VFD).
- Saving of 13,200 kWh/month and cost saving of ₹61,380/month (Scrubber VFD).
- Saving of 4,320 kWh/month and cost saving of ₹20,088/month (LED).

Met Coke Gujarat

i. Replacing of old crusher and conveyor motors with super premium efficiency motors, resulted into annual saving of 1,09,500 kWh.

ii. Replacement of existing Sodium vapor light by LED lights (250 Nos. 200W LED and 300 Nos. 40W LED lights), resulted into annual saving of 1,22,400 kWh.

Iron Ore Odisha ("IOO")

i. 100 KW LED Lights are installed in both the mines and offices etc. Another 47.6 KW HPSV to be replaced with LED Light (present saving 10,20,540 kWh/annum).

ii. 10 Nos. of DG mobile towers was replaced with TPWODL Grid Power (Diesel saving 52.56 KL/annum).

iii. 132 KW*2 and 75 KW*1 = 339 KW DG Pumps converted to Electrical pumps operating with TPWODL Grid power (Diesel saving 642.4 KL/annum).

POWER BUSINESS:

2,400 MW Jharsuguda

i. U#1 and 4 Air preheater basket and seals and sector plate replaced to reduce the high flue gas exit temperature at air preheater outlet to design level saving 8 Kcal/kWh in heat rate and 1,700 KW in primary fan consumption.

ii. Replacement of U#1 and 4 flue gas duct and fabric filter bags to reduce induced draft fan power consumption by 8,000 KW.

iii. U#1 and 4 Condenser chemical cleaning done. Savings 12 Kcal/kWh.

iv. NDCT 100% fills replaced to improve condenser vacuum. Savings 20 Kcal/kWh.

v. U#1 and 4 boiler R and M was done with boiler penthouse sealing and **SOFA** (Separated overfire air) installation to reduce metal excursions and to bring main steam temperature and Reheater steam temperature, main steam spray and reheater spray to rated value, thereby saving 10 Kcal/kWh.

vi. U#1 and 4 Turbine overhauling done, and savings of 14 Kcal/kWh achieved.

CPP 1215 MW Jharsuguda

i. Replacement of Air preheater basket for 3 units (Unit 1, 2 and 4) to reduce the very high flue gas exit temperature to design level saving 7 Kcal/kWh in heat rate and 355 kWh in Primary fan consumption for the station.

ii. Turbine Overhauling (HIP carrier refining) in Unit#3, 2, 1 and 4 to improve HP cylinder efficiency resulted into saving of 15.2 Kcal/kWh in heat rate for the Station.

iii. Replacement of Air preheater seals and fabric filter bags, flue gas duct repairing for 4 units to reduce Induced Draft and Primary Air fans consumption by 925 kWh.

iv. Cooling tower CT fills replacement for 3 units (U#1, 2 and 8) to save 30 Kcal/kWh of heat rate in unit.

v. Chemical cleaning of condenser done for 2 units (U#1 and 4) to improve cleanliness factor and reduce vacuum losses benefits vacuum improvement of 0.6 KPA and 9 Kcal/kWh savings of heat rate in unit.

vi. Condenser bullet cleaning done in Unit #3, 2, 1 and 4 to save in heat rate by 36 Kcal/kWh for the units combined.

vii. 2 Nos. Cooling Water system screen cleaner taken in service after refurbishment to rectify frequent condenser choking.

viii. 6 Nos. Mill grinding media replaced (1A, 2A, 3A, 4A, 4D, 9A) to improve mill fineness and optimise combustion efficiency reduces Auxiliary power consumption by 0.08% on station.

ALUMINIUM BUSINESS:

Smelter Plant-1 (Jharsuguda)

Electrical Energy

DC Energy saving

i. 100% graphitised cathode pot implementation.

ii. Improvement in Pot Voltage drops by bolt and clamp drop reduction.

iii. Current Efficiency improvement in Potline to 94.90%.

iv. RUC copper inserted collector bar for pot cathode in 4 pots with saving of 250 kWh/MT per pot.

v. Vedanta Lining Design implemented in 3 pots with savings of 250 kWh/MT per pot.

AC auxiliary Energy saving

i. 100% Graphitised Cathode Implementation in smelting pots.

ii. Replacement of pulse valve diaphragm in FTP – 1.

iii. Installation of Energy efficient IE3 motors at various areas of plant.

iv. Conventional Light replacement with LED in High mast office area, shop floor, pathway.

v. Airline header separation of different areas in Plant.

vi. Anode Stub Hole Modification with 5 mv of Voltage Reduction.

vii. Shot blast ID fan VFD installation.

viii. Retrofitting and software upgradation work in 2 metal tapping vehicles.

ix. Biodiesel implementation in all Technological vehicles (In 80:20 ratio).

x. Rectifier conversion efficiency improvement from 98.64% to 98.66%.

xi. Replacement of Diesel operated forklift with Battery operated forklift.

Smelter Plant-2 (Jharsuguda)

Electrical Energy

DC Energy saving

i. 100% graphitised cathode pot implementation.

ii. Current efficiency improvement in Potline is 94.60%.

iii. RUC copper inserted collector bar for pot cathode in 6 pots with saving of 250 kWh/MT per pot.

iv. Vedanta Lining Design implemented in 7 pots with savings of 250 kWh/MT per pot.

AC auxiliary Energy saving

i. Replacement of conventional lights with LED lights.

ii. VFD installation in Casthouse-2 Pump house.

iii. VFD installation for Shot blast Turbines.

iv. Airline header separation of different areas in Plant.

v. Cooling tower fills replacement in Compressor House.

vi. Pneumatic no-loss Drain Valve installation in compressor.

vii. Evaporator replacement in Dryers to reduce pressure drop.

viii. Old BR/CR motor replaced with IE3 motor in Bake oven.

ix. Deployment of battery-operated forklifts.

x. Scoop Bath Lighting trafo Voltage reduction from 260V to 220V.

xi. VFD installation for Cold well Pumps.

Lanjigarh – Refinery

The following major energy conservation measures are taken at Lanjigarh:

i. Conversion of Condensate pumps in Digestion unit from DOL to VFD. Annual savings of 3.84 lakh units of electrical energy.

ii. Conversion of one HST overflow motor from DOL to VFD. Annual savings of 4.32 lakh units of electrical energy.

iii. Energy saving initiatives in main air compressor house. Annual Savings of 22.74 lakh units of Electrical Energy.

iv. Max HT dosing in Evaporation Units resulting in steam saving of 20 kt/annum.

v. LED light replacement of 3,200 conventional lights. Annual savings of 3 lakh units of Electrical Energy.

vi. Improvement of Liquor productivity from 82 GPL to 85 GPL. Annual savings of 108 lakh units of Electrical Energy.

vii. Replacement of 71 nos. of IE1 motor to energy efficient IE3 motors. Annual savings of 6.71 lakh units of Electrical Energy.

viii. VFD conversion of GQC and FLC pump. Annual savings of 3.06 lakh units of Electrical Energy.

ix. Pulley replacement of PDS transfer pump. Annual savings of 2.68 lakh units of Electrical Energy.

x. Replacement of 2 nos. of Digestion heaters. Annual savings of 60 kt of steam.

xi. Air ingression arrest in Calciner 2 venturi/ESP/other cyclones. Annual savings of 50 kt of HFO.

xii. Calandria 1 replacement in Evaporation. Annual savings of 20 kt of steam.

xiii. Pulley replacement of ISC pumps in White. Annual savings of 12.09 lakh units of Electrical energy.

Lanjigarh – CGPP

i. Import of 6,667 MWH of Renewable Energy from Grid.

ii. Steam economy improvement in Turbine 3 (TG 3 overhauling, Condenser 3 cleaning, GV servicing and cement insulation in turbine). Savings of 26,308 tonnes of coal/annum.

iii. Replacement of CT fills in CGPP. Annual savings of 8.75 lakh units of electrical energy.

iv. Air pre-Heater replacement in Boiler 2. Savings of 11,700 tonnes of coal/annum.

v. Replacement of Boiler bowl mill ring/roller in Boiler 1, 2 and 3. Annual savings of 3.36 lakh units of electrical energy.

vi. Successful firing of 322 T Biomass in Boilers as Trial run in FY 2023 saving of 450 tonnes of CO_2.

(B) Additional investments and proposals, if any, being implemented for reduction of consumption of energy

OIL & GAS BUSINESS:

Rajasthan Operations

i. Capturing and utilising the gas from satellite field (Kaameshwari West - 02) through bottling and transferring to LPG/CNG players. Annum GHG reduction potential is 11,000 tonnes of CO_2e/annum.

ii. Solar Rooftop at Raag Gas WPs – 126 KWP. Annual GHG reduction potential of 160 tonnes of CO_2e/annum.

iii. Solar rooftop of 15 KW each at 16 above ground installations AGIs. Annual GHG reduction potential of 300 tCO_2e/annum.

iv. Solar rooftop of 400 KWP at Viramgam Terminal. Annual GHG reduction potential of 500 tonnes of CO_2e/annum.

Ravva Operations

i. Replacement of fluorescent and HPSV lights with LED. Annual energy saving potential of 80,592 kWh.

S. No.	Existing Lights	New Installed lights	Net savings
1	70W HPSV	55W LED light – Quantity 60 Nos.	3,942 kWh
2	250W HPSV	150W LED – Quantity 100 Nos.	43,800 kWh
3	400W HPSV	250W LED – Quantity 50 Nos.	32,850 kWh
Total saving is			**80,592 kWh**

ii. **Installation of VFD for N-BL-001C ETP air blower**
Variable Frequency Drive installation in place of soft starter for ETP Water cooled aeration air blower for Energy optimisation. 60% of blower capacity being utilised and remaining was being vented. As per ETP design, blower operates at 1,480 rpm and 70 KPA pressure to give an air flow of 5,733 m³/hr. Currently, Aeration Tanks Maximum Air flow requirement is only 3,200 m³/hr and excess air around 2,000 m³/hr is being vented out to atmosphere. After review, it was inferred that if the blower is operated at 950-1,000 RPM, current demand of air flow to aeration tank can be catered. 160 KW VFD was installed in the month of August 2022 to control the speed of air blower. By operating blower at a speed of 950 RPM, we are saving 1,300 kWh/day.

iii. **Installation of VFD for C-733 LP flare blower**
Installation of Variable frequency drive for C-733 LP Flare blower motor to control the air flow and energy conservation, this blower was designed to meet the LP flare combustion requirement. Post commissioning of TSGR compressors, Flare gas quantity reduced, and blower was being underutilised by throttling suction damper. In order to optimise the energy consumption, it was proposed to install a VFD. Before installation of VFD motor Power consumption is 32 KW and average Energy consumption per day is 768 kWh. After installation of VFD, speed was adjusted from 1,500 to 600 RPM for required combustion airflow. After installation of VFD Power consumption is 11 KW and average Energy consumption is 264 kWh and saving of Energy per day is ~500 kWh/Day. Total Energy saving per annum is 1,82,500 kWh.

iv. Installation of 100 KWP solar rooftop at Ravva.

Cambay Operations

i. Installed 10 kWh Roof top solar system on CCR building. Total energy saving will be 12,000 kWh/year.

ii. Total 71 convention light fittings replaced by LED lights in phased manner. Total energy saving achieved was 7,914 kWh/year.

iii. Total 7 AC units equipped with energy saving devices in phased manner. Total energy saving achieved was 15,987 kWh/year.

COPPER BUSINESS:

i. Installation of Biomass fired Boiler.

ii. VFD installation for RCW Pumps in 35 TPH CCR – Project.

iii. 100% RE power project.

iv. VFD installation for standby cooling tower pump and HF blower (Estimated energy saving – 47,232 kWh/year) – Copper Fujairah.

v. Energy efficient Air compressor (Estimated energy saving – 54,000 kWh/year) – Copper Fujairah.

SESA GOA BUSINESS:

VAB

i. Installation of solar power plant ~100 KW capacity at admin and parking area of VAB.

ii. Installation of EV charging stations for employees and community.

IOK

i. 3 MW Ground Mounted Solar Power Plant.

IOO

i. Government Electrification (TPWODL) of 400 KW wet washing plant.

ii. Government Electrification (TPWODL) of 400 KW FEEGRADE MINES Dewater pumping, operation, and lighting.

iii. Government Electrification (TPWODL) of 400 KW BICO Mines operation, and lighting.

iv. Government Electrification (TPWODL) of 200 KW Mines office and Utilities power.

v. Installation VFD for Dewatering pumps (250 KW and 75 KW).

vi. 70% (100 KW) of all installed lights are LED Lights installed in both mines and office etc. in place of HPSV, Fluorescent lamps etc.

POWER BUSINESS:

2400 MW Jharsuguda Proposals

i. Turbine overhauling of unit 1 and 4.

ii. Eco coil replacement from fin type to plain type in unit 1 and 4.

iii. NDCT fills replacement and condenser chemical cleaning of unit 1 and 4.

iv. Flue gas duct replacement of unit 1 and 4.

v. Air preheater seals and basket replacement of unit 1 and 4.

1215 MW Jharsuguda Proposals

i. Turbine overhauling for 1 unit.

ii. Double layer bucket strainer installation for 5 units.

iii. Cooling tower fills replacement for 2 units.

iv. Air preheater Basket replacement for 1 unit.

v. Mill grinding media replacement for 6 Mills.

ALUMINIUM BUSINESS:

Smelter Plant-1 (Jharsuguda)

i. 100% Graphitised cathode pot implementation.

ii. Replacement of old motors with Energy efficient motor.

iii. 100% LED conversion.

iv. EFO (Emulsified fluid oil) implementation in furnace for HFO reduction.

v. Vedanta Lining Design implementation in smelting pots.

vi. Vedanta pot controller and Pot technology upgradation.

Smelter Plant-2 (Jharsuguda)

i. 100% Graphitised cathode pot implementation.

ii. Vedanta Lining Design implementation.

iii. Vedanta pot controller and pot technology upgradation.

iv. Replacement of conventional lights with LED lights.

v. VFD installation in Cold well pumps, CT fans.

(C) Impact of above measures in (A) and (B) for reduction of energy consumption and consequent impact of cost of production of goods

OIL & GAS BUSINESS:

Rajasthan Operations

i. Power generation by use of associated natural gas through 3*1.1 MW Gas Engine Generators at MWP - 01 and 12 Local separation and thereby avoiding gas flaring.

ii. ~0.64 MMSCFD of natural gas has been saved by recycling gas compressor optimisation along with installation of ejector at RDG gas flare.

iii. Renewable energy from 220 KWP of solar rooftop at RJ Gas: ~3,85,000 kWh/annum.

iv. Renewable energy generation by 130 KWP of solar rooftop at Radhanpur Terminal: ~2,28,000 kWh/annum.

v. Installation of ~200 Solar lights at Mangala Processing Terminal and associated well pads for renewable power generation ~41,500 kWh/annum.

vi. Solar energy from solar rooftop at 10 AGIs (Above Ground Installations) for pipeline operations. ~2,63,000 kWh/annum.

vii. Energy Conservation by conversion of induction motor to Permanent Magnetic Motor (PMM) has resulted in saving of 10,000 GJ in FY 2023.

viii. Energy conservation by replacement of conventional lights by energy efficient lighting: ~6 lakh kWh energy saved in FY 2023.

Ravva Operations

i. Total Savings from replacement of LED lights: ~80,592 kWh/annum, equivalent monetary benefit is ~US$6,447.

ii. Installation of VFD for ETP air blower, contribution of energy saving due to VFD (8 months only considered, it was installed on 30 July 2022), annual energy savings ~3,12,000 kWh equivalent monetary benefit US$33,600.

iii. Installation of VFD for LP flare blower motor, annual energy saving ~1,82,500 kWh equivalent monetary benefit US$14,600.

Cambay Operations

i. Commissioned 10 KWP Solar Plant at Cambay asset which has renewable energy potential of 17,500 kWh/year.

SESA GOA BUSINESS:

VAB

i. The Energy Conservation measures undertaken in various areas in FY 2023 have an annual saving potential of 1,540 MWH of Electricity/annum for VAB.

IOK

i. The Energy Conservation measures undertaken in various areas in FY 2023 have an annual saving potential of ₹4 crore/annum for 3 MW Solar Power Plant.

Met Coke Gujarat

ii. The Energy Conservation measures undertaken in various areas in FY 2023 have an annual saving potential of 232 MWH of Electricity/annum for SCG.

IOO

i. In FY 2023, by concerting Dewatering pumping from diesel to electricity, 481 KL diesel was saved and by using LED lights 113.393 MWH power was saved.

POWER BUSINESS:

2,400 MW Jharsuguda

i. APC reduction by 0.28%.

ii. SCC reduction by 3.4 gms/kWh.

iii. Forced outage reduction by 1.95%.

1,215 MW Jharsuguda

i. Forced outage reduction by 0.3% YOY.

ALUMINIUM BUSINESS:

Smelter Plant-1 and 2 (Jharsuguda)

i. Specific energy consumption reduction by 125.1962 kWh/tonne.

(D) The steps taken by the Company for utilising alternate sources of energy

COPPER BUSINESS:

i. Initiated 825 KW Solar Power Project.

ii. Planning to set up RE hybrid power through GCPP model.

SESA GOA BUSINESS:

IOK

i. 3 MW Ground Mounted Solar Power Plant.

Met Coke Vazare

i. Solar hybrid lights for main gate to junction.

IOG

i. Solar lighting system - RE Power Supply at all Security Gates.

VAB

i. 100 KW solar power plant installation.

ii. EV charging station setup.

IOO

i. Planning for installation of 100 KW Solar Plant.

ii. Planning of 50 KW HPSV Lamps conversion to LED lights.

FORM OF DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT (R&D)

Specific areas in which R&D was carried out by the Company

POWER BUSINESS:

2400 MW Jharsuguda

i. H_2SO_4 dosing system started in cooling water system.

ii. 3D tracer automated dosing system started.

iii. TGA (Thermogravimetric Analyzer) automated coal sampling technology adopted.

iv. FF individual compartment DP transmitter installed for compartment wise DP monitoring, easy identification of issues and rectification in minimum time.

Technology Absorption, Adaptation and Innovation

Efforts in brief made towards technology absorption, adaptation, and innovation	**OIL & GAS BUSINESS:** **Ravva Operations** • Protech centralisers were successfully used to reduce the drag while casing running in long open hole intervals - well RX-13 which helped in mitigating the downhole risks that were anticipated. • Micro-dense system helped in drilling the reservoir section with the required high mud weights without formation damage risk. This system helped in safely and efficiently drill the well as per plan, without downhole complications. **Cambay Operations** • Remote equipment health monitoring with wireless IIoT sensors and cloud-based IT infrastructure on OPEX model. • AI-based CCTV for field safety violation monitoring project. • First-of-its-kind auto gas lift application in India in GA-06, LB-10z, LB-05, LB-08 in FY 2022 which has enabled in-situ gas to be utilised for artificial lift of oil producers – an innovative solution which has opened new horizons especially for Operators in offshore. • Application of Straddle gas lift systems and Modified Gas Lift Orifice in old completion not completed with any artificial lift jewellery – great example of process optimisation in FY 2022 in LA-07, LA-05. • Rental compressor installation during GLC maintenance on an un-manned LA platform for production sustenance – disruptive method and first-of-its-kind in India. • Installation of Shearable Gas Lift valves as smart completion in GA-07 in February 2022 offered latest technology offered rig time saving and enabling early production. • Successful water-shutoff job conducted in LB-05. • Smart sand control technique like Resin-based consolidation in a cased hole well LA-05 offered excellent results. • Launched Well Intervention performance dashboard. This shall enable capturing of production enhancement opportunities and record of execution. **SESA GOA BUSINESS:** **VAB** • Turbine upgradation in power plant to increase the generation of PP-2 from 30 MW to 35 MW. • Replacing old motors with super premium efficiency motors (IE4). • Using variable frequency drive for speed control and hence increasing efficiency. **ALUMINIUM BUSINESS:** **Smelter Plant-1 and 2 (Jharsuguda)** • Vedanta Lining Design implementation in smelting pots with savings of 250 kWh/MT per pot. • Vedanta pot controller implementation in two pot rooms. • Replacement of Diesel-operated forklift with Battery-operated forklift.
Benefits derived as a result of above efforts e.g., product improvement, cost reduction, product development, import substitution	**OIL & GAS BUSINESS:** **Ravva Operations** • Protech centralisers were successfully used to reduce the drag while casing running in long open hole intervals- well RX-13 which helped in mitigating the downhole risks that were anticipated. • Micro-dense system helped in drilling the reservoir section with the required high mud weights without formation damage risk. This system helped in safely and efficiently drill the well as per plan without downhole complications. **SESA GOA BUSINESS:** **VAB** • Increase in power generation with same steam consumption. • Reduction in losses and hence increase efficiency. • Power saving due to lower speed operation. • Less failure and reduced power consumption. **POWER BUSINESS:** **2400 MW Jharsuguda** • U#1 and 4 R and M and COH successfully completed. • U#1 Savings - SCC 20 gms/kWh and APC 0.4%. • U#4 Savings - SCC 12 gms/kWh and APC 0.4%. **1215 MW Jharsuguda** • Reduction in forced outage time by 0.30% YOY. • Reduction in Boiler tube leakage by 40%. • Fan drive power reduction by Penthouse air seal. • Padded insulation installed in Turbine to reduce radiation losses. • 65 tonnes Biomass pallets induced to comply RPO obligation.

In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), the following information may be furnished:

Business	Technology imported	Year of import	Has technology been fully absorbed
Oil & Gas Business	**Ravva Operations** • Protech centraliser: FY 2023 • Micro-dense mud system: FY 2023 **Cambay Operations** • Resin Sand Consolidation • Shearable Gas Lift Valves • Straddle Gas Lift		 Yes Yes Yes Yes Yes
Copper Division	No		
Iron Ore - Value Addition Business	Turbine upgradation in power plant to increase the generation of PP-2 from 30 MW to 35 MW.	FY 2023 [PP]	Yes
Power Business	No		
Aluminium Business	No		

Disclosure of particulars with respect to conservation of energy

Particulars	Unit	Year Ended 31 March 2023	Year Ended 31 March 2022	Year Ended 31 March 2023	Year Ended 31 March 2022	Year Ended 31 March 2023	Year Ended 31 March 2023	Year Ended 31 March 2023	Year Ended 31 March 2023	Year Ended 31 March 2023	Year Ended 31 March 2023	Year Ended 31 March 2023	Year Ended 31 March 2023	Year Ended 31 March 2022	Year Ended 31 March 2022	Year Ended 31 March 2022	Year Ended 31 March 2022	Year Ended 31 March 2022	Year Ended 31 March 2023	Year Ended 31 March 2022	Year Ended 31 March 2023	Year Ended 31 March 2022	Year Ended 31 March 2023	Year Ended 31 March 2022
Business Unit		Oil & Gas		Copper		Sesa Goa													Power		Aluminium			
						Met Coke Division	Pig Iron Division	Power Plant (WHR)	Mining Goa	Met Coke Gujarat	Met Coke Vazare	Mining Orissa	Mining Karnataka	Met Coke Division	Pig Iron Division	Power Plant (WHR)	Mining Goa	Mining Karnataka			Lanjigarh		Jharsuguda	
A. Power and Fuel Consumption																								
Electricity																								
Purchase Unit	MWH	487527.00	300717.00	97650.29	83378.16	9119.74	181331.64	3691.25	2229.00	1.36	54.52	1723.815	462.0	10554.32	199969.88	649.84	6899	443.0	7503	5388	38277	6818	7503388	5387989
Total Amount (Exc Demand Chgs)	₹ crore	291.54	179.81	60.17	44.40	0.6	14.0	2.4	1.2	1.1	0.5	1.073	0.4	0.6	16.1	0.3	1.5	0.4	5382	3233	24.11	4.30	5382	3234.60
Rate/Unit	₹/kWh	5.98	5.98	6.27	5.33	0.66	0.8	6.5	5.4	9.5	9	5.85	9.2	0.6	0.8	4.0	3.3	9.2	7	6	6	6	7	6
Own generation Unit*	MWH	451683.00	427950.00	764.74	764.74	0.02	160.77	352799.9	NA	NA	0.00	2880	3033	0.00	69.79	438764.5	NA	NA	18287	20546	479918	522778	18286713.07	20546178.33
Unit per unit of fuel	₹/Unit, gms/Unit, Lit/Unit			NA	0.36	NA	NA	NA	NA	NA	0.00	90	7.1	NA	NA	NA	NA	NA	794	800	7	4	794	800
Cost/Unit	₹/MWH, ₹/kWh			NA	28.62	-	24.8	0.6	NA	NA	0.0	11.3	12.3	-	10.9	0.0	0.0	NA	5	3	7.85	4.47	4.72	3.42
Furnace Oil																							43139.565	43702.300
Quantity**	KL			4131.90	3004	Nil	Nil	Nil	Nil	Nil	Nil	NA	NA	Nil	Nil	Nil	Nil	NA			129167.00	139442.80	223.82	192.39
Total Amount	₹ crore			21.58	12.83	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA			637.04	576.06	51.88	44.02
Average Cost per litre	₹/Lit			52.23	42.71	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA			49.30	41.31		
Diesel Oil																								
Quantity	KL	27346.90	3848.44	32.30	26.41	Nil	86.8	5.3	3493.709	334	11.6	6280.0	9183.4	Nil	26.4	2.8	9956	9128.8	4848	4771	969	1966.00	7216.506	7294.490
Total Amount	₹ crore	284.08	39.97	0.25	0.17	NA	0.9	0.1	32.2	3.0	0.1		79.9	NA	0.2	0.0	67.5	75.6	38	24	12	18.23	7.68	5.42
Average Cost per litre/ Unit per litre of Oil	₹/Lit	103.88	103.88	78.14	62.78	NA	99	101.5	152.09	91.1	100		87	NA	79.8	85.5	67.74	82.8	78	51	125	92.70	106.41	74.27
Cost per Unit																								
L.P.G./LNG/Propane/IPA																								
Quantity-(LPG)	MT			4818.86	5388.14	NIL	82.4	NIL	NIL	NIL	NIL	NA	NA	NIL	68.3	NIL	NIL	NA					1720.19	1597.20
Total Amount	₹ crore			32.41	31.62	NIL	0.7	NIL	NIL	NIL	NIL	NA	NA	NIL	0.5	NIL	NIL	NA					13.57	11.31
Average Cost per Kg	₹/Kg			67.26	58.68	NIL	85.4	NIL	NIL	NIL	NIL	NA	NA	NIL	75.8	NIL	NIL	NA					78.91	70.83
L.P.G./LNG/Propane/IPA																								
Quantity-(PNG)	MT			7416.05	6528.82	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA						
Total Amount	₹ crore			34.47	22.32	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA						
Average Cost per Kg	₹/Kg			46.48	34.19	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA						
L.P.G./LNG/Propane/IPA																								
Quantity(LNG)	MT					Nil	Nil	Nil	Nil	Nil	Nil	NA	NA	Nil	Nil	Nil	Nil	NA						
Total Amount	₹ crore					NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA						
Average Cost per MT	₹					NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA						
L.P.G./LNG/Propane/IPA																								
Quantity (LNG)	MT			436.84	467.90	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA						
Total Amount	₹ crore			4.28	4.41	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA						
Average Cost per Kg	₹/Kg			98.05	94.21	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA						
Natural Briquette/Coal																								
Quantity	MT					Nil	Nil	Nil	Nil	Nil	Nil	NA	NA	Nil	Nil	Nil	Nil	NA	14338609	16320867	911980.34	975711	14338609	16298366.13
Total Amount	₹ crore					NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	6619	4282	772.81	298.15	6618.94	5205.70
Average Cost per MT	₹					NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	4616	2624	8473.98	3055.74	4616	3194

Particulars	Unit	Year Ended 31 March 2023	Year Ended 31 March 2022	Year Ended 31 March 2023	Year Ended 31 March 2022	Year Ended 31 March 2023	Year Ended 31 March 2023	Year Ended 31 March 2023	Year Ended 31 March 2023	Year Ended 31 March 2023	Year Ended 31 March 2023	Year Ended 31 March 2023	Year Ended 31 March 2023	Year Ended 31 March 2022	Year Ended 31 March 2022	Year Ended 31 March 2022	Year Ended 31 March 2022	Year Ended 31 March 2022	Year Ended 31 March 2023	Year Ended 31 March 2022	Year Ended 31 March 2023	Year Ended 31 March 2022	Year Ended 31 March 2023	Year Ended 31 March 2022
Business Unit		Oil & Gas		Copper		Sesa Goa													Power		Aluminium			
						Met Coke Division	Pig Iron Division	Power Plant (WHR)	Mining Goa	Met Coke Gujarat	Met Coke Vazare	Mining Orissa	Mining Karnataka	Met Coke Division	Pig Iron Division	Power Plant (WHR)	Mining Goa	Mining Karnataka			Lanjigarh		Jharsuguda	
B. Consumption per MT of Production																								
Continuous Copper Rod/ Iron - Ore																								
Electricity	MWH/MT			0.63	0.66	0.02	0.260	0.1	NA	NA	NA	NA	0.0	0.0	0.3	0.1	NA	0.0						
Furnace Oil	KL/MT			0.03	0.02	Nil	Nil	Nil	Nil	Nil	Nil	NA	NA	Nil	Nil	Nil	Nil	NA						
Diesel	KL/MT			0.0002	0.0002	0.0	0.0	0.0	0.0	0.0	0.0	NA	0.0	0.0	0.0	0.0	0.0	0.0						
L.P.G./Propane/IPA	MT/MT			0.082	0.098	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA						
Production of Rod	MT			154767.16	126445.20	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA						
Alumina																								
Electricity	kWh/MT					NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA			226.7	217.5		
Coal for Steam	MT/MT					NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA			0.28	0.26		
Furnance Oil for Calcinaton	Kg/MT					NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA			72.1	70.6		
Hot Metal																								
Electricity (Total AC for electrolysis and auxillary energy)	kWh/MT					NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA					13756.75	13907.53
Billet (including alloy rods)																								
Electricity	kWh/MT					NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA					316.75	298.28
Furnace Oil	KL					NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA						
Ingots																								
Electricity	kWh/MT					NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA					17.27	18.38
Furnace Oil	KL					NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA						
Wire Rods																								
Electricity	kWh/MT					NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA					94.75	93.80
Furnace Oil	KL					NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA						
SOW Cast																								
Electricity	kWh/MT					NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA					251.95	283.53
T-ingot																								
Electricity	kWh/MT					NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA					70.34	77.49
SOW Cast																								
Electricity	kWh/MT					NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA					31.01	33.78
Alloy CastBar																								
Electricity	kWh/MT					NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA					88.62	97.53

** This includes the WHRB Generation also.*
***This includes the FO consumed in CPP also.*
**** This includes Generation from DG Set also.*

ANNEXURE B

Annual Report on Corporate Social Responsibility Activities for FY 2023

1 Brief Outline on CSR Policy of the Company

A. POLICY OBJECTIVE

Vedanta Limited (**'VEDL'** or **'the Company'**) is committed to conduct its business in a socially responsible, ethical and environment-friendly manner and to continuously work towards improving quality of life of the communities in and around its operational areas. This Policy provides guidance in achieving the above objective and ensures that the Company operates on a consistent and compliant basis.

B. VEDL CSR PHILOSOPHY

We, at Vedanta Limited, have a well-established history and commitment to reinvest in the social good of our neighbourhood communities and nation.

CSR VISION

"Empowering communities, transforming lives and facilitating nation-building through sustainable and inclusive growth."

We believe, that

- we can positively impact and contribute to the realisation of integrated and inclusive development of the country, in partnership with National and State Government as well as local, national and international partners;
- sustainable development of our businesses is dependent on sustainable, long lasting and mutually beneficial relationships with our stakeholders, especially the communities we work with;
- partnerships with Government, corporates and civil societies/community institutions, offer a strong multiplier for complementing efforts, resources and for building sustainable solutions;
- our employees have the potential to contribute not just to our business, but also towards building strong communities.

C. THEMATIC FOCUS AREAS

Our programs focus on poverty alleviation programs, especially integrated development, which impacts the overall socio-economic growth and empowerment of people, in line with the national and international development agendas. The major thrust areas will be –

a) Children's Well-being and Education

b) Women's Empowerment

c) Health Care

d) Drinking Water and Sanitation

e) Sustainable Agriculture and Animal Welfare

f) Market-linked Skilling the Youth

g) Environment Protection and Restoration

h) Sports and Culture

i) Development of Community Infrastructure

j) Participate in programs of national importance including but not limited to disaster mitigation, rescue, relief and rehabilitation

The CSR activities are aligned to the specified activities in Schedule VII of the Companies Act, 2013. The above may be modified from time to time, as per recommendations of the CSR Committee of the Company.

2 Composition of CSR Committee

Sl. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Akhilesh Joshi	Chairperson, Independent Director	2	2
2	Priya Agarwal	Member, Non-Executive Director	2	2
3	Upendra Kumar Sinha	Member, Independent Director	2	2
4	Padmini Sekhsaria	Member, Independent Director	2	2

3 Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company

www.vedantalimited.com

4 Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

As per General Circular No. 14/2021 dated 25 August 2021 issued by the MCA on FAQs on CSR, it is clarified that web-link to access the complete Impact Assessment Reports and providing executive summary of the Impact Assessment Reports in the Annual Report on CSR, shall be considered as sufficient compliance of Rule 8(3)(b) of the Companies (CSR Policy) Rules, 2014.

Accordingly, an Executive Summary of Impact Assessment Reports of the applicable projects, is annexed as **'Annexure B-1'** and the complete Impact Assessment Reports of the applicable projects can be accessed at the web-link provided in the said annexure.

5 (a) Average net profit of the Company as per sub-section (5) of Section 135 (₹ crore): **5,621.00**

(b) Two percent of average net profit of the Company as per Section 135(5) (₹ crore): **112.00**

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **Nil**

(d) Amount required to be set off for the financial year, if any (₹ crore): **Nil**

(e) Total CSR obligation for the financial year (5b+5c-5d) (₹ crore): **112.00**

6 (a) Amount spent on CSR Projects (both ongoing projects and other than ongoing projects) (₹ crore): **123.33**

(b) Amount spent in Administrative Overheads (₹ crore): **1.55**

(c) Amount spent on Impact Assessment, if applicable (₹ crore): **0.00**

(d) Total amount spent for the financial year (6a+6b+6c) (₹ crore):**124.88**

(e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the financial year (₹ crore)	Amount Unspent (₹ crore)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
124.88	-	NA	NA	NA	NA

(f) Excess amount for set off, if any (₹ crore):

Sl. No.	Particular	Amount (₹ crore)
(i)	Two percent of average net profit of the Company as per Section 135(5)	112.00
(ii)	Total amount spent for the financial year	124.88
(iii)	Excess amount spent for the financial year [(ii)-(i)]	12.88
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0.00
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	12.88

7 (a) Details of Unspent CSR amount for the preceding three financial years: **Nil**

8 Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **No**

9 Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5): **NA**

Sd/-
Sunil Duggal
Whole-time Director and Chief Executive Officer

Sd/-
Akhilesh Joshi
Non-Executive Independent Director
(Chairman - CSR Committee)

Report on CSR Activities - Table 6(a) - Ongoing Projects

1	2	3	4	5		6	7	8	9	10	11	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration (Months)	Amount allocated for the project (₹)	Amount spent in the current financial year (₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹)	Mode of Implementations - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
						OIL & GAS						
1	Barmer Unnati Project Phase -3	(iv) ensuring environmental sustainability	Yes	Rajasthan	Barmer and Jalore	36	1,50,00,000.00	1,47,86,000.00	-	No	BAIF	CSR00000259
2	Borewell project	(i) making available safe drinking water	Yes	Rajasthan	Barmer	36	-	-7,53,000.00	-	Yes	Direct	-
3	Project Ujjawal Phase-2	(ii) promoting education	Yes	Gujarat	Ahmedabad, Banas Kantha, Jamnagar, Patan, Rajkot, Surendranagar, Surat	24	50,00,000.00	53,95,000.00		No	DAMES	CSR00029833
4	Community Helpdesk	(ii) promoting education (x) rural development projects	Yes	Gujarat	Ahmedabad, Surat, Jamnagar, Banaskantha	24	30,00,000.00	17,72,000.00	-	No	DHARA	CSR00001421
5	Dairy Development and Animal Husbandry	(iv) ensuring environmental sustainability	Yes	Rajasthan	Barmer and Jalore	36	80,00,000.00	73,05,000.00	-	No	Society for Upliftment of Rural Economy (**"SURE"**)	CSR00003156
6	Mobile Health Van	(i) promoting health care	Yes	Rajasthan and Gujarat	Barmer, Jalore for RJ Ahmedabad, Banaskantha, Dwarka and Patan GJ	24	2,05,00,000.00	2,08,98,000.00	-	No	DHARA	CSR00001421
7	Nand Ghar	(i) eradicating hunger, poverty and malnutrition, promoting health care (ii) promoting education, (iii) promoting gender equality, empowering women	Yes	Rajasthan	Barmer and Jalore	24	1,00,00,000.00	82,95,000.00	-	No	Shakti Shali Mahila Sangthan	CSR00000894
8	Skill Training Programs in CEC Barmer	(ii) employment enhancing vocational skills	Yes	Rajasthan	Barmer and Jalore	36	80,00,000.00	77,67,000.00	-	No	Seeds	CSR00000657
9	Specialist Doctor - District Hospital, Barmer and Hospital Sanitation -Clean Barmer Green Barmer	(i) promoting health care	Yes	Rajasthan	Barmer	24	1,95,00,000.00	2,01,29,000.00	-	No	Barmer Jan Sewa Samiti	CSR00002129
10	Micro level Interventions	(x) rural development projects	Yes	Gujarat, Rajasthan and Assam	Barmer, Jalore, Banaskantha, Viramgam, Jamnagar, Patan, Jorhat, Golaghat, Tinsukia, Rajkot	24	72,00,000.00	1,13,78,000.00		No	Navarachana Mahila Vikas Trust	CSR00001914
11	O&M of 124 RO Plants	(i) making available safe drinking water	Yes	Rajasthan	Barmer and Jalore	12	1,49,66,000.00	1,08,42,000.00		No	Shakti Shali Mahila Sangthan	CSR00000894
12	Support to Sports Infra	(vii) promoting sports	Yes	Rajasthan	Barmer	12	60,00,000.00	63,22,000.00		No	DHARA	CSR00001421
13	Super Specialist Ward	(i) promoting health care	Yes	Rajasthan	Barmer	12	1,00,00,000.00	1,00,00,000.00		Yes	Govt. Medical College	-
14	Project Divyang	(vii) promoting sports and paralympic sports	No	Pan India	Pan India	12	65,00,000.00	32,88,000.00		No	PCI	CSR00009842
	Oil & Gas	**SUB TOTAL A**					**13,36,66,000.00**	**12,74,24,000.00**	-			

1	2	3	4	5		6	7	8	9	10	11	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration (Months)	Amount allocated for the project (₹)	Amount spent in the current financial year (₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹)	Mode of Implementations - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
						IRON ORE						
15	Alternative Livelihood Opportunities Project	(ii) livelihood enhancement projects (iii) promoting gender equality, empowering women (iv) ensuring environmental sustainability	Yes	Karnataka	Chitradurga	48	1,50,00,000.00	64,06,259.00	-	No	BAIF	CSR00000259
16	Gram Nirman-Integrated village development program	(ii) livelihood enhancement projects (iii) promoting gender equality, empowering women (iv) ensuring environmental sustainability	Yes	Goa	North Goa	48	1,06,00,000.00	57,94,509.35	-	No	VANARAI	CSR00001205
17	Utkarsha Scholarship	(ii) promoting education	Yes	Goa and Karnataka	North Goa and Chitradurga	48	23,00,000.00	21,20,262.00	-	Yes	-	-
18	Sesa Football Academy	(vii) Promoting sports	Yes	Goa	North Goa, South Goa	48	4,39,55,000.00	3,75,90,161.83	-	No	Sesa Community Development Foundation	CSR00005046
19	Sesa Technical School	(ii) employment enhancing vocational skills	Yes	Goa	North Goa	48	2,82,50,000.00	1,56,46,928.57	-	No	Sesa Community Development Foundation	CSR00005046
20	Community Medical Center and Mobile Health unit	(i) promoting health care including preventive health care	Yes	Goa, Jharkhand	North Goa, West Singhbhum	48	68,00,000.00	53,42,610.62	-	No	Sevamob	CSR00001153
	Iron Ore	**SUB TOTAL B**					**10,69,05,000.00**	**7,29,00,731.37**	-			
						ALUMINIUM - JHARSUGUDA						
21	Mobile Health Unit and Project Jagruti	(i) promoting health care including preventive health care	Yes	Odisha	Jharsuguda	35	33,60,000.00	32,10,991.73	-	No	Punaruthan	CSR0002457
22	Nikshay Mitra	(i) promoting health care including preventive health care	Yes	Odisha	Jharsuguda	6	-	2,00,000.00		Yes	-	-
23	Mental Health for Prisoners	(i) promoting health care including preventive health care	Yes	Odisha	Jharsuguda	12	-	-		No	NA	NA
24	Skill Development Program	(ii) employment enhancing vocation skills	Yes	Odisha	Jharsuguda	12	5,00,000.00	3,38,016.00		No	Not finalised	NA
25	Water and Sanitation activities	(iv) ensuring environmental sustainability	Yes	Odisha	Jharsuguda	12	1,16,02,690.00	1,55,80,583.89	-	Yes	-	-
26	Nand Ghar	(ii) promoting education	Yes	Odisha	Jharsuguda	12	10,00,000.00	91,906.00	-	No	American India Foundation	NA
27	Vedanta DAV Scholarship Program	(ii) promoting education	Yes	Odisha	Jharsuguda	12	31,00,000.00	30,69,781.21	-	Yes	-	-

1	2	3	4	5		6	7	8	9	10	11	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration (Months)	Amount allocated for the project (₹)	Amount spent in the current financial year (₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹)	Mode of Implementations - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
28	Vedanta Computer Literacy Programme	(ii) promoting education, including employment enhancing vocation skills	Yes	Odisha	Jharsuguda	12	6,50,000.00	6,48,957.80	-	No	Vedanta Foundation	CSR00001617
29	Vedanta Mini-Science Centre	(ii) promoting education	Yes	Odisha	Jharsuguda	12	1,72,000.00	1,69,744.30	-	Yes	-	-
30	Other Educational Initiatives: Teacher in schools	(ii) promoting education	Yes	Odisha	Jharsuguda	24	2,16,000.00	2,35,211.16		Yes	-	-
31	Vedanta Digital Education: Vidyagrah	(ii) promoting education	Yes	Odisha	Jharsuguda	12	21,50,000.00	21,89,595.01		No	Sarthak Sustainable Foundation	-
32	Women Empowerment: Subhalaxmi Co-op, Capacity Building, Micro Enterprises	(iii) promoting gender equality, empowering women	Yes	Odisha	Jharsuguda	36	20,00,000.00	17,93,796.80	-	No	Entrepreneurship Development Institute of India	CSR00002457
33	Establishment of Sanitary Napkin Manufacturing Unit	(ii) promoting employment enhancing vocation skills ...and livelihood enhancement projects.	Yes	Odisha	Jharsuguda	24	-	-		No	Not finalised	-
34	Safety Jacket Uniform Stitching	(ii) promoting employment enhancing vocation skills ...and livelihood enhancement projects.	Yes	Odisha	Jharsuguda	12	-	-		No	Not finalised	-
35	Farm Activity: Project Jeevika Samridhhi and other initiative	(iv) ensuring environmental sustainability	Yes	Odisha	Jharsuguda	12	30,00,000.00	29,59,139.56	-	No	Not finalised	-
36	Dairy Farming Unit	(iv) ensuring environmental sustainability	Yes	Odisha	Jharsuguda	12	-	-		No	Not finalised	-
37	Plantation	(iv) ensuring environmental sustainability, ecological balance	Yes	Odisha	Jharsuguda	12	54,50,000.00	56,61,584.84	-	Yes	-	-
	Aluminium - Jharsuguda	**SUB TOTAL C**					**3,32,00,690.00**	**3,61,49,308.30**	-			
						ALUMINIUM - LANJIGARH						
38	Vedanta Hospital	(i) promoting health care including preventive health care	Yes	Odisha	Kalahandi	36	3,50,00,000.00	4,13,76,819.19	-	No	Punaruthan Voluntary Organisation	CSR00000650
39	Maa Santoshi Jan Kalyan, Bankakundru	(i) promoting health care including preventive health care	Yes	Odisha	Kalahandi	36	20,00,000.00	15,64,635.00	-	No	Maa Santoshi Jankalyan Foundation	CSR00010453
40	Women Empowerment	(iii) promoting gender equality, empowering women	Yes	Odisha	Kalahandi	36	45,00,000.00	20,81,141.00	-	No	Mahashakti Foundation	CSR00002561
41	Vedanta Child Care Center	(ii) promoting education	Yes	Odisha	Kalahandi	36	-	2,48,375.40	-	No	Jansahajya	CSR00001642
42	Sports Promotion (Kreeda Kendra)	providing training to children in archery and karate	yes	Odisha	Kalahandi	36	33,00,000.00	2,42,257.34	-	Yes	-	-

1	2	3	4	5		6	7	8	9	10	11	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration (Months)	Amount allocated for the project (₹)	Amount spent in the current financial year (₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹)	Mode of Implementations - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
43	Vedanta Skill Training	providing skill training to rural youth to enhance their skill set	yes	Odisha	Kalahandi	36	63,00,000.00	24,02,023.00	-	No	Vedanta Foundation	CSR00001617
44	Farm and Non-farm livelihood	(ii) livelihood enhancement projects	Yes	Odisha	Kalahandi	36	6,03,50,000.00	87,70,458.86	-	No	Mahashakti Foundation	CSR00002561
45	Vedanta Tribal and Dhokra Art	(vii)promoting local art and culture	Yes	Odisha	Kalahandi	36	56,50,000.00	6,11,202.00				
	Aluminium - Lanjigarh	**SUB TOTAL D**					**11,71,00,000.00**	**5,72,96,911.79**	-			
						COPPER						
46	Children's Wellbeing Education	(ii) promoting education	Yes	Tamil Nadu	Thoothukudi	48	2,00,00,000.00	96,000.00	-	Yes	-	-
47	Community Asset Creation	Infra Development	Yes	Tamil Nadu	Thoothukudi	48	12,00,000.00	44,62,289.60		Yes	-	-
48	Disaster Relief	Disaster Relief	Yes	Tamil Nadu	Thoothukudi	48		1,51,450				
49	Tamira Surabhi	(i) promoting health care including preventive health care and sanitation	Yes	Tamil Nadu	Thoothukudi	48	98,00,000.00	89,89,352.59	-	Yes	-	-
50	Pasumai Thoothukudi	(iv) ensuring environmental sustainability	Yes	Tamil Nadu	Thoothukudi	48	60,00,000.00	71,35,714.00	-	Yes	-	-
51	Health Camps	(i) promoting health care including preventive health care	Yes	Tamil Nadu	Thoothukudi	48	60,00,000.00	44,86,126.00	-	Yes	-	-
52	Skilling Initiative	(ii) promoting education, including employment enhancing vocation skills	Yes	Tamilnadu	Thoothukudi	48	21,89,98,400.00	2,01,19,350.00		Yes	-	-
53	Sports and Culture	Sports Activities	Yes	Tamilnadu	Thoothukudi	48	12,00,000.00	9,49,800.00		Yes		
54	Woman Resource Centre	(ii) employment enhancing vocation skills among women (iii) promoting gender equality, empowering women	Yes	Tamil Nadu	Thoothukudi	48	63,00,000.00	68,11,356.00	-	No	Thulasi Social Trust/ Bell Education and Women Empowerment Society/Dhaayagam Social Welfare Trust)	-
55	New Initiatives	Community Development Activities	Yes	Tamil Nadu	Thoothukudi	48	73,00,000.00	31,85,837		Yes	-	-
	Copper	**SUB TOTAL E**					**27,67,98,400.00**	**5,63,87,275.19**	**-**			
	TOTAL (A+B+C+D+E)						**66,76,70,090.00**	**35,01,58,226.65**	-			

Report on CSR Activities - Table 6(a) - Other than Ongoing Projects

1	2	3	4	5		6	7	8	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (in ₹)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR Registration number
				OIL & GAS					
1	Nirogi Rajasthan	(i) promoting health care including preventive health care and sanitation	Yes	Rajasthan	Barmer	43,03,000.00	No	Dhara Sansthan	CSR00001421
2	Micro level Interventions	(x) rural development projects	Yes	Gujarat	Surat-Suvali	13,35,000.00	No	CEDRA	CSR00003663
3	CEC-Infra Work	(ii) employment enhancing vocational skills	Yes	Rajasthan	Barmer	24,92,000.00	Yes	Kisan Construction Company	-
4	Cairn Centre of Excellence Barmer	(ii) employment enhancing vocational skills	Yes	Rajasthan	Jodhpur	37,82,000.00	Yes	JVVNL	-
5	Cairn Centre Of Excellence Barmer	(ii) employment enhancing vocational skills	Yes	Rajasthan	Jodhpur	1,01,000.00	Yes	CTO	-
6	CHC-Kawas	(i) promoting health care	Yes	Rajasthan	Barmer	64,90,000.00	Yes	Kisan Construction Company	-
7	Sonography Machine	(i) promoting health care	Yes	Rajasthan	Barmer	37,95,000.00	No	Barmer Jan Sewa Samiti	CSR00002129
8	Program Admin	Program Admin	Yes	Rajasthan	NA	68,55,000.00	Yes	Direct	-
9	Impact Study	Program Admin	Yes	Rajasthan, Gujarat, Assam	NA	46,72,000.00	Yes	KPMG	-
10	COVID-19 Relief	(i) promoting health care including preventive health care (xii) disaster management, including relief	Yes	Rajasthan	Barmer, Jalore	4,90,000.00	Yes	NA	-
11	Contribution to Anil Agarwal Foundation (AAF)					16,64,29,000.00	No	Anil Agarwal Foundation	-
	Oil & Gas	**SUB TOTAL A**				**20,07,44,000.00**			
				IRON ORE					
12	COVID-19 relief	(i) promoting health care including preventive health care	Yes	Goa, Karnataka, Maharashtra	North Goa, Dharwad	4,13,606.86	Yes	-	-
13	Back to Farming	(iv) ensuring environmental sustainability	Yes	Goa	South Goa	64,640.00	Yes	-	-
14	Women Empowerment	(iv) ensuring environmental sustainability	Yes	Goa	North Goa	2,78,446.00	Yes	-	-
15	Project Vriddhi	(ii) promoting education	Yes	Goa, Karnataka	North Goa, South Goa, Karnataka	68,77,453.99	Yes	-	-
16	Rural Infra Projects	(x) rural development projects	Yes	Goa, Karnataka	North Goa	2,70,551.30	Yes	-	-
17	Computer Training Centres	(ii) promoting education	Yes	Goa, Karnataka	North Goa, Chitradurga	7,84,706.54	No	Vedanta Foundation	CSR00001617
18	Paediatric ICU Unit	(i) promoting health care including preventive health care and sanitation	Yes	Karnataka	Chitradurga	15,67,301.00	Yes	-	-
19	Drinking Water Supply	(i) making available safe drinking water	Yes	Goa, Karnataka	North Goa, Chitradurga	15,51,402.14	Yes	-	-
20	Health Camps	(i) promoting health care including preventive health care	Yes	Goa and Karnataka	North Goa, Chitradurga	4,97,135.92	Yes	-	-
21	Contribution to Anil Agarwal Foundation (AAF)					10,92,77,351.44	No	Anil Agarwal Foundation	-
22	Admin Expenses					5,34,334.98			
	Iron Ore	**SUB TOTAL B**				**12,21,16,930.17**			
				ALUMINIUM - JHARSUGUDA					
23	Social Infrastructure Projects	(x) rural development projects	Yes	Odisha	Jharsuguda	1,85,16,870.73	Yes	-	-
24	State-of-the-Art Pathology and Diagnostic Centre	(i) Promoting health care including preventive health care	Yes	Odisha	Jharsuguda	-1,52,021.72		-	-

1	2	3	4	5		6	7	8	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (in ₹)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR Registration number
25	District Nutrition Care Support	(i) promoting health care including preventive health care	Yes	Odisha	Jharsuguda	-		-	-
26	Disaster Relief - COVID-19 response	(xii) disaster management, including relief	Yes	Odisha	Jharsuguda	1,94,41,728.55	Yes	-	-
27	Educational Initiatives: MO School	(ii) promoting education	Yes	Odisha	Jharsuguda	2,80,00,000.00	Yes	-	-
28	Supporting Sports	(vii) training to promote rural sports	Yes	Odisha	Jharsuguda	19,66,841.00	No	Social Education for Women's Awareness	CSR00006927
29	Admin Expenses	NA	Yes	Odisha	Jharsuguda	44,63,421.87			
30	CSR Projects through AAF	NA				22,42,81,090.33			
31	Marathon Expenses	NA				2,51,71,743.00			
	Aluminium - Jharsuguda	**SUB TOTAL C**				**32,16,89,673.76**			
				ALUMINIUM - LANJIGARH					
32	Vedanta Clean Energy	(iv) ensuring environmental sustainability	Yes	Odisha	Kalahandi	3,20,800.00	Yes	NA	-
33	Vedanta Medicinal Plantation	(iv) ensuring environmental sustainability	Yes	Odisha	Dhenkanal	9,71,650.00	No	-	-
34	COVID-19 relief	(i) promoting health care including preventive health care and sanitation (xii) Disaster management	Yes	Odisha	Kalahandi	1,00,02,357.28	No	Punaruthan Voluntary Organisation	CSR00000650
35	Community Asset Creation	(x) rural development projects	Yes	Odisha	Kalahandi	28,58,354.00	Yes	NA	NA
36	Scholarship	(ii) promoting education	Yes	Odisha	Kalahandi	8,26,111.12	Yes	NA	NA
37	Program	CSR Program	Yes	Odisha	Kalahandi	51,62,405.86	No	NA	NA
38	Admin	CSR Admin	Yes	Odisha	Kalahandi	17,51,458.06	No	NA	NA
39	TB Mukht Bharat	(i) promoting health care including preventive health care and sanitation	Yes	Odisha	Kalahandi	20,000.00	No	Punaruthan Voluntary Organisation	CSR00000650
40	Water and Sanitation	(i) promoting health care including preventive health care and sanitation	Yes	Odisha	Kalahandi	22,892.78	Yes	-	-
41	Women and Children ("AAF")	(iii) promoting gender equality, empowering women (i) promoting health care including preventive health care and sanitation	Yes	-	-	12,88,35,407.16	Yes	-	-
42	Education (MO School)	(ii) promoting education	Yes	-	-	1,21,92,000.00	Yes	-	-
43	Delhi Half Marathon (Run for zero hunger)	(i) Eradicating hunger poverty and malnutrition	Yes	-	-	1,34,63,999.34	Yes	-	-
	Aluminium - Lanjigarh	**SUB TOTAL D**				**17,64,27,435.60**			
				COPPER					
44	Sports (Corp Allocation)					30,71,968			
45	Program and Admin	(i) Program and Admin (ii) Audit Fee	Yes	Tamilnadu	Thoothukudi	19,13,836.15	Yes	-	-
	Copper	**SUB TOTAL E**				**49,85,804.15**			
				CORPORATE					
46	Sports Promotion (VDHM)	(i) Eradicating hunger poverty and Malnutrition (vii) Promoting sports				7,27,04,537.00	Yes	-	-
	Corporate	**SUB TOTAL F**				**7,27,04,537.00**			
TOTAL (A+B+C+D+E+F)						**89,86,68,380.68**			

ANNEXURE B-1

Executive Summary of Impact Assessment Reports

As per the revised CSR Rules issued by MCA in January 2021, every Company having an average CSR obligation of ₹10 crore or more in the three immediately preceding financial years, shall undertake Impact Assessment, through an independent agency, for its CSR projects having outlays of ₹1 crore or more, and which have been completed not less than one year before undertaking the impact study.

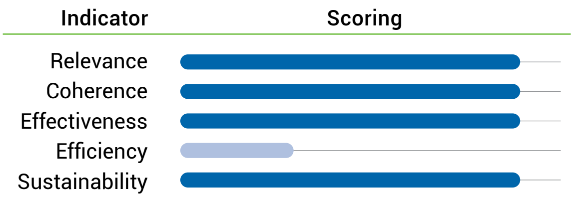
In line with the above requirement, a brief outline of the projects for which Impact Assessment was carried out and the executive summary of the Impact Assessment Reports are given below:

Oil & Gas

A. Thematic Area – Children Well-Being and Education

1. **Project Name:** Nand Ghar

Project Brief: The flagship project of Vedanta-Cairn aims to strengthen the efficacy of government's Integrated Child Development Services (**"ICDS"**) programme to improve the health and well-being of children in the age group of 3-6 years and link women to sustainable livelihood and economic empowerment opportunities through 125 Nand Ghars in Barmer, Rajasthan.



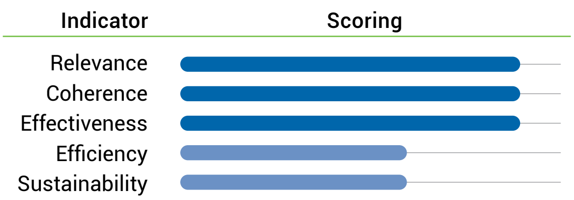
Impact Assessment – Impact of Intervention:

- Increased Access to Supplementary Nutrition. 68% of the respondent households which were accessing the Nand Ghar Centres reported that there was increased access to supplementary nutrition owing to Cairn's project interventions.
- Improved Status of Nutrition. In Barmer, 13% of households reported that child moved from Moderate Acute Malnutrition (**"MAM"**) to healthy. 12% of the households reported that child moved from Severe Acute Malnutrition (**"SAM"**) to healthy and an overwhelming 63 reported that child moved from SAM to MAM.

B. Thematic Area – Healthcare

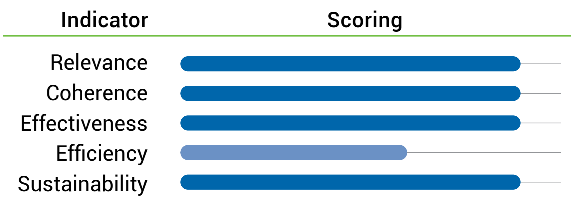
1. **Project Name:** Mobile Health Van ("MHV")

Project Brief: MHVs are medical units on wheels which have been able to effectively provide affordable, accessible, reliable and quality preventive healthcare services to beneficiaries at their doorstep. Through our 7 MHVs, we deliver basis healthcare services to 249 villages in Rajasthan and Gujarat.



2. **Project Name:** Doctor's Support – Barmer District Hospital

Project Brief: To improve medical facilities in the district hospital, two major interventions have been initiated by the Company – 'Green Barmer, Clean Barmer' campaign to create awareness on health and hygiene; and strengthening the health services offered at the government district hospital by providing medical specialists. These specialists include an ENT specialist, a general surgeon, and a dentist to the CHC at Baitu.



Impact Assessment – Impact of Intervention:

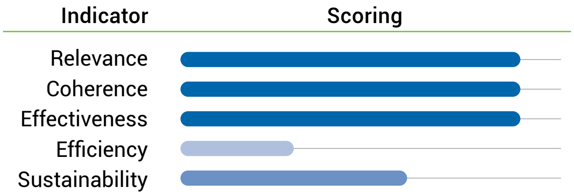
- Through the efforts undertaken by Cairn, the district hospital of Barmer has received Quality Assurance Certificate from the Government of India. Twice, the District Hospital, bagged first place under 'Mera Aspatal Project'.
- 52% of the beneficiaries in Barmer and 43% of the beneficiaries in Jalore reported that due to Cairn's health intervention, there is an improvement in access to health care facilities.
- Due to MHV program, 63% of the respondents in Barmer and 33% respondents in Jalore reported to have an increase in the timely availability of health care services.
- Due to Cairn's health intervention, the beneficiaries reported to have an average additional income of ₹730 due to reduction in number of days of sickness.
- As per the primary data, the respondents reported to have a reduction of on average ₹1,719 on the annual out-of-pocket expenditure on health.

Extremely Satisfactory *Moderately Satisfactory* *Satisfactory*

C. Thematic Area – Skill Development

1. **Project Name:** Cairn Enterprise Centre, Barmer

Project Brief: One of the pressing needs of the community has been employment, for which Cairn has established two vocational skill training centres, namely – Cairn Enterprise Centre (**"CEC"**), Barmer. Through these centres, various vocational courses related to electricians, masonry, computers, plumber, etc. have been imparted.



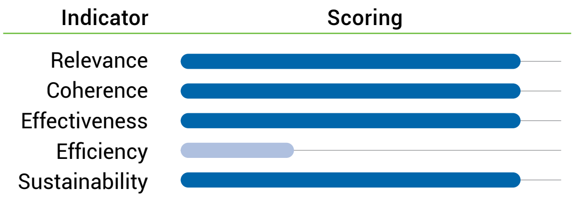
Impact Assessment – Impact of Intervention:

- All the respondent beneficiaries reported who enrolled in the Cairn Enterprise Centre reported to receive certification after completing the training program.
- 100% of the beneficiaries from Barmer and 100% beneficiaries from Jalore reported to receive career counselling through Cairn Enterprise Centres.
- Similarly, 100% of the beneficiaries reported to receive placement opportunities through Cairn Enterprise Centers.

D. Thematic Area – Agriculture and Animal Husbandry (Livelihoods)

1. **Project Name:** Barmer Unnati

Project Brief: The project aims to develop livelihood models and value chain interventions, and to increase the income of the farming communities by introducing and promoting new crops and technologies in the region through natural resource management practices.



Impact Assessment – Impact of Intervention:

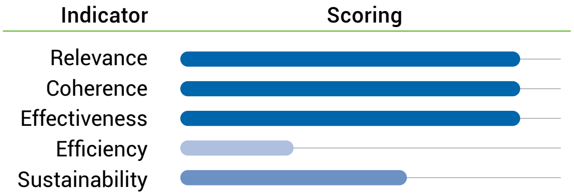
- Increase in Income
  - In the current impact study, on an average there has been an increase in income of ₹16,862 for 58% of the beneficiaries involved in agriculture.
  - Data shows that 74% of the beneficiaries reported to have an increase in income within a range of ₹5,000-10,000 annually, followed by 13% of the respondent households that reported to have an annual increase in income in the range of ₹1,000-2,000 while 8% of the beneficiaries reported to have an increase in income within a range of ₹1,000-5,000.
  - 5% of the respondents households reported to have an increase in the income in the range ₹20,000-50,000.
- Decrease in Input Cost
  - There was an average decrease of ₹4,536 in the input cost of farmers annually.
- Improvement in Food Security
  - 64% of the respondent beneficiaries of the project reported to have an improvement in the food security owing to the association with the project.
- Reduction in Outward Migration

Extremely Satisfactory *Moderately Satisfactory* *Satisfactory*

E. Thematic Area – Water and Sanitation

1. Project Name: Jeevan Amrit

Project Brief: To address the shortage of safe drinking water, Cairn has launched this project with a focus on providing doorstep access to safe drinking water.



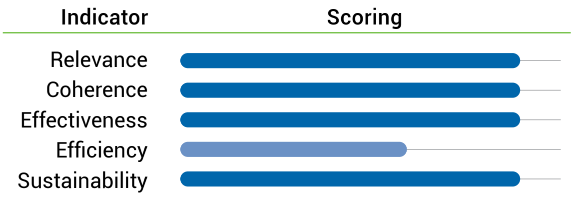
Impact Assessment – Impact of Intervention:

- As per the primary data received from the ground, 56% of the respondent households, who are dependent on the RO water, reported that the intervention has resulted in the decrease in the prevalence of the water borne diseases in the community. This is attributed to the fact that they are consuming pure and treated water from the RO plants.
- Moreover, 62% of the respondent households reported to have an improvement in the access to clean drinking water.

F. Thematic Area – Community Infrastructure

1. Project Name: Micro Level Intervention

Project Brief: Creating multiple channels of continuous engagement with communities through need-based projects is a key strategy in CSR operations. This engagement helps to build a platform to connect and interact with community at large. Celebration of events, important days, creating awareness on important topics, addressing community needs, etc. are some of the engagement tools.



Impact Assessment – Impact of Intervention:

- As part of the intervention, in Assam we witnessed that 84.6% the respondents responded positively on increase in income due to increase in yield.
- The average increase in annual income in Golaghat was ₹2,000 and in Jorhat it was ₹3,285.
- The same respondents also reported a decrease in put costs. In Golaghat, the decrease reported was ₹1,500 and in Jorhat it was ₹1,571. 69.2% of the beneficiaries interviewed also reported an increase of land under sustainable/organic cultivation. 52.8% of the beneficiaries interviewed reported an increase of land under cultivation.

VAL – Jharsuguda

A. Thematic Area – Community Infrastructure

1. Project Name: WASH/Community Infrastructure

Project Brief: VAL-J is committed to improving the quality of life of the people within the plant periphery. They provide basic to advance infrastructure facilities to the community through construction of road, culvert, drain, tube well, pond, community centre, temple, electrification, installation of CCTV camera etc. In FY 2022, community infrastructures like community centre, Sanskruti Bhavan, installation of tube well, pond renovation and cleaning etc. were constructed. At present, more than 575 key infrastructure assets have been created for the community.

Impact Assessment – Impact of Intervention:

- 52% of the respondent households reported to have improved access to clean drinking water, while 32% of the respondent households reported to have enhanced security amongst girls and women of the community.
- 15% of the respondent households reported to have decrease in water borne diseases while, 38% of the respondent reported to have improvement in the sanitation and hygiene of the village.

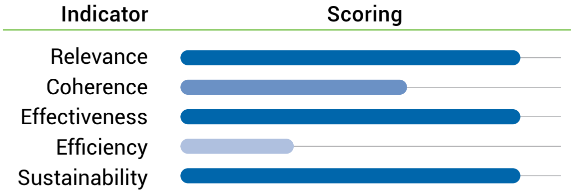
Extremely Satisfactory *Moderately Satisfactory* *Satisfactory*

VAL – Lanjigarh

A. Thematic Area – Healthcare

1. **Project Name:** Project Aarogya

Project Brief: Under healthcare, the Business Unit has two interventions. Project Aarogya, which consists of Vedanta Hospital, providing healthcare services in Lanjigarh and the Mobile Health Unit that provides health services to the last mile. The hospital engaged a highly qualified and experienced medical staff to ensure that the hospital delivers quality treatment.



Impact Assessment – Impact of Intervention:

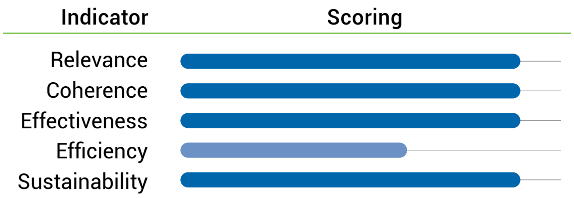
- 44% of the respondents stated that there has been a decrease in the average annual expenditure on health. The average decrease was ₹1,624. While the other 34% felt that there has been an increase in their expenditure on health. The remaining 16% and 6% of beneficiaries did not see any change or have not responded to the issue respectively.
- 54% of the respondents felt that there is an increase in accessibility to free medicines via MHU's and 42% felt that it helps in better ORS distribution. 24% of the respondents reported access to health check-up through MHU.
- 78% of the respondents stated that MHU has led to increase timely access to health services.

Iron Ore Business

A. Thematic Area – Healthcare

1. **Project Name:** Alternative Livelihood Opportunity Project ("ALOP")

Project Brief: The primary objective of the Project is to build capacities of farmers in sustainable agriculture and livestock support. The project is implemented in partnership with expert organisation **'BAIF'**.



Impact Assessment – Impact of Intervention:

- 53% of the respondents reported noticing an improvement in their incomes after the intervention.
- Nearly 45% of the respondents who reported having land brought under sustainable agriculture or organic cultivation.
- The respondents reportedly saw an improvement in terms of women empowerment indicators such as improved skillsets (21%), increased confidence and self-esteem (28%), improved social support network (27%), praise from family/relatives (28%) and a stronger role in family decisions (23%).
- Nearly 50% of the respondents also reported having noticed an improvement in women's ability to access financial services, improved regular savings, improved decision-making in HH, and improved participation in gram sabhas.

The detailed impact assessment reports for the above projects can be accessed at www.vedantalimited.com.

Extremely Satisfactory *Moderately Satisfactory* *Satisfactory*

ANNEXURE C

Disclosure in Board's Report as per provisions of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sr.No.	Requirement	Disclosure		
1	**Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year**	Name of the Director	Category	Ratio
		Navin Agarwal [(1)]	Executive Vice-Chairman	227.82
		Sunil Duggal	Whole-time Director & Chief Executive Officer	154.98
	Ratio of the Fee for attending Board/Committee Meetings and Commission of each Director to the median remuneration of the employees of the Company for the financial year	Anil Agarwal	Non Executive Chairman	0.64
		UK Sinha	Independent Director	10.87
		DD Jalan	Independent Director	10.45
		Akhilesh Joshi	Independent Director	10.02
		Padmini Sekhsaria	Independent Director	9.06
		Priya Agarwal	Non Executive Director	11.83
2	**Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year**	Name	Category	Increment Percentage
		Navin Agarwal	Executive Vice-Chairman	5%
		Sunil Duggal	Whole-time Director & Chief Executive Officer	5%
		Ajay Goel [(2)]	Acting Group Chief Financial Officer	8%
		Prerna Halwasiya	Company Secretary & Compliance Officer	32%
3	**Percentage increase in the median remuneration of employees in the financial year**	The median remuneration of the employees in the financial year was increased by 10.56%*		
4	**Number of permanent employees on the rolls of Company**	There were 8,545 employees of Vedanta Limited as on 31 March 2023		
5	**Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration**	Average increment in FY 2023 for Managerial Personnel (M4 and Above): 9.25% Average Increment in FY 2023 for non Managerial Personnel (M5 and Below): 10.55% No exceptional increase given in the managerial remuneration.		
6	**Affirmation that the remuneration is as per the remuneration policy of the Company**	Yes		

**Median calculated is against employees active throughout the full financial year in FY 2023*

Notes:

1. *For Mr. Navin Agarwal, the ratio inclusive of remuneration received from Vedanta Resources Limited, UK, the Holding Company, is 347.25.*
2. *Mr. Ajay Goel ceased to be Acting Group Chief Financial Officer and Key Managerial Personnel of the Company with effect from close of business hours on 09 April 2023.*

ANNEXURE D

Form No. MR-3

Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023
[Pursuant to Section 204(1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members,
Vedanta Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Vedanta Limited (hereinafter called **"Company"** or **"VEDL"**) for the financial year ended 31 March 2023 (**"Audit Period"**) in terms of the engagement letter dated 29 April 2022. The secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, subject to our comments herein, the Company has, during the Audit Period, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place.

We have examined the books, papers, minutes, forms and returns filed and other records maintained by the Company for the Audit Period, according to the provisions of applicable law provided hereunder:

a) The Companies Act, 2013 (**"Act"**) and the rules made thereunder including any re-enactment thereof;

b) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

c) The Securities Contracts (Regulation) Act, 1956 (**"SCRA"**) and the rules made thereunder;

d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"Listing Regulations"**);

e) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

f) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

g) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

h) The Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993 (in relation to obligations of Issuer Company);

i) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 to the extent applicable to/dealing with the Company;

j) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

k) Specific laws applicable to the industry to which the Company belongs, as identified and confirmed by the Company, compliance whereof as examined on test-check basis and as confirmed by the management, that is to say:

   1. The Mines Act, 1952 and Rules made thereunder; and

   2. The Mines and Minerals (Development and Regulation) Act, 1957 and Rules made thereunder

We have also examined compliance with the applicable clauses of the Secretarial Standards for Board Meetings (**"SS-1"**) and for General Meetings (**"SS-2"**) issued by the Institute of Company Secretaries of India.

We report that during the Audit Period, the Company has complied with the provisions of the applicable Act, rules, regulations, guidelines, standards etc.

During the Audit Period, the Company has undertaken transactions with its holding company, Vedanta Resources Limited (**"VRL"**), and has made payment of Brand License and Strategic Services Fee (**"BSF"**), for FY 2023 and FY 2024. The Company has relied upon an opinion, with respect to non-aggregation of transactions relating to brand usage with other transactions with the related party, for the purpose of materiality under proviso to Reg. 23(1) r/w Reg. 23(4) of Listing Regulations, and has, therefore, applied the limits under Reg. 23(1A) separately.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the Audit Period were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings and Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance with due compliance of the Act and SS-1 except for the meetings held at a shorter notice (in compliance of applicable provisions). Further, a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions are carried through unanimous approval and there was no minuted instance of dissent in Board or Committee meetings.

We further report that there are adequate systems and processes in the Company, which commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We have separately given our recommendations towards good corporate governance practices.

We further report that during the Audit Period, the Company has undertaken the below mentioned specific events/ actions that can have a major bearing on the Company's compliance responsibility in pursuance of the above-referred laws, rules, standards, etc:

a. Declaration of five interim dividends, aggregating to ₹101.50 per share resulting in pay-out of ₹37,733 crore. We have relied on the Key Audit Matters and draft Report of the Independent Auditors' under section 143(3) read with Rule 11 of Companies (Audit and Auditors) Rules, 2014 with respect to considering certain exceptional items as part of distributable profits. The said Report confirms the compliance by the Company with Section 123 of the Act.

b. In continuation to the investments done in FY 2022, the Board has accorded approval for procurement of renewable power under the group captive scheme and to further infuse ₹22 crore for Copper, ₹45 crore for Oil & Gas and ₹377 crore for Aluminium business in the form of equity investment, expected to give returns in form of guaranteed supply of power, to aquire 26% in a Special Purpose Vehicle, being a joint venture between the Company and Serentica Renewables India Private Limited and its affiliates, related party(ies), to enter into a Power Delivery Agreement for a period of 25 (twenty-five) years.

c. To secure a continuing term loan, the Company has executed a non-disposal undertaking (**"NDU"**) and created pledge, with respect to its shareholding in Hindustan Zinc Limited (**"HZL"**) to the extent of 50.1% and 1% of the paid-up share capital of HZL respectively. Also, there is an existing pledge of 5.77% of the paid-up share capital of HZL created by the Company previously.

d. The Company had filed Form 15F on 01 December 2022 with the US Securities and Exchange Commission (**"SEC"**) to deregister the American Depository Securities and the underlying equity shares pursuant to the U.S. Securities Exchange Act of 1934, as amended (**"Exchange Act"**). As a result, the Company's reporting obligations under the Exchange Act were ceased and the Company has been deregistered from the SEC effective 01 March 2023.

e. The National Company Law Tribunal, Cuttack Bench, vide order dated 15 November 2022 has sanctioned the Scheme of Amalgamation of FACOR Power Limited, subsidiary of Ferro Alloys Corporation Limited into Ferro Alloys Corporation Limited, a subsidiary of VEDL.

For **M/s Vinod Kothari & Company**
Practicing Company Secretaries
Unique Code: P1996WB042300

Nitu Poddar
Partner
Membership No.: A37398
CP No.:15113
UDIN: A037398E000286891
Peer Review Certificate No.: 781/2020

Place: New Delhi
Date: 11 May 2023

The report is to be read with our letter of even date which is annexed as **'Annexure I'** and forms an integral part of this report.

Annexure I

Auditor and Management Responsibility

ANNEXURE TO SECRETARIAL AUDIT REPORT

To,
The Members,
Vedanta Limited

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit. The list of documents for the purpose, as seen by us, is listed in **'Annexure II'**;

2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed, provide a reasonable basis for our opinion;

3. Our Audit examination is restricted only upto legal compliances of the applicable laws to be done by the Company, we have not checked the practical aspects relating to the same;

4. Wherever our Audit has required our examination of books and records maintained by the Company, we have relied upon electronic versions of such books and records, as provided to us through online communication. Considering the effectiveness of information technology tools in the audit processes, we have conducted online verification and examination of records, as facilitated by the Company, for the purpose of issuing this Report. In doing so, we have followed the guidance as issued by the Institute. We have conducted online verification and examination of records, as facilitated by the Company;

5. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company as well as the correctness of the values and figures reported in various disclosures and returns as required to be submitted by the Company under the specified laws, though we have relied to a certain extent on the information furnished in such returns;

6. We have held discussion with the management on several points and wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.;

7. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure on test basis;

8. Due to the inherent limitations of an audit including internal, financial, and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with audit practices;

9. The contents of this Report has to be read in conjunction with and not in isolation of the observations, if any, in the report(s) furnished/to be furnished by any other auditor(s)/agencies/authorities with respect to the Company;

10. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Annexure II

List of Documents

1. Signed minutes for the meetings of the following held during the Audit Period:
    a. Board of Directors;
    b. Audit & Risk Management Committee;
    c. Nomination & Remuneration Committee;
    d. Corporate Social Responsibility Committee;
    e. Stakeholders Relationship Committee;
    f. ESG Committee;
    g. Committee of Directors;
    h. Annual General Meeting; and
    i. Court Convened Meeting of shareholders, secured creditors and unsecured creditors.
2. Proof of circulation of draft and signed minutes of the Board and Committee meetings on a sample basis;
3. Resolutions passed by circulation;
4. Agendas of various Board and Committee meetings on sample basis;
5. Annual Report for FY 2022;
6. Draft financial statement for FY 2023;
7. Draft Report of the Independent Auditors' for FY 2023, w.r.t. to specific event in clause (a) above;
8. Directors' disclosures under the Act and rules made thereunder;
9. Statutory registers maintained under the Act;
10. Forms filed with the Registrar;
11. Policies framed under LODR and the Act, as available on the website of the Company;
12. Code of Conduct to regulate, monitor and report trading by its designated persons and immediate relatives of designated persons;
13. Memorandum of Association and Articles of Association of the Company;
14. Three opinions obtained by the Company w.r.t. RPTs dated 28 March 2022 and 23 February 2023 w.r.t BSF and 05 July 2022, w.r.t. to specific event in clause (b) above.

ANNEXURE D-1

Form No. MR-3

Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Bharat Aluminium Co. Ltd

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Bharat Aluminium Co Ltd (hereinafter called **"Company"**) for the financial year ended 31 March 2023 (**"Audit Period")** in terms of the engagement letter dated 04 November 2022. The secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the Audit Period, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place.

We have examined the books, papers, minutes, forms and returns filed and other records maintained by the Company for the Audit Period, according to the provisions of applicable law provided hereunder:

1. The Companies Act, 2013 (**"Act"**) and the rules made thereunder including any re-enactment thereof;
2. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
3. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of External Commercial Borrowings;
4. Specific laws applicable to the industry to which the Company belongs, as identified and compliance whereof as confirmed by the management, that is to say:
    a) The Mines Act, 1952 and Rules made thereunder.
    b) The Mines and Minerals (Development and Regulation) Act, 1957, and the Rules made thereunder.
    c) The Electricity Act, 2003 and rules and regulations made thereunder.

We have also examined compliance with the applicable clauses of the Secretarial Standards for Board Meetings (**"SS-1"**) and for General Meetings (**"SS-2"**) issued by the Institute of Company Secretaries of India.

We report that during the Audit Period, the Company has complied with the provisions of the Act, rules, standards etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with a proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the Audit Period, were carried out in compliance with the provisions of the Act and other applicable laws except that there are two government nominees appointed during the Audit Period. As per the understanding and practice of the Company, the government nominees are appointed on the Board as per the executed Shareholders Agreement directly upon receipt of order letter from the Ministry of Mines. Noting of such appointment is made in the immediate next meeting of the Nomination and Remuneration Committee (**"NRC"**) and Board meeting. We have recommended the Company to route any appointment of directors through NRC, Board and approval from the shareholders as required under clause (2) and (6)(a)(ii) of section 152 of the Act.

We observe that during the Audit Period, there were only two directors liable to retire by rotation and one of them being longest in office, retired at the annual general meeting and being eligible offered himself for re-appointment and was re-appointed on the Board. The Company has a practice of not considering government nominee directors in the category of directors retiring by rotation. We have recommended to the Company to include the government nominees as well for the calculation of total number of directors liable to retire by rotation pursuant to section 152(6)(d) and explanation thereof.

Adequate notice is given to all directors to schedule the Board Meetings and Committee meetings, agenda and detailed notes on agenda were sent at least seven days in advance except for the meeting(s) convened at shorter notice with due compliance of Act and SS-1. Further, a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions were unanimous and there was no instance of dissent in Board or Committee Meetings.

We further report that there are adequate systems and processes in the Company, which commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the Audit Period, the Company has undertaken the below mentioned specific event/action that can have a major bearing on the Company's compliance responsibility in pursuance of the above referred laws, rules, standards, etc:

Equity investment of 26% in Special Purpose Vehicle (SPV):

During the Audit Period, the Board has, at its meeting held on 02 February 2023, accorded approval for procurement of renewable power under the group captive scheme and to infuse ₹245 crore in the form of equity investment (without any economic benefit) of 26% in SPV by the Company in partnership with Serentica Renewables India Private Limited (**"SRIPL"**) and to enter into a Power Delivery Agreement (**"PDA"**) for a period of 25 (twenty-five) years.

For **M/s Vinod Kothari & Company**
Practicing Company Secretaries
Unique Code: P1996WB042300

Nitu Poddar
Partner
Membership No.: A37398
CP No.: 15113
UDIN: A037398E000078846
Peer Review Certificate No.: 781/2020

Place: New Delhi
Date: 13 April 2023

The report is to be read with our letter of even date which is annexed as **'Annexure I'** and forms an integral part of this report.

Annexure I

Auditor and Management Responsibility

ANNEXURE TO SECRETARIAL AUDIT REPORT

To,
The Members,
Bharat Aluminium Co. Ltd.

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit. The list of documents for the purpose, as seen by us, is listed in **'Annexure II'**;

2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion;

3. Our Audit examination is restricted only upto legal compliances of the applicable laws to be done by the Company, we have not checked the practical aspects relating to the same;

4. Wherever our Audit has required our examination of books and records maintained by the Company, we have relied upon electronic versions of such books and records, as provided to us through online communication. Given the challenges and limitations posed by COVID-19, lockdown restrictions (wherever applicable), as well as considering the effectiveness of information technology tools in the audit processes, we have conducted online verification and examination of records, as facilitated by the Company, for the purpose of issuing this Report. In doing so, we have followed the guidance as issued by the Institute. We have conducted online verification and examination of records, as facilitated by the Company;

5. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company as well as correctness of the values and figures reported in various disclosures and returns as required to be submitted by the Company under the specified laws, though we have relied to a certain extent on the information furnished in such returns;

6. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulation and happening of events etc;

7. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure on test basis;

8. Due to the inherent limitations of an audit including internal, financial, and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with audit practices;

9. The contents of this Report has to be read in conjunction with and not in isolation of the observations, if any, in the report(s) furnished/to be furnished by any other auditor(s)/agencies/authorities with respect to the Company;

10. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Annexure II

List of Documents

1. Minutes for the meetings of the following held during the Audit Period:
   a. Board of Directors;
   b. Audit Committee;
   c. Nomination & Remuneration Committee;
   d. Corporate Social Responsibility Committee;
   e. Finance Standing Committee;
   f. Annual General Meeting.
2. Proof of circulation of draft and signed minutes of the Board and Committee meetings' on a sample basis;
3. Annual Report for FY 2022;
4. Financial Statements and Auditor's Report for FY 2022;
5. Directors disclosures under the Act and rules made thereunder;
6. Statutory Registers maintained under the Act;
7. Forms filed with the Registrar;
8. Policies framed under Act, 2013 viz. CSR Policy, Remuneration Policy and Whistle Blower Policy;
9. Memorandum of Association and Articles of Association of the Company.

REPORT ON CORPORATE GOVERNANCE

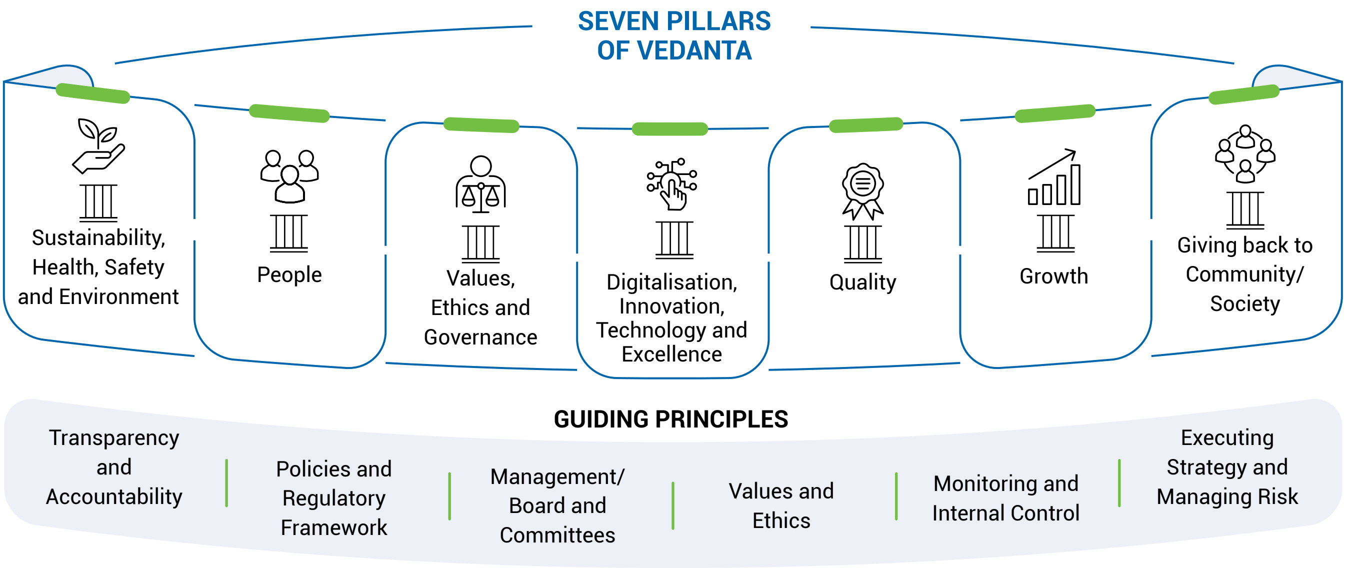
Company's Philosophy on Code of Governance

Vedanta's Corporate Governance philosophy is driven by **"Seven Pillars of Vedanta"** which is a reflection of our value system encompassing our culture, policies, and relationships with our stakeholders. Integrity and transparency are key to our corporate governance practices and performance, and ensure that we gain and retain the trust of our stakeholders at all times. We are committed to meet the aspirations of all our stakeholders. This is demonstrated in shareholder returns, awards and recognitions, governance processes and an entrepreneurial performance focussed work environment.

Good corporate governance underpins the way we conduct business. We are committed to the highest level of governance and strive to foster a culture that values and rewards exemplary ethical standards, personal and corporate integrity and respect for others. We continue to set global benchmarks of all-round excellence in sustainability and governance performance.

At Vedanta, our commitment to good governance goes beyond compliance and statutory norms. We truly believe that purpose-led corporate governance and ethics-led corporate behaviour are essential to our success. In fact, this is the foundation on which we continue to build Vedanta as not only India's largest diversified natural resources company, but also the most sustainable.

As we grow from strength to strength, we continue to raise our bar across our governance practices, ranging from our ground-breaking ESG commitments, to best-in-class disclosure practices, Board independence, alignment to globally-accepted norms and policies, and our emphasis on digitally-enabled, technology-led business. Our strong governance practices invariably underpin our future transformation journey, where effecting responsible change is a core mandate. Through this, we not only push ourselves better, but also set newer benchmarks for the industry and peers to adopt. We continue to be a change maker in everything we do, and good governance is the cornerstone that empowers us to do so.



VEDANTA CORPORATE GOVERNANCE

Compliance with Global Guidelines and Best Practices

Your Company has been at the forefront in complying with global best practices in Corporate Governance.

During the financial year, your Company was bestowed with the coveted **"Golden Peacock GLOBAL Award for Excellence in Corporate Governance - 2022"** in recognition of our continuous efforts to lead the industry and global best practices and the commitment to corporate governance, transparency, ethics, risk management, diversity and inclusion, ESG and involvement with its stakeholders and communities around the world.

We received this coveted title for the third time and our selection was an outcome of a three-tier assessment, amongst over 200 other global nominations.

Golden Peacock Awards are regarded as a benchmark of Corporate Excellence worldwide. This marks as another milestone in our journey towards sustainably contributing to India's growth and progress whilst maintaining transparency, reliability and integrity.

The Company was also awarded as **"Platinum Winner Worldwide"** for its Integrated Annual Report FY 2022 in US$10+ billion revenue category for excellence within its industry at the League of American Communications Professionals (**"LACP"**) Vision Awards.

The report has been ranked 38th among all entries worldwide and has been given the additional honors of **"Technical Achievement Award Winner"**.

The LACP is a highly regarded award for corporate reporting and communications receiving extensive participation from companies representing various industries and organisational sizes. The 2022 Vision Awards Global Communications Competition drew one of the largest number of submissions ever, with nearly 1,000 organisations representing different countries across categories.

Our crisp narrative, contemporary design, creativity, and message clarity were recognised and positively acclaimed. This accomplishment reflects a testament to our commitment towards producing reports of the highest quality.

Vedanta has maintained the highest standards of corporate governance all through its operations. Our sustainable development journey continues to create value for our stakeholders. We have invested our time and resources in introspecting our actions; we have achieved our targets and formulated ambitious new ones; we have adopted global best practices and taken innovative leaps; we have aligned our standards with industry benchmarks and charted some of our own. We have done all this and will continue to do it with a singular agenda: Ensuring long-term growth of all our stakeholders and respecting minority rights in all our business decisions.

In addition to complying with the statutory guidelines, the Company has voluntarily adopted and evolved various practices of governance conforming to utmost ethical and responsible standards of business. These practices reflect the way business is conducted and value is generated.

Some of the corporate governance initiatives undertaken by the Company are elucidated below:

Board level initiatives:

- Board Level ESG Committee, chaired by an Independent Director
- Audit & Risk Management Committee comprising of only Independent Directors
- Enhanced Terms of Reference of Stakeholders' Relationship Committee (**"SRC"**) by including framing of Investor Relations (**"IR"**) Strategy, Perceptions and active engagement and communication with major shareholders of the Company
- All Statutory Committees of Board are chaired by an Independent Director
- Board Diversity in place as a sub-set of Nomination & Remuneration Policy
- Separate Roles of Chairman & Chief Executive Officer (**"CEO"**) and held by different individuals

Digitalisation Initiatives:

- Insider Trading Monitoring Tool & Awareness programmes on Insider Trading
- Unpublished Price Sensitive Information (**"UPSI"**) Sharing Database
- Ethics Compliance Month - Quiz & Automated Training Module
- Online Gift Declaration Portal
- A complete and robust online system for ensuring compliances across all locations and functions.
- Online Platform for Performance Evaluation of Directors, Board & its Committees
- Online Secured Platform for circulation of documents to Directors

Initiatives for Stakeholders:

- NSDL facility for registering email IDs
- Facility on website for updations of PAN, Bank mandate and email ID with the Company by the shareholders holding securities in physical form
- Request in all correspondences: Urge to shareholders to convert their physical holdings in dematerialised form and to register their email ID, PAN and Bank mandate by emphasising on the benefits for the same
- Online Speaker registration and Chat Facility during Annual General Meeting (**"AGM"**) of the Company
- Online Survey for Shareholder feedback
- Email to Shareholders on Quarterly Results, Annual Report, Tax Transparency Report, Sustainability Report, CSR Report etc.

Additional Disclosures / Reports

- Sustainability Report as per Global Reporting Initiative Standards
- Tax Transparency Report (**"TTR"**) as per Indian Accounting Standards
- TCFD Report for climate related financial disclosures

Integrated Reporting

Since its inception, Vedanta Limited has taken conscious efforts to operate in a manner responsible to all stakeholders. Every decision and action at the Company is taken after considering the impact they may have on the Company's relevant stakeholder groups. This is a true reflection of the organisation's integrated thinking, which takes into account all the resources and relationships that affect Company's ability to create sustained value. These resources and relationships, termed **'Capitals'**, are stocks of value enabling Company's operations.

While operating, your Company actively considers its external environment, the opportunities and challenges, the organisational strategy to respond to these externalities and the outputs and outcomes it produces from its business activities. Starting FY 2018, the Company has proactively commenced reporting its annual performance and strategy using an integrated report, using the content elements and the guiding principles outlined in the International Integrated Reporting framework. The organisation has continued its Integrated Reporting journey and its FY 2023 performance and forward-looking strategy have been elucidated in the current Integrated Annual Report. The report takes into account the following six capitals while reporting:

Financial Capital

The Company is focused on optimising capital allocation and maintaining a strong balance sheet while generating strong FCFs. It also reviews all investments, taking into account the Group's financial resources with a view to maximising returns to shareholders.

Natural Capital

India and Africa have favourable geology and mineral potential and these regions provide the Company with world-class mining assets, which are structurally at low cost and have extensive R&R. Additionally, operating the Company's mines requires a range of resources, including water and energy, which the Company aims to use prudently and sustainably.

Human Capital

The Company has employees from across the world and it is committed to provide them with a safe and healthy work environment. In addition, by creating a culture that nurtures innovation, creativity and diversity, it enables them to grow personally and professionally while also helping to meet our business goals.

Intellectual Capital

As a relatively young Company, the Company is keen to embrace technological developments. The Company is setting up a centre of technological excellence in South Africa, enabling them to nurture and implement innovative ideas across the business, which lead to operational improvements.

Social and Relationship Capital

The Company aims to forge strong partnerships by engaging with its key stakeholders, including shareholders and lenders, suppliers and contractors, employees, governments, communities and the society in general. These relationships help maintain and strengthen Vedanta's licence to operate.

Manufactured Capital

The Company invests in assets including best-in-class equipment and machinery to ensure it operates as efficiently and safely as possible both at its current operations and in its expansion projects. This also supports its strong and sustainable cash flow generation.

Sustainability Reporting Journey at Vedanta

Your Company has been publishing the Sustainable Development Report for more than a decade now. The Report is prepared in accordance with the Global Reporting Initiative (**"GRI"**) Standards: Core option and is also mapped to the United Nations Global Compact (**"UNGC"**) and aligns to Sustainable Development Goals (**"SDGs"**). It should be considered as our Communication of Progress (**"COP"**), which reports our approach and disclosure towards triple bottom line principles – people, planet, and profit.

Vedanta applies its sustainability performance reporting criteria based on GRI Standards including the Mining & Metals and Oil & Gas Sector Disclosures; National Guidelines for Responsible Business Conduct framed by the Ministry of Corporate Affairs (**"MCA"**), Government of India; UNGC principles; and standards set by International Council on Mining and Metals (**"ICMM"**).

For further insights into the sustainability practices adopted by your Company, the Sustainability Report for FY 2023 can be accessed at www.vedantalimited.com.

Vedanta also produces two additional reports that disclose our ESG strategy and performance:

(i) **Business Responsibility and Sustainability Report (''BRSR'')**, aligned to the guidelines laid down by Securities and Exchange Board of India (**''SEBI''**). The BRSR report can be found within the Integrated Annual Report.

(ii) **TCFD Climate Change Report**, aligned to the guidelines laid down by the Financial Stability Board (**''FSB''**). This report discloses in detail, the Company's strategy in addressing and adapting to the impacts of climate change.

Tax Transparency Reporting

Vedanta has been an industry leader in following one of the most long-standing and uninterrupted approach to voluntary reporting on our tax contributions. This dedicated endeavour is a testament to our commitment to all our stakeholders to provide greater transparency and disclosure of profits earned and contributions made to the various Governments in the jurisdictions in which we operate. In our journey, we strive for improved efficiency and sustainability while ensuring excellence in our operations.

The report focuses on our approach to Tax Governance and Strategy and includes the following:

- Tax Principles;
- Tax Risk Management, Control and Compliance;
- Response to Stakeholder and Tax Environment;
- Tax Approach in our jurisdictions.

This voluntary reporting on tax contributions done through our TTR. In this report, in addition to economic contribution under various tax and non-tax heads, we also provide information on how we address our tax related decisions, adherence to tax compliances, approach to tax complexities. The narration demonstrates our strong governance structure that promotes and ensures adherence to regulations while encouraging tax efficiency in operations. The contributions, that are direct and indirect in nature, are categorically provided for all the countries where we have significant operations.

OUR GUIDING TAX PRINCIPLES

1 Trust
To maintain high standards of integrity with respect to tax compliance and reporting.

2 Compliance
To observe all applicable laws, rules and regulations in the countries where we operate, including in respect to transfer pricing. To meet all tax compliance requirements in a timely manner, through a team of suitably qualified tax professionals and external consultants/advisors.

3 Transparency
To maintain the Group's reputation as a fair contributor to the economy where tax forms a part of that contribution. To proactively disclose detailed information about the overall tax contribution of the Group to the governments of the countries where we operate.

4 Economic Substance
We only undertake transactions which will have results that are consistent with the underlying economic consequences, including tax structures with commercial substances.

5 Processes and Controls
To ensure that all transactions and tax positions are properly documented. In completing the Group's tax compliance requirements, we aim to apply diligent professional care and judgment, including ensuring all decisions are taken at an appropriate level and supported by documentation that evidences the judgment involved.

6 Engagement with Regulators
Working positively, proactively and transparently with tax authorities to minimise the extent of disputes, achieve early agreement on any disputed issues when they arise, and achieve certainty wherever possible.

7 Risk Management
To identify tax risks in a consistent and formal manner and communicate these when appropriate to the Audit & Risk Management Committee and the Board.

8 Proactive Consultation
To actively participate in tax policy consultation processes where appropriate at a national or international level.

9 People Progress
To develop our people, through training, experience and opportunity.

The report for FY 2023 is available on the website at www.vedantalimited.com.

Governance Framework

Your Company has always been a front runner in adopting best governance practices and endeavours to embed and sustain a culture of highest ethical standards, personal and professional integrity and upholding its core values of Trust, Entrepreneurship, Innovation, Excellence, Integrity, Respect and Care.

The governance framework of the Company is underpinned through its resounding core values with the strength of leading vision, strategic mission, and the primary objective of delivering sustainable growth.

With a strong governance philosophy, we have a multi-tiered governance structure with defined roles and responsibilities of every constituent of the governance system.

Resilience in corporate governance

A well-developed governance framework plays a vast role in delivering resilience and operational transparency. We are part of a constantly evolving world and 'Resilience' is an increasingly important organisational quality, which is critical for ensuring success.

A resilient organisation is adaptable, agile, responsive and robust. It is able to utilise new opportunities while also recovering quickly from unforeseen challenges. In today's business climate, there are many such challenges – from evolving technologies, global risk, regulatory and legal hurdles, industry practices etc.

At Vedanta, the Board and Senior Leadership teams strike a balance between mitigating risk and sustaining profitable growth. The details of Risk Management have been included in the earlier section of this Annual Report.

Board of Directors

The Board of Directors is an apex body and an enlightened board creates a culture of leadership providing long-term vision and improving the governance practices. They play a crucial role in guiding, overseeing, monitoring strategy, performance and long-term success of the Company as a whole through strategic direction.

The Board of Directors hold a fiduciary position, exercises appropriate control and independent judgement, monitors effectiveness of Company's governance and supervises the strategic decisions on behalf of the shareholders and other stakeholders.

Our Board represents a confluence of complementary skills, attributes, perspectives, expertise in critical areas and diverse backgrounds.

In line with the recommendation of SEBI and our persistent endeavor to adhere to the global best practices, the Company is chaired by Mr. Anil Agarwal, Non-Executive Chairman effective 01 April 2020.

With a view to effectively discharge its obligations and functioning of the relevant areas, the Board has delegated certain responsibilities to its various designated Board Committees. Each Committee has a clearly defined charter containing the specific terms of reference and scope and is entrusted with discharging its duties, roles and responsibilities which further recommends to the Board for action. The details of these Committees have been provided in detail in subsequent sections in this report.

Board's Role in driving Leadership for Excellence and Innovation

The Board of the Company lays significant emphasis on the business performance of the Company including its future strategy to ensure that the performance of the Company remains healthy and its growth is sustainable.

To ensure utmost dedication is given to all businesses, the Company has appointed respective business CEOs and CFOs who directly report to the Group CEO and CFO respectively. Monthly Executive Committee (ExCo) meetings are held to review the performance of each of the businesses. In the quarterly Board meetings, review presentations are made on different businesses by the respective business CEOs and CFOs. Inputs of Board meetings are implemented and update on the same is also provided in the subsequent meetings.

The Board proactively also asks for various detailed analysis, benchmarking, review presentations, status updates etc. Based on updates and presentations made, the Board then provides their suggestions to improve the business performance and strategy.

Since our Board members have rich prior experience across industry and they come from diverse backgrounds, they provide valuable insights to the senior management about various emerging trends, industry practices, potential growth opportunities, risks etc.

Innovation and Technology will pave the way for its steady growth of the Company and accordingly new ideas, innovation and pioneering technologies to create sustainable and long-term value for its stakeholders is encouraged by the Board.

Innovation and Technology also form part of our seven pillars. The Board plays a crucial role in guiding and supporting innovation. Board helps in driving strategy for innovation, assessing innovation effectiveness, encouraging and suggesting more areas for innovation.

Separate Role of Chairman and Chief Executive Officer

The roles and responsibilities of the Chairman of the Board and CEO have been demarcated and the positions are held by separate individuals. Further, during FY 2023, the Company also had a separately designated Chief Financial Officer (**"CFO"**) and Company Secretary (**"CS"**) and Compliance Officer.

Chairman

- Leads the Board and ensures that it discharges its responsibilities effectively;
- Develops succession plan for Board appointments for approval by the Board;
- Identifies strategic priorities and new business opportunities to enhance shareholder value;
- Promotes the highest standards of integrity, probity and governance;
- Chairs the Board meeting and facilitates active engagement of all Directors;
- Oversees the Director's induction, performance and ongoing development; and
- Engages with Company's stakeholders to ensure that an appropriate balance is maintained between various interests.

Vice-Chairman

- Supports the Non-Executive Chairman in executing the overall vision and strategy of the Group;
- Enhances and sustains the Group's overall HSE, people, digital and technology, ethics and compliance practices at global standards;
- Oversees stakeholder engagement in India and globally;
- Ensures effective execution of growth projects to deliver value; and
- Provides mentoring to some of the key corporate functions like the people function, management assurance and investor relations including key leadership development.

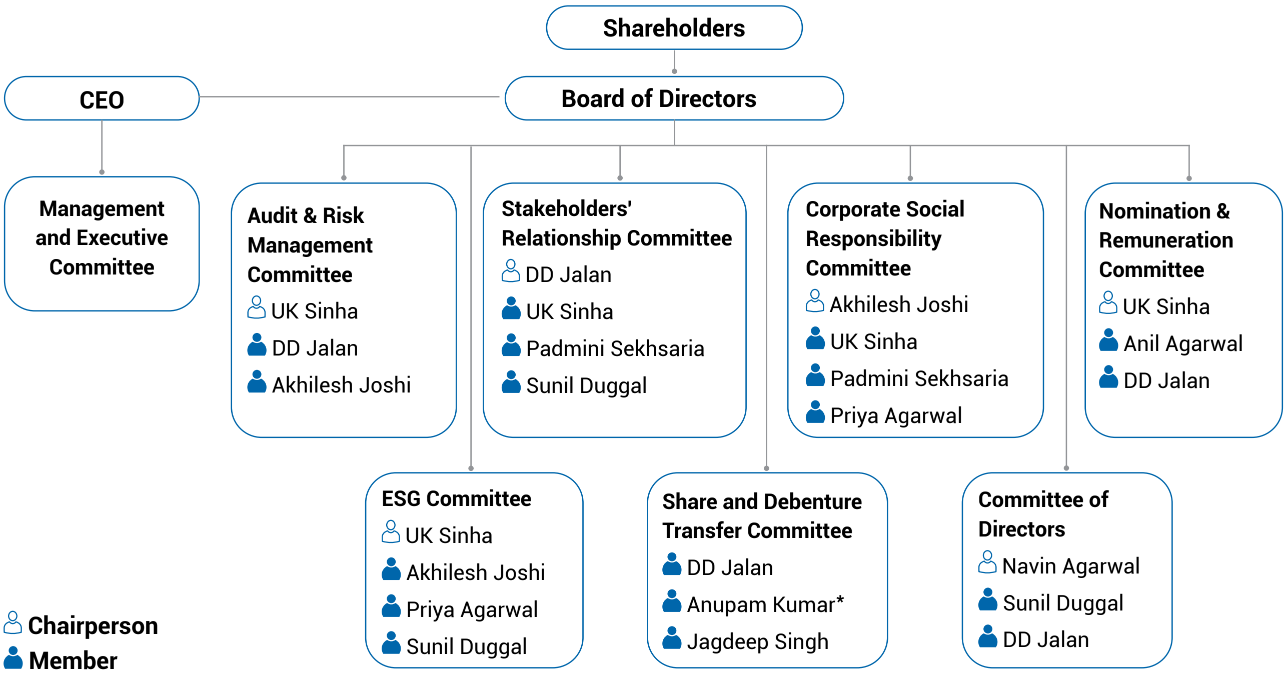
Chief Executive Officer

- Leads the management team;
- Develops and executes the corporate strategy in conjunction with the Board;
- Implements the decisions of the Board and its Committees;
- Develops Group policies and ensures effective implementation; and
- Enhances shareholder value and implements the organisation's vision, mission, and overall direction.

Senior Management

- Develops and executes business strategy; and
- Manages day-to-day decisions and ensures that decisions are in parity with the long-term objectives and policies of the Company.

The reporting structure, as shown below, between the Board, Board Committees and Management Committees forms the backbone of the Group's Corporate Governance framework.



**Mr. Ajay Goel ceased to be a member of Share & Debenture Transfer Committee with effect from close of business hours on 09 April 2023. Mr. Anupam Kumar, Dy. Chief Financial Officer of the Company has been inducted as the Member of the Share & Debenture Transfer Committee with effect from 12 May 2023.*

Changes in the position of Directors/Key Managerial Personnel ("KMP") of the Company during FY 2023:

Director/KMP	Designation	Nature of Change (Appointment/Re-appointment/Cessation)	Date of Change	Tenure Till
Akhilesh Joshi[1]	Non-Executive Independent Director	Re-appointment	01 July 2022	30 June 2024
Padmini Sekhsaria[2]	Non-Executive Independent Director	Re-appointment	05 February 2023	04 February 2025
DD Jalan[3]	Non-Executive Independent Director	Re-appointment	01 April 2023	31 March 2026
Ajay Goel[4]	Acting Group Chief Financial Officer	Cessation	10 April 2023	NA

1. *Mr. Akhilesh Joshi re-appointed as a Non-Executive Independent Director of the Company for a 2nd and final term of 2 years effective from 01 July 2022.*
2. *Ms. Padmini Sekhsaria re-appointed as a Non-Executive Independent Director of the Company for a 2nd and final term of 2 years effective from 05 February 2023.*
3. *Mr. DD Jalan re-appointed as a Non-Executive Independent Director of the Company for a 2nd and final term of 3 years effective from 01 April 2023.*
4. *Mr. Ajay Goel ceased to be Acting Group Chief Financial Officer and KMP of the Company with effect from close of business hours on 09 April 2023.*

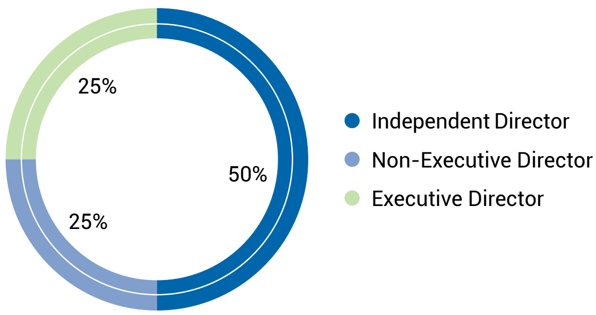
Board Composition and Size

The Board comprises of a One-Tier Structure with an optimum mix of Executive, Non-Executive, Independent and Women Directors from diversified backgrounds possessing considerable experience and expertise to promote shareholder interests and govern the Company effectively by providing valuable oversight and insightful strategic guidance.

As on 31 March 2023, the Board comprises of eight (08) members, consisting of a Non-Executive Chairman, an Executive Vice Chairman, an Executive Director, a Non-Executive Woman Director and four (04) Non-Executive Independent Directors including one (01) Woman Director. The composition is in conformity with the provisions of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (**"Listing Regulations"**) and Companies Act, 2013 (the **"Act"**) and in line with global best practices.

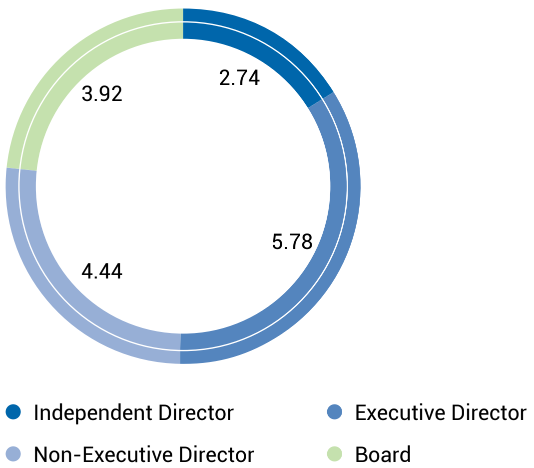
Also, the Company strives to maintain the target share of Independent Directors at 50% or more as per applicable provisions. Further, the changes in the composition of the Board of Directors that took place during the year under review were in compliance with the provisions of the Act and Listing Regulations.

Board Composition as on 31 March 2023

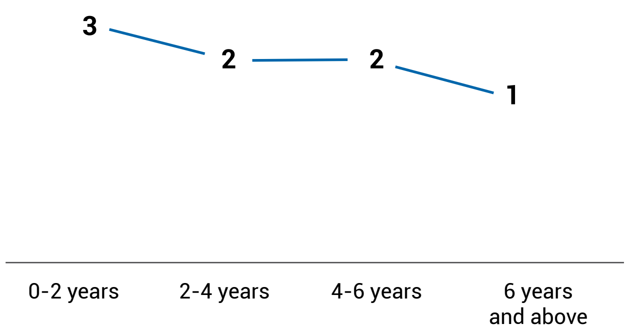


Tenure Analysis of Board of Directors as on 31 March 2023

Average Tenure (in years)



Tenure (No. of Directors)



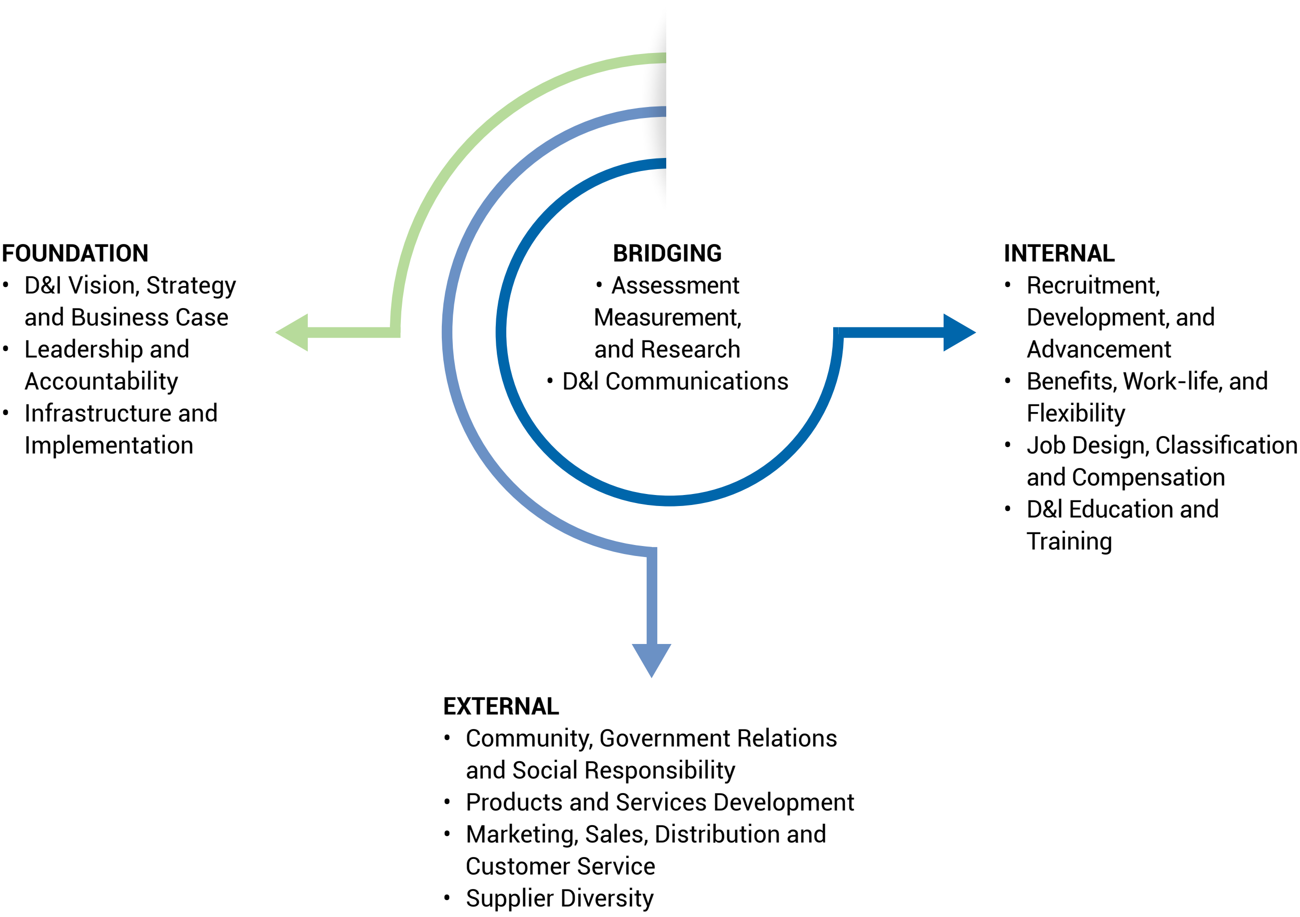
The Board reviews its composition, competency and diversity from time to time to ensure that it remains aligned with the statutory requirements under law as well as with the global practices.

Diversity and Inclusion ("D&I")

Vedanta is committed to the cause of promoting diversity and inclusion within the organisation and in larger communities who we partner with. Our objective is to achieve gender parity across all levels starting from our Board.

The Vedanta Group proposes to employ the Global Diversity and Inclusion Benchmarks Model ©O Mara and Richter 2014. The Group's Diversity and Inclusion initiatives focus on a holistic approach as per below.

Global Diversity and Inclusion Benchmarks Model



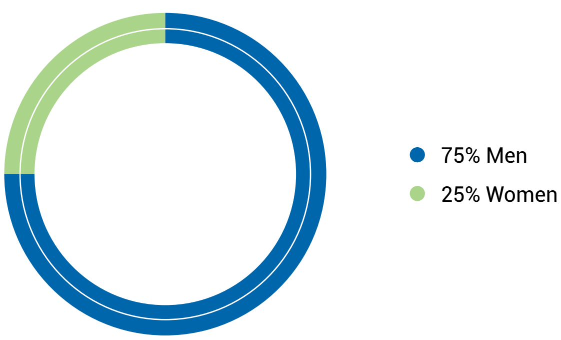
Our workplace policies play an important role in reinforcing a culture on founding principles of D&I. Policies have a strong underpinning on the way we work and approach our lives. These policies ensure that we adhere to highest standards of professionalism and conduct at workplace. Our policies around work-life integration are best-in-class and are framed after extensive deliberations with impacted groups.

The Company has in place a Diversity & Inclusion Policy which shall help us define, strategise, plan and implement the essential roadmap, guidance and measurement towards bridging the gaps as we work on different facets that have a bearing on achieving diversity goals. This policy is forward-looking and sets a vision for D&I for businesses across the Vedanta Group.

Additionally, the Company has in place a Board diversity policy as a subset of the above policy.

Your organisation recognises and embraces board diversity as an indispensable component in upholding a competitive advantage. The Board comprises of two (02) women directors including one Independent Director.

BOARD DIVERSITY



Key Board Qualifications, Skills and Attributes

The table below summarises the key qualifications, skills and attributes which are taken into consideration while nominating to serve on the Board and to function effectively. While all the Board members possess the identified skill, their domain of core expertise is given in the table.

Business Leadership
Sustainable success in business at a senior executive level

Financial Expertise
Proficiency in financial accounting and reporting, corporate finance and internal controls, corporate funding, and associated risks

Natural Resources
Senior executive experience in a large, global mining and oil & gas organisations involved in the discovery, acquisition, development and marketing of natural resources/materials

Capital Projects
Experience working in an industry with projects involving large-scale long-cycle capital outlays

Global Experience
Experience in multiple global locations, exposed to a range of political, cultural, regulatory and business environments

ESG
Familiarity with issues associated with workplace health and safety, asset integrity, environment and social responsibility, and communities

Corporate Governance
Experience with a major organisation that demonstrates rigorous governance standards

Mergers and Acquisition
Experience in corporate transactions and actions and joint ventures

Government and International Relations
Interaction with government and regulators and involvement in public policy decisions

Technology/Digital
A strong understanding of technology and innovation, and the development and implementation of initiatives to enhance production

BOARD OF DIRECTORS

Anil Agarwal
Non-Executive Chairman
DIN: 00010883

Age	70 years
Initial Date of Appointment	01 April 2020
Date of Re-appointment	NA
Tenure Till	NA
Tenure as on 31 March 2023	3 years
Shareholding	Nil
Board Membership – Other Indian Listed Companies	
Sterlite Technologies Limited	*Non-Executive Chairman*
No. of Directorships in Public Limited Companies	3
Member/Chairperson in Committee(s)	Member: Nil Chairperson: Nil

Areas of Expertise

Navin Agarwal
Executive Vice-Chairman
DIN: 00006303

Age	62 years
Initial Date of Appointment	17 August 2013
Date of Re-appointment	01 August 2018
Tenure Till	31 July 2023
Tenure as on 31 March 2023	9.7 years
Shareholding	Nil
Board Membership – Other Indian Listed Companies	
Hindustan Zinc Limited	*Director*
No. of Directorships in Public Limited Companies	2
Member/Chairperson in Committee(s)	Member: Nil Chairperson: Nil

Areas of Expertise

Priya Agarwal
Non-Executive Director
DIN: 05162177

Age	33 years
Initial Date of Appointment	17 May 2017
Date of Re-appointment	17 May 2020
Tenure Till	16 May 2023
Tenure as on 31 March 2023	5.10 years
Shareholding	Nil
Board Membership – Other Indian Listed Companies	
Hindustan Zinc Limited	*Non-Executive Chairperson*
No. of Directorships in Public Limited Companies	3
Member/Chairperson in Committee(s)	Member: Nil Chairperson: Nil

Areas of Expertise

Profile available at www.vedantalimited.com

UK Sinha[1]
Independent Director
DIN: 00010336

Age	71 years
Initial Date of Appointment	13 March 2018
Date of Re-appointment	11 August 2021
Tenure Till	10 August 2024
Tenure as on 31 March 2023	5 years
Shareholding	Nil
Board Membership – Other Indian Listed Companies	
Havells India Limited	*Independent Director*
Housing Development Finance Corporation Limited	*Independent Director*
SIS Limited	*Independent Director*
New Delhi Television Limited	*Independent Director*
No. of Directorships in Public Limited Companies	8
Member/Chairperson in Committee(s)	Member: 8
	Chairperson: 5

Areas of Expertise

Padmini Sekhsaria
Independent Director
DIN: 00046486

Age	47 years
Initial Date of Appointment	05 February 2021
Date of Re-appointment	05 February 2023
Tenure Till	04 February 2025
Tenure as on 31 March 2023	2.2 years
Shareholding	Nil
Board Membership – Other Indian Listed Companies	
Everest Industries Limited	*Non-Executive Non-Independent Director*
No. of Directorships in Public Limited Companies	2
Member/Chairperson in Committee(s)	Member: 1
	Chairperson: Nil

Areas of Expertise

DD Jalan[2]
Independent Director
DIN: 00006882

Age	66 years
Initial Date of Appointment	01 April 2021
Date of Re-appointment	01 April 2023
Tenure Till	31 March 2026
Tenure as on 31 March 2023	2 years
Shareholding	11,000 shares
Board Membership – Other Indian Listed Companies	None
No. of Directorships in Public Limited Companies	3
Member/Chairperson in Committee(s)	Member: 4
	Chairperson: 2

Areas of Expertise

Profile available at www.vedantalimited.com

Akhilesh Joshi
Independent Director
DIN: 01920024

Age	69 years
Initial Date of Appointment	01 July 2021
Date of Re-appointment	01 July 2022
Tenure Till	30 June 2024
Tenure as on 31 March 2023	1.9 years
Shareholding	200 shares
Board Membership – Other Indian Listed Companies	
Hindustan Zinc Limited	*Independent Director*
No. of Directorships in Public Limited Companies	6
Member/Chairperson in Committee(s)	Member: 6 Chairperson: Nil

Areas of Expertise

Sunil Duggal[3]
Whole-Time Director and CEO
DIN: 07291685

Age	60 years
Initial Date of Appointment	25 April 2021
Date of Re-appointment	NA
Tenure Till	31 July 2023
Tenure as on 31 March 2023	1.11 years
Shareholding	20,233 shares
Board Membership – Other Indian Listed Companies	None
No. of Directorships in Public Limited Companies	1
Member/Chairperson in Committee(s)	Member: 1 Chairperson: Nil

Areas of Expertise

Profile available at www.vedantalimited.com

Notes

- *The details provided above are as on 31 March 2023. Further, following changes have taken place post the financial year till the date of report:*
  1. *Mr. UK Sinha ceased to be Independent Director of Housing Development Finance Corporation Limited with effect from 29 April 2023 and appointed as Additional Director designated as Independent Director and Chairperson of Nippon Life India Asset Management Limited with effect from 01 May 2023.*
  2. *Mr. DD Jalan has been appointed as Trustee of Palghar Vipassana Trust with effect from 29 April 2023.*
  3. *Shareholding of Mr. Sunil Duggal as on the date of report is 1,03,488 shares.*
- *The number of directorships (hereinafter referred to as **"Mandates"** or **"Directorships"**) in Public Limited Companies includes Vedanta Limited.*
- *The number of directorships excludes Private Companies, Foreign Companies and Companies under Section 8 of the Act.*
- *For the membership and chairpersonship in Committees, only Audit Committee and Stakeholders' Relationship Committee have been considered as per Regulation 26 of the Listing Regulations. Also, all Public Limited Companies, whether listed or not, have been included and all other Companies including Private Companies, Foreign Companies, high value debt listed entities and Companies under Section 8 of the Act, have been excluded.*
- *In the Committee details provided, every chairpersonship is also considered as a membership.*
- *Mr. Akhilesh Joshi has been re-appointed as Non-Executive Independent Director of the Company for a 2nd and final term of 2 years with effect from 01 July 2022 till 30 June 2024. The re-appointment has been approved by the shareholders at the 57th AGM of the Company held on 10 August 2022.*
- *Ms. Padmini Sekhsaria has been re-appointed as Non-Executive Independent Director of the Company for a 2nd and final term of 2 years with effect from 05 February 2023 till 04 February 2025. The re-appointment has been approved by the shareholders through the postal ballot resolution dated 28 April 2023.*
- *Mr. DD Jalan has been re-appointed as Non-Executive Independent Director of the Company for a 2nd and final term of 3 years with effect from 01 April 2023 till 31 March 2026. The re-appointment has been approved by the shareholders through the postal ballot resolution dated 28 April 2023.*
- *The Company has not issued any convertible instruments. Hence, none of the Directors hold any such instruments.*

Declaration and Confirmations

With respect to directorship and membership of the Directors, it is hereby confirmed that:

1. None of the Directors:
   a) is a Director in more than ten (10) public limited companies in terms of Section 165 of the Act;
   b) holds directorship in more than seven (07) listed entities pursuant to Regulation 17A(1) of Listing Regulations;
   c) acts as an Independent Director in more than seven (07) listed entities pursuant to Regulation 17A(1) of Listing Regulations;
   d) who serves as a Whole-Time Director of the Company, is serving as an Independent Director in more than three (03) listed entities pursuant to Regulation 17A(2) of Listing Regulations;
   e) is a member of more than ten (10) Board level committees of Indian public limited companies;
   f) is a Chairperson of more than five (05) committees across all companies in which he/she is a director;
   g) is related to other Directors except Ms. Priya Agarwal, Mr. Navin Agarwal and Mr. Anil Agarwal. Ms. Priya Agarwal is the daughter of Mr. Anil Agarwal and Mr. Anil Agarwal is the elder brother of Mr. Navin Agarwal;
   h) who is serving as a Non-Executive Director of the Company, has attained the age of seventy-five years.
2. The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence prescribed under the Act and Listing Regulations.

Process for Board of Directors, Key Managerial Personnel and Senior Management Personnel ("SMP") Appointments

The Board, with the support of the Nomination & Remuneration Committee ("**NRC**"), keeps under constant review the composition of the Board and its Committees, succession planning, diversity, inclusion and remuneration related matters.

It has sought to balance the composition of the Board and its Committees and to refresh them progressively over time. In discharging its responsibilities, the NRC regularly reviews the structure, size and composition of the Board and its Committees, including skills, knowledge, independence and diversity, to ensure they are aligned with the Group's strategy.

The NRC strongly believes that diversity and providing an inclusive culture is a key driver of business success and the Committee is committed to having a diverse and inclusive leadership team which provides a range of perspectives, insights and critical challenge needed to support good decision-making, helping with risk management and strategic planning at the current time of crisis.

We base our appointments to the Board on merit, and on objective selection criteria, with the aim of bringing a range of skills, knowledge and experience to Vedanta. This involves a formal and rigorous process to source strong candidates from diverse backgrounds and conducting appropriate background and reference checks on the shortlisted candidates. We aim to appoint people who will help us address the operational and strategic challenges and opportunities facing the Company and ensure that our Board is diverse in terms of gender, nationality, social background and cognitive style.

As part of our appointment strategy, a mapping of potential names is conducted through recommendation from leading recruitment firms, senior leaders and advisors in the industry etc.

Following the comprehensive mapping, the candidates are shortlisted based on the parameters such as qualification, background, expertise and experience in sectors relevant to the Company, ability to contribute to the Company's growth and complementary skills in relation to the other directors and upon evaluation, recommended by the NRC to the Board.

We believe that an effective Board combines a range of perspectives with strong oversight, combining the experience of Directors who have developed a deep understanding of our business over several years with the fresh insights of newer appointees. We aim for our Board composition to reflect the global nature of our business.

Process for Selection and Appointment of New Directors:

01

Identification of Candidate to be appointed as Director

Nomination & Remuneration Committee is responsible for identification and selection for appointment as a Director

02

Recommendation by NRC

Upon evaluation, the Committee makes recommendation to the Board for approval

03

Board Approval

The Board members after approval recommend the appointment to shareholders for approval

04

Shareholders' Approval

The proposal is placed before shareholders for approval

The criteria for nominating a candidate for directorship has been provided for in the Nomination & Remuneration Policy ("**NRC Policy**") of the Company which can be accessed at www.vedantalimited.com.

Board Familiarisation and Induction Program

Your Company has developed comprehensive induction processes for newly inducted directors which are tailored to their individual needs and intend to provide introduction to the Company's vision, mission, values, operations, challenges, structure and risks. As a part of an ongoing familiarisation process, the directors are updated about the significant regulatory/industry changes on regular basis through formal reporting process.

Orientation Program upon induction of New Directors:

Roles and Responsibilities

Briefing about role, responsibilities, duties and obligations as member of the Board

Plant/Site Visits

Visits to plants and business locations are organised periodically to provide insights into the Company's operations

Interactive Sessions

Interactive sessions with senior management, business and functional heads

Familiarisation Pack

Familiarisation pack is uploaded on a secured online portal which can accessed only by the Board members. The pack includes various documents vis-à-vis. Organisational structure, the Company's history and milestones, Memorandum and Articles of Association, latest Annual Report, Code of Conduct, Investor Presentations, CEO/CFO reports, Minutes of previous meetings, Policies and Charters etc.

Other Initiatives to update the Directors on a continual basis:

Active Communication Channel

An active communication channel with executive management which allows free flow of communication among directors

Business and Regulatory Presentations

Presentations on regulatory and business environment, Business Plan, risk management framework, internal audit and controls, cyber security, HSE, compliance reports, tax and treasury reports, key accounting matters, CSR, HR initiatives, Digitalisation and Technology initiatives and Company policies and other relevant issues

Update on Company's performance and operations

Update on Company's and its subsidiaries' performance/operations/updates/major developments affecting the business by various reports on quarterly basis along with major stock exchange announcements, press releases etc.

ESG Training

Education to the directors for deeper knowledge and understanding of key ESG issues and advancing the field of sustainability by enabling incorporation of ESG in decision-making and operations.

The detailed familiarisation program can be accessed on the Company's website at www.vedantalimited.com.

Succession Planning

Succession Planning is critical to the success of the Company as it ensures continuity and sustainability of corporate performance. It involves a process that recognises, develops and retains top leadership talent and further helps in identifying key roles and mapping out ways to ensure the organisation has the right people with the right blend of skills, aptitude, expertise and experiences, in the right place and at the right time. As per the NRC Policy of the Company, the NRC has laid a succession plan outlining the process for retaining, developing and/or appointing the Board of Directors, KMPs and SMPs of the Company and it reviews such plans on an annual basis and recommend revisions, if any, to the Board.

The NRC works with the management and follows the below process for effective succession planning:

1. Assessment of potential employees and creation of a leadership pool;
2. Development of the talent pool through actions such as involvement in strategic meetings, leadership workshops with top management, coaching, anchoring, job rotations, role enhancement, council memberships and involvement in cross-function projects etc.

Leadership Succession Planning

Objective

- Strong Management in Place (**“MIP”**) with **right people in right roles**
- Develop **Top Talent for future leadership roles**
- Robust **leadership pipeline** - 3 successors for all key positions

Approach

- Talent Management Framework
- Identify Business Critical Key Roles
- Identify and Develop Top Talent
- Identify **“Ready Now”** Successors
- Identify Ready in 1-2 years and 3-5 years Successors

Outcome

- Successors prepared and ready to take over **even before the position is vacant**
- A **“future-proof”** workforce better prepared to thrive in dynamic conditions
- Greater organisational stability and resilience

Directors/KMPs/SMPs conflicts of interest

Your Board has in place a well-defined process with respect to disclosure of interest and associated matters in accordance with the guidelines prescribed by the Act and Listing Regulations. Each Director/KMP/SMP promptly discloses actual or potential conflicts and any changes, to the Board which are further noted at forthcoming Board meeting. The Board considers and authorises potential or actual conflicts, as appropriate. Directors with a conflict neither participate in the discussion nor vote on the matter in question.

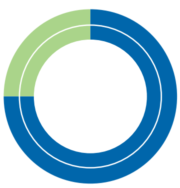
Independent Directors

The Independent Directors of the Company abide by the definitions/criteria prescribed in the Act and Listing Regulations.

Based on the disclosures received from all the Independent Directors and in the opinion of the Board, the Independent Directors fulfil the conditions specified in the Act, the Listing Regulations and are independent of the Management.

The Board consist of four (04) Independent Directors, out of which one is a woman.

Independent Directors



- 75% Men
- 25% Women

Meeting of Independent Directors

Regulation 25 of Listing Regulations and Schedule IV of the Act, read with the Rules thereunder mandate that the Independent Directors of the Company shall hold at least one meeting in a financial year, without the presence of Non-Independent Directors and members of the Management.

At such meetings, the Independent Directors discuss, among other matters, the performance of the Company and risks faced by it, the flow of information to the Board, project execution, strategy, governance, compliance, Board movements, human resource matters and performance review of the Non-Independent Directors, the Board as whole, including the Chairman, Vice-Chairman and CEO.

Additionally, the Independent Directors also met separately with the Statutory Auditors to discuss matters such as key accounting issues, risks, overall control environment and to invite their overall feedback.

The Committees and the Board are updated by the Independent Directors about the outcome of the meetings and actions, if any, required to be taken by the Company.

During FY 2023, the Independent Directors met without the presence of management on 23 March 2023 chaired by Mr. UK Sinha.

Databank Registration of the Independent Directors

Pursuant to the MCA notification dated 22 October 2019, requisite confirmations have been received from all the Independent Directors of the Company with respect to registration on the Independent Directors' Databank.

Performance Evaluation

Corporate Governance encompasses a set of systems and practices to ensure that the Company's affairs are being managed in a manner which ensures accountability, transparency and fairness in all transactions in the widest sense. The essence of Corporate Governance lies in promoting and maintaining integrity, transparency and accountability in the management higher grades. The Board recognises the benefit of evaluation exercise that provides meaningful insight to Board members on how they can improve their individual and collective contribution to the leadership and effectiveness of the Group.

The Board works with the NRC to lay down the evaluation criteria for the performance of the Chairman, Vice-Chairman, CEO, the Board, Board Committees, and Executive/Non-Executive/Independent Directors through peer evaluation, excluding the director being evaluated.

In line with the previous year, an external evaluation was carried out by an external third party through a secured online questionnaire platform to capture the views of each Director. The evaluation was carefully structured but pragmatic, designed to bring about a genuine debate on issues that were relevant, check on progress against matters identified in the previous evaluation, and assist in identifying any potential for improvement in the Board's processes as given below:

- Tailored questionnares prepared by external agency and confirmed with the chairperson of NRC;
- Secured online platform for providing the responses;
- Results of the evaluation compiled by the external agency without involvement of the management;
- Sharing of evaluation results; and
- Outcome and feedback discussed at the NRC, Separate Meeting of Independent Directors and Board Meeting and Action Plan agreed.

Board as a whole

- Assessment of Company as a whole, its performance, its goals and functions of the Board;
- Quality of decision making and Board Practices;
- Composition, structure and quality;
- Board Meetings;
- Board Environment;
- Relationship with Senior Management;
- Progress against development areas.

Board Committees

- Committee Meetings and Information;
- Effectiveness of Committee in terms of well-defined policies and charters
- Committee Composition and Operation;
- Specific Committee responsibilities;
- Progress against development areas.

Individual Directors

- Preparedness and Participation of the Director for the meetings;
- Understanding of Company's mission, vision, industry, business etc.;
- Quality of discussions during meetings;
- Personality and Conduct of Director;
- Quality of the value additions.

Chairman and Vice-Chairman

- Demonstration of effective Leadership;
- Objectivity in discussions;
- Constructive communication and relationship with other directors;
- Contribution in enhancing Company's image;
- Availability and approachability to discuss sensitive matters.

CEO

- Company Perfomance;
- Strategy and its execution;
- Leadership;
- Team building and Management Succession.

Results of Performance Evaluation

Individual Directors Evaluation

- Report shared with the Chairman, Vice-Chairman and respective Individual Directors;
- Summary of evaluation of Executive Directors shared with the Independent Directors and discussed in the separate meeting of Independent Directors.

Chairman/Vice-Chairman Evaluation

- Summary report shared with the Chairperson of NRC;
- Evaluation results also discussed in separate meeting of Independent Directors.

CEO Evaluation

- Report shared with the Chairman, Vice-Chairman and Chairperson of NRC;
- The evaluation results also discussed in separate meeting of Independent Directors.

Board Self Evaluation

- Report shared with all Directors;
- Results discussed in meeting of NRC and Board and separate meeting of Independent Directors.

Committee Evaluation

- Summary report shared with all Directors;
- Results discussed in meeting of NRC and Board and separate meeting of Independent Directors.

Outcome of Performance Evaluation

The evaluation concluded with overall positive ratings that the Board as a whole is functioning as a cohesive body which is well engaged with different perspectives. It was indicated that the Board is functioning with appropriate mix of competencies that continue to demonstrate a collaborative and constructive mindset, creating a conducive environment at Board meetings for participation and challenge. The Committees are working effectively towards their duties as all the important issues which in addition to Committee's terms of reference are brought up and discussed in the meetings. The consistency in maintaining the balance between short-term and long-term goals and the clarity of the strategy together with the understanding of the capabilities for implementing and monitoring it were regarded highly. The effectiveness review identified some opportunities for the Board which will be acted upon going forward.

Meetings of the Board and Committees

Schedule of meetings and agenda matters

- The Board meets at regular intervals to discuss and decide on Company/business policy and strategy in addition to the statutory and other matters. The Board and Committee meetings are pre-scheduled and an annual calendar of the meetings is circulated to all the Directors well in advance to facilitate planning of their schedule and to ensure meaningful participation in the meetings. However, in case of business exigencies/urgencies, resolutions are passed through circulation or additional meetings are conducted;
- The Board, Audit & Risk Management Committee and the NRC are facilitated with annual agenda plan in advance in order to enable the members to focus on key areas of organisational performance and designing the future strategy. The annual agenda plans are finalised with the inputs from the Board members and are approved by the Board. Additional agenda matters are taken up on requirement basis.

Circulation of Agenda

- The Agenda is finalised by the Company Secretary, in discussion with the CFO, CEO, Vice-Chairman and Chairman;
- All the Agenda papers are disseminated electronically on a real-time basis. The papers are uploaded on a secured online platform specifically designed for this purpose, thereby eliminating circulation of printed agenda papers. The online platform also enables the Board to access the historical agendas, minutes, constitutional documents, committee charters etc. It enables the participants to make notes and exchange notes amongst each other under a secured environment;
- The Agenda papers other than in nature of UPSI are circulated well in advance as per statutory requirements and those in nature of UPSI are circulated at least 24 hours in advance with the approval of the Board.

Information presented at meetings

- The Board business generally includes consideration of important corporate actions and events including but not limited to: a) quarterly and annual result announcements; b) oversight of the performance of the business; c) development and approval of overall business strategy; d) Board succession planning; e) review of the functioning of the Committees; f) review of internal controls and risk management; and g) other strategic, transactional and governance matters as required under the Act, Listing Regulations and other applicable laws;
- The management team is invited to present the performance on key areas such as the Company's major business segments and their operations, subsidiary performance and key functions from time to time.

Conduct and recording of meetings

- Majority of the meetings are conducted as physical meetings, however, at times, it may not be possible for each one to be physically present at all meetings. Hence, we provide the facility of video conferencing/telepresence to the members and invitees at various locations across the globe;
- All the meetings conducted through telepresence are recorded and stored as per statutory requirements. The Company Secretary records minutes of all the Board and Committee meetings.

Post Meeting summary/Follow-up

- Post conclusion of each of the Board/Committee meeting, the Company Secretary circulates the summary of the proceedings of all meetings along with the action points, if any;
- Various decisions taken at Board/Committee meetings are promptly communicated to the concerned departments/divisions;
- Draft minutes and signed minutes are circulated to Board/Committee members within the timelines prescribed under Secretarial Standards;
- The matters arising from the previous meetings are taken up at the respective forthcoming Board/Committee meeting.

Board and Executive Leadership Remuneration Policy

The Remuneration Policy is significant in ensuring that competitive and impartial rewards are linked to key deliverables and are also in line with market practices and shareholders' expectations.

The NRC ensures that remuneration policies and practices are framed and intended to attract, retain and encourage the Executive Directors (**"ED"**) and the senior management group, while simultaneously meeting the delivery of the Group's strategic and business objectives. The NRC further ensures the interests of the EDs and the senior management group are aligned with those of shareholders, to build a sustainable performance environment.

Remuneration Components:

The ED remuneration has two components: fixed pay and annual variable pay including stock incentives (performance linked incentive). The fixed component is based upon the industry practice and benchmarks considering the experience, skill, knowledge and job responsibilities. The performance linked incentive is linked to the achievement of the Company and individual performance goals. Such variable compensation is 'at risk', and rewards performance and contributions to both short-term and long-term financial performance of the Company. The remuneration of the EDs is governed by the agreements executed with them, subject to the approval of the Board and of the shareholders in general meetings and such other approvals as may be necessary.

The Non-Executive Independent Directors are paid remuneration by way of commission and sitting fees. The appointment letter detailing the terms and conditions of appointment of Non-Executive Independent Directors is available on the Company's website www.vedantalimited.com. The Board decides the payment of commission within the limits approved by the members subject to the limit not exceeding 1% of the net profits of the Company. Further, it may be noted that no stock options were issued to the Non-Executive Independent Directors during the reporting year.

The details of remuneration paid/payable to the Directors during FY 2023 are as follows:

Remuneration paid or payable to Directors for the year ended 31 March 2023

Name of the Director	Relationship with other Directors[1]	Sitting Fees	Salary and Perquisites[6]	Provident, and Superannuation Funds	Commission to non-executive directors/ performance incentive for the Executive Directors[7]	Total	Vedanta Limited, ESOS 2019, ESOS 2020, ESOS 2021, ESOS 2022[8]
NON-EXECUTIVE CHAIRMAN							
Anil Agarwal	Refer Note[1]	6,00,000	-	-	-	**6,00,000**	-
EXECUTIVE DIRECTORS							
Navin Agarwal[2]	Refer Note[1]	-	12,80,48,080	7,50,000	8,56,50,000	21,44,48,080	-
Sunil Duggal	None	-	9,51,78,408	7,50,000	5,02,00,000	14,61,28,408	5,20,578
TOTAL		**-**	**22,32,26,488**	**15,00,000**	**13,58,50,000**	**36,05,76,488**	**-**
INDEPENDENT NON-EXECUTIVE DIRECTORS							
UK Sinha	None	27,00,000	-	-	75,00,000	1,02,00,000	-
DD Jalan[3]	None	23,00,000	-	-	75,00,000	98,00,000	-
Akhilesh Joshi[4]	None	19,00,000	-	-	75,00,000	94,00,000	-
Padmini Sekhsaria	None	10,00,000	-	-	75,00,000	85,00,000	-
TOTAL		**79,00,000**	**-**	**-**	**3,00,00,000**	**3,79,00,000**	**-**
NON-INDEPENDENT NON-EXECUTIVE DIRECTORS							
Priya Agarwal[5]	Refer Note[1]	11,00,000	-	-	1,00,00,000	1,11,00,000	-
TOTAL		**11,00,000**	**-**	**-**	**1,00,00,000**	**1,11,00,000**	**-**
GRAND TOTAL		**96,00,000**	**22,32,26,488**	**15,00,000**	**17,58,50,000**	**41,01,76,488**	**5,20,578**

Notes:

1. *Ms. Priya Agarwal is the daughter of Mr. Anil Agarwal and Mr. Anil Agarwal is the elder brother of Mr. Navin Agarwal.*
2. *Sitting fees and commission paid to Mr. Navin Agrawal by Hindustan Zinc Limited (**"HZL"**), a subsidiary of the Company, was ₹4,25,000 and ₹28,88,000 respectively during FY 2023 not included above.*
   *Mr. Navin Agarwal has been awarded 5,13,260 units in FY 2020, 4,12,444 units in FY 2021, 3,51,000 units in FY 2022 and 2,95,000 units in FY 2023 under Long Term Incentive Plan of Vedanta Resources Limited (**"VRL"**).*
   Additionally, Mr. Navin Agarwal was paid the following amounts from VRL:
   - *GBP 10,91,432 on account of vesting of VRL Cash Based Plan 2019 on 29 November 2022 upon achievement of performance parameters.*
   - *GBP 85,000 as commission for his services to VRL Board.*
3. *Sitting fees and commission paid to Mr. DD Jalan by Bharat Aluminium Company Limited (**"BALCO"**), a subsidiary of the Company, was ₹6,00,000 and ₹14,96,000 respectively during FY 2023 not included above.*
4. *Sitting fees and commission paid to Mr. Akhilesh Joshi by HZL was ₹7,25,000 and ₹29,40,000 respectively during FY 2023 not included above.*
5. *Sitting fees and commission paid to Ms. Priya Agarwal by HZL was ₹1,00,000 and ₹6,12,000 respectively during FY 2023 not included above.*
6. *Value of Perquisites as per rule u/s 17(2) of Income-tax Act, 1961 does not include perquisite value of Superannuation. Further, as the liabilities for defined benefit plan, i.e., gratuity are provided on accrual basis for the Company as a whole, the amounts pertaining to KMP are not included above.*
7. *The performance incentive to Executive Directors is for FY 2022 which was paid during FY 2023.*
8. *The ESOS 2019, Cash Plan 2019 and VRL LTIP 2019 options/units vested upon completion of performance period with approval from NRC on 27 January 2023.*
   The ESOS 2020, Cash Plan 2020 and VRL LTIP 2020 options/units will vest/be exercise after 31 months from date of grant i.e. on 06 November 2023, based on achievement of performance conditions.
   The ESOS 2021, Cash Plan 2021 and VRL LTIP 2021 options/units will vest/be exercise after 36 months from date of grant i.e. on 01 November 2024, based on achievement of performance conditions.
   The ESOS 2022, Cash Plan 2022 and VRL LTIP 2022 options/units will vest/be exercise after 36 months from date of grant i.e. on 01 November 2025, based on achievement of performance conditions.

We hereby confirm that:

- The total managerial remuneration paid/payable for FY 2023 does not exceed 11% of the net profits of the Company.
- The total remuneration received by Whole-Time Directors and Independent Directors of the Company does not exceed 10% and 1% of the Net Profits of the Company, respectively.
- Mr. Navin Agarwal, Executive Vice-Chairman and member of Promoter Group, does not receive remuneration in excess of ₹5 crore or 2.5% of the Net Profits of the Company, whichever is higher.
- None of the Non-Executive Directors, have received remuneration exceeding 50% of the total annual remuneration payable to all Non-Executive Directors.

Board Committees

The Board has constituted various sub-committees with primary objective of maintaining strong business fundamentals and delivering high performance through relentless focus on the significant affairs of the Company across all its geographies. Each Committee is set up by the formal approval of the Board and is guided by its respective charter which clearly defines their purpose, roles, and responsibilities. The Chairperson of the respective Committees briefs the Board on the summary of the discussions held in the Committee Meetings. The minutes of all the Committee meetings are placed before the Board for its review and noting. The Company Secretary officiates as the Secretary of these Committees.

All the Statutory Committees of the Board are chaired by the Independent Directors.

Composition of Committees as on 31 March 2023

All the Committees have optimum composition pursuant to the Listing Regulations. Below is the composition of the Committees as on 31 March 2023:

Name of Director	Board	Audit & Risk Management Committee	Nomination & Remuneration Committee	Stakeholders' Relationship Committee	Corporate Social Responsibility Committee	Committee of Directors	ESG Committee
Mr. Anil Agarwal	Chairperson		Member				
Mr. Navin Agarwal	Member					Chairperson	
Mr. UK Sinha	Member	Chairperson	Chairperson	Member	Member		Chairperson
Mr. DD Jalan[1]	Member	Member	Member	Chairperson		Member	
Ms. Padmini Sekhsaria	Member			Member	Member		
Mr. Akhilesh Joshi	Member	Member			Chairperson		Member
Ms. Priya Agarwal	Member				Member		Member
Mr. Sunil Duggal	Member			Member		Member	Member

Member **Chairperson**

Notes:

1. *Mr. DD Jalan has been appointed as Member of the Committee of Directors effective 06 July 2022.*

Board and Committee Meetings for FY 2023

Meeting	Q1 Apr-Jun	Q2 Jul-Sep	Q3 Oct-Dec	Q4 Jan-Mar
Board	28 April 2022	06 July 2022 28 July 2022	28 October 2022	19 January 2023 27 January 2023 28 March 2023
Audit & Risk Management Committee	27 April 2022	27 July 2022	28 October 2022	19 January 2023 27 January 2023 04 March 2023 10 March 2023 28 March 2023
Nomination & Remuneration Committee	28 April 2022	06 July 2022 28 July 2022	28 October 2022	27 January 2023 28 March 2023
Stakeholders' Relationship Committee	-	27 July 2022	-	28 March 2023
Corporate Social Responsibility Committee	27 April 2022	-	27 October 2022	-
ESG Committee	-	22 September 2022	-	28 February 2023
Committee of Directors	28 April 2022 04 June 2022	28 September 2022	22 November 2022 09 December 2022	30 January 2023 02 March 2023 27 March 2023

The maximum interval between any two Board meetings did not exceed 120 days, as prescribed in the Act and Listing Regulations.

Resolution passed by Board of Directors/Committees through Circulation

20 Board of Directors

10 Audit & Risk Management Committee

02 Nomination & Remuneration Committee

43 Committee of Directors

Attendance for Board and Committee Meetings held during FY 2023

Name of Director	Whether attended AGM on 10 August 2022	Board Meeting	Audit & Risk Management Committee	Nomination & Remuneration Committee	Stakeholders' Relationship Committee	Corporate Social Responsibility Committee	ESG Committee	Committee of Directors
		(Attended/ Entitled)	(Attended/ Entitled)	(Attended/ Entitled)	(Attended/ Entitled)	(Attended/ Entitled)	(Attended/ Entitled)	(Attended/ Entitled)
Mr. Anil Agarwal	Yes	3/7	-	3/6	-	-	-	-
Mr. Navin Agarwal	Yes	7/7	-	-	-	-	-	8/8
Ms. Priya Agarwal	Yes	7/7	-	-	-	2/2	2/2	-
Mr. UK Sinha	Yes	7/7	8/8	6/6	2/2	2/2	2/2	-
Mr. Dindayal Jalan	Yes	7/7	8/8	6/6	2/2		-	6/6
Ms. Padmini Sekhsaria	No	6/7	-	-	2/2	2/2	-	-
Mr. Akhilesh Joshi	Yes	7/7	8/8		-	2/2	2/2	
Mr. Sunil Duggal	Yes	7/7	-		2/2		2/2	8/8

Pursuant to Section 167 of the Act, a Director shall incur disqualification if he/she does not meet the minimum attendance criteria and absents himself/herself from all the meetings of the Board of Directors held during a period of twelve months with or without seeking leave of absence from the Board. All Directors of the Company have duly met the attendance criteria during FY 2023.

Audit & Risk Management Committee

UK Sinha
Chairperson

Akhilesh Joshi
Member

DD Jalan
Member

3 Members

100% Independent

8 Meetings

100% Attendance

2.92 Average Tenure

The Audit & Risk Management Committee is one of the main pillars of the corporate governance of the Company. The primary function of the Audit & Risk Management Committee includes monitoring and providing effective supervision of the financial reporting; reviewing the efficacy of the risk management systems; and maintaining robustness of internal financial controls and risk management frameworks including cyber security. The Committee works to fortify the adequacy and effectiveness of the Company's legal, regulatory, and ethical compliance and governance programs while monitoring the qualifications, expertise, resources, and independence of both the internal and external auditors; and assessing the auditors' performance and effectiveness each year.

Effective 06 June 2020, the Audit Committee and the Risk Management Committee have been consolidated to be called as the Audit & Risk Management Committee. Parallelly, the management team led by the CEO and Management Assurance Services (**"MAS"**) Head is a sub-set of this Committee and is entrusted with running the existing risk management process. The management team presents a detailed update to the Audit & Risk Management Committee twice a year on the same.

A separate section on principal risks and uncertainties governing the business is covered in the Management Discussion and Analysis Report.

The members of the Audit & Risk Management Committee comprise only Independent Directors to ensure the independence in terms of financial opinions and for better value addition. Each of the member of the Committee brings immense experience and possess strong accounting and financial management knowledge. In carrying out its oversight responsibilities transparently and efficiently, the Committee majorly relies on the expertise and knowledge of the management, the internal auditors, the Statutory Auditor and also uses external expertise, if required. The management is accountable for the preparation, presentation and integrity of the Company's financial statements including consolidated statements, accounting, and financial reporting principles; internal control over financial reporting; and all procedures are designed to ensure compliance with accounting standards, applicable laws, and regulations as well as for objectively reviewing and evaluating the adequacy, effectiveness, and quality of the Company's system of internal controls. M/s SR Batliboi & Co. LLP, Chartered Accountants (FRN: 301003E/E300005), the Company's Statutory Auditor, is responsible for performing an independent audit of the financial statements and expressing an opinion on the conformity of these financial statements.

The Audit & Risk Management Committee covers a wide range of topics for deliberations and discussions in its meetings. These includes standing items that the Committee considers as a matter of course, typically in relation to the quarterly unaudited financial statements, accounting policies and judgements and reporting matters, and an array of significant issues relevant to Vedanta's control framework. The Committee plays a vital role in evaluating the related party transactions, scrutinising inter-corporate loans and verify that the systems for internal control are adequate and are operating effectively.

The Committee, in its meetings, in addition to the members also has the following set of invitees:

The Committee also meets separately with the external auditor without members of management to seek the auditor's judgement about the quality and applicability of the accounting principles, the reasonableness of significant judgement and the adequacy of disclosures in financial statements.

On a quarterly basis, the Audit & Risk Management Committee reviews the confirmation of independence made by the Auditors, and also approves the fees paid to the Auditors by the Company, or any other company in Vedanta Group as per the Policy for Approval of Audit/Non-Audit Services to be rendered by the Auditors.

The details and biographies of the Committee members are set out in the Board and Committees section of this Annual Report. The Committee fulfils the requirements as specified under the provisions of the Act and Listing Regulations with respect to the composition, independence, and financial expertise of its members.

The schedule of Committee meetings held during FY 2023 along with its members' attendance records are detailed in the earlier sections of the Corporate Governance Report.

Performance Review of the Audit & Risk Management Committee

As part of the Board's annual evaluation of its effectiveness and that of its Committees, as described earlier in the report, the Committee assessed its own effectiveness. The Audit & Risk Management Committee members agreed that its overall performance had been effective during the year.

Review of Financial Results for FY 2023

The Committee reviewed both Standalone and Consolidated financial statements for FY 2023 and based on its review and discussions with management, the Committee was satisfied that the financial statements were prepared in accordance with applicable accounting standards and fairly presented the Group's financial position and results for the financial year ended 31 March 2023. The Committee therefore recommended the financial statements for the financial year ended 31 March 2023 for the consideration and approval of the Board.

The Board accepted all the recommendations made by the Audit & Risk Management Committee during FY 2023.

The utilisation of Audit & Risk Management Committee's time along with its major responsibilities is detailed below:-

Oversight of Financial Reporting

- Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are true, fair, sufficient and credible;
- Discuss and review, with the management and auditors, the annual/quarterly financial statements before submission to the Board;
- Review of key significant issues, tax and legal reports and management's report;
- Review of management's analysis of significant issues in financial reporting and judgments made in preparing the financial statements;
- Discuss with the Management regarding pending technical and regulatory matters that could affect the financial statements, and updates on management's plans to implement new technical or regulatory guidelines;
- Review of off-balance-sheet structures, if any; and
- Review of Draft limited review/audit reports and qualifications, if any, therein.

Internal Audit and Internal Financial Control

- Review of internal audit observations and monitoring of implementation of any corrective actions identified;
- Reviewing the internal financial control framework;
- Review of the performance of the internal audit function and internal audit plan;
- Consideration of statutory audit findings and review of significant issues raised;
- Reviewing Related Party Transactions; and
- Management discussion and analysis of financial condition and results of operations.

Risk Management and Cyber Security

- Review of the risk management framework, risk profile, significant risks, risk matrix and resulting action plans;
- Review of the significant audit risks with the statutory auditor during interim review and year-end audit;
- Oversight over the effective implementation of the risk management framework across various businesses;
- Assurance of appropriate measures in the organisation to achieve prudent balance between risk and reward in both ongoing and new business activities;
- Annual review of the risk appetite and risk management policy including cyber security procedures adopted in the Group;
- Analytic validation and recommendation of necessary changes in the risk management policies and frameworks to the Audit Committee/Board, if any; and
- Evaluation of significant and critical risk exposures for assessing management's action to mitigate or manage the exposures in a timely manner.

Auditors

- Appointment of Statutory, Internal, Secretarial, Cost and Tax auditors, recommending their fees and reviewing their audit reports;
- Review of the independence of the statutory auditor and the provision of audit/non-audit services including audit/non-audit fees paid to the statutory auditor; and
- Independent meetings with statutory auditors.

Governance

- Reviewing minutes, summary reports of subsidiary companies audit committees;
- Reviewing intercorporate loans, advances, guarantees;
- Reviewing ethics (whistle blower, sexual harassment, insider trading) and statutory compliances;
- Review of its own charter and processes;
- Notices received from statutory authorities and the management's response;
- Regulatory updates; and
- Reviewing feedback from the Audit & Risk Management Committee's performance evaluation.

Nomination & Remuneration Committee

UK Sinha
Chairperson

Anil Agarwal
Member

DD Jalan
Member

3 Members

67% Independent

6 Meetings

83% Attendance

2.56 Average Tenure

The NRC is accountable for overseeing the key processes through which it can make recommendations to the Board on the structure, size and composition of the Board, KMP and Senior Management; and ensure that the appropriate mix of skills, experience, diversity, and independence is present on the Board and senior level for it to function effectively. The NRC also leads the process for new Board appointments, advises the Board on succession planning arrangements and oversees the development of management talent within the Group.

Another key objective of the Committee is to ensure that competitive and fair awards are linked to key deliverables and are also aligned with market practice and shareholders' expectations. The Committee ensures that remuneration policies and practices are designed to attract, retain, and motivate the Executive Directors and the senior management group, while focusing on the delivery of the Group's strategic and business objectives. The Committee is also focused on aligning the interests of the Executive Directors and the senior management group with those of shareholders, to build a sustainable performance culture. When setting remuneration for the Executive Directors, the Committee takes into account the business performance, developments in the natural resources sector and similar information for high-performing Indian companies considering that majority of the Group's operations are based in India.

The Committee also carries out the entire process of performance evaluation on an annual basis.

As on 31 March 2023, the NRC comprises of two (02) Independent Directors and the Non-Executive Chairman of the Company whose names, details and biographies are set out in the Board and Committees section of this Annual Report. The Committee fulfils the composition requirement as required under the provisions of Act and Listing Regulations. In the event of a conflict of interest, the Chairman of the Board abstains from the discussions and other members of the NRC participate and vote. Other Directors, members of the senior management team, representatives from Human Resource department and external advisers may attend meetings at the invitation of the Committee, as appropriate. In respect of each of its meetings, the Chairman of the NRC provides an update to the Board.

The schedule of NRC meetings held in FY 2023 along with its members' attendance records are disclosed in the earlier sections of the Corporate Governance Report.

As part of the Board's annual evaluation of its effectiveness and that of its Committees, as described later in the report, the NRC assessed its own effectiveness. The members of the NRC agreed that its overall performance had been effective during the year.

The Board accepted all the recommendations made by the Committee in FY 2023.

The utilisation of the Committee's time along with its major responsibilities is detailed below:

Board Composition and Nomination

- Review and recommend the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and its Committees;
- Formulate the criteria/policy for appointment of Directors, KMP and SMP (as defined by the NRC) in accordance with identified criteria;
- Review and appoint shortlisted candidates as Directors, KMPs and SMP (including evaluation of incumbent directors for potential re-nomination) and make recommendations to the Board;
- Evaluate the balance of skills, knowledge, experience and diversity on the Board for description of the role and capabilities, required for an appointment; and
- Formulate and recommend to the Board, the criteria for determining qualifications, positive attributes and independence of a Director.

Compensation

- Recommend to the Board a policy relating to the remuneration of directors (both Executive and Non-Executive Directors), KMP and SMP;
- Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors to run the Company successfully;
- Ensuring relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- Ensuring remuneration to Directors, KMP and SMP involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
- Determine remuneration based on the Company's financial position, trends and practices on remuneration prevailing in the industry as considered appropriate by the NRC; and
- Review of the Company's Share Based Employee Benefit Scheme(s), if any, including overseeing the administration of the Scheme(s), formulating the necessary terms and conditions for such Scheme(s) like quantum of options/rights to be granted, terms of vesting, grant options/rights to eligible employees, in consultation with management; and allotment of shares/other securities when options/ rights are exercised etc. and recommend changes as may be necessary.

Evaluation of the Board, its Committees and Individual Directors

- To develop, subject to approval of the Board, a process for an annual self-evaluation of the performance of the Board, its Committees and the Individual Directors in the governance of the Company and to coordinate and oversee this annual self-evaluation;
- To formulate a criterion for evaluation of Independent Directors and the Board and carry out evaluation of every Director's performance and present the results to the Board;
- To review the performance of all the Executive Directors, on the basis of detailed performance parameters set for each of the executive Directors at the beginning of the year and present the results to the Board;
- Action report on suggestions made on evaluation; and
- To maintain regular contact with the leadership of the Company. This should include interaction with the Company's Leadership Institute, review of data from the employee survey and regular review of the results of the annual leadership evaluation process.

Succession Planning and Governance

- Review of succession planning for Executive, Non-Executive Directors and other SMP;
- Establishing policies and procedures to assess the requirements for induction of new members to the Board;
- To maintain regular interaction and collaborate with the leadership including the HR team to review the overall HR vision and people development strategy of the Company;
- To review and reassess the adequacy of the NRC's charter as required and recommend changes to the Board; and
- To develop and recommend a policy on Board Diversity.

Equal Opportunity Policy

Vedanta provides equal opportunity to all persons. There is no unfair treatment in relation to the employment, promotion or other related issues or termination of the employment for reasons of gender or disability. Your Company recognises the value of diverse workforce and has reinforced its approach to diversity and inclusion by adopting Equal Opportunity Policy (**"Policy"**).

The Policy aimed at providing equal employment opportunities, without any discrimination on the grounds of age, colour, disability, marital status, nationality, geography, ethnicity, race, religion, sex, sexual orientation. It is our endeavour to maintain a work environment that is free from any harassment, direct or indirect discrimination based on the above consideration.

Corporate Social Responsibility Committee ("CSR Committee")

Akhilesh Joshi
Chairperson

Priya Agarwal
Member

UK Sinha
Member

Padmini Sekhsaria
Member

4 Members

75% Independent

2 Meetings

100% Attendance

3.41 Average Tenure

The Company continues to focus on its long-term goal believing that while targeting to produce maximum yield for our shareholders during the year, we also lodge our contributions in furthering our responsibilities towards the society and environment. As a responsible corporate citizen, we recognise that those who reside in our operational areas are our partners in growth and we seek to foster a mutually benefitting relationship with all our stakeholders. It is this integration of business and CSR which provides us the social licence to operate and helps us to usher in a different developmental paradigm towards sustainable change in society. As part of our CSR policy, we regularly engage with government agencies, development organisations, corporates, civil societies and community-based organisations to carry our durable and meaningful initiatives.

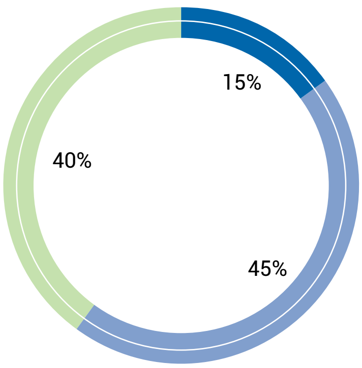
In this regard, the role of CSR Committee of the Company is to formulate and monitor the CSR Policy of the Company along with formulation of Annual Action Plan and recommending the CSR Budget. The additional disclosures in compliance with Companies (Corporate Social Responsibility) Amendment Rules, 2021 forms part of this Annual report.

The schedule of CSR meetings held in FY 2023 along with its members' attendance records are disclosed in the earlier section of the Corporate Governance Report.

As part of the Board's annual evaluation of its effectiveness and that of its Committees, as described earlier in the report, the CSR Committee assessed its own effectiveness. The members of the CSR Committee agreed that its overall performance had been effective during the year.

The Board accepted all the recommendations made by the Committee in FY 2023.

The utilisation of the Committee's time along with its major responsibilities is detailed below:



CSR Policy
CSR Activities
CSR Budget

CSR Policy

- Formulate and recommend to the Board, the CSR Policy and the activities to be undertaken; and
- Review the CSR Policy and associated frameworks, processes and practices.

CSR Activities

- Identify the areas of CSR activities and projects and to ensure that the Company is taking the appropriate measures to undertake and implement CSR projects successfully;
- Assess the performance and impact of CSR activities of the Company;
- Evaluate CSR communication plans;
- Set path for implementation and monitoring mechanism and the progress status to ensure achievement; and
- Ensure the value, ethics and principles are upheld in all its activities.

CSR Budget

- Decide and recommend to the Board, the amount of expenditure to be incurred on CSR activities;
- Formulation of Annual Action Plan;
- Evaluate and monitor expenditure towards CSR activities in compliance with the Act; and
- Evaluation of need and impact assessment of the projects undertaken by the Company.

Stakeholders' Relationship Committee

DD Jalan
Chairperson

UK Sinha
Member

Padmini Sekhsaria
Member

Sunil Duggal
Member

4 Members

75% Independent

2 Meetings

100% Attendance

2.58 Average Tenure

Vedanta understands and nurtures the value of sustaining continuous and long-term relationships with our stakeholders to secure a mutual understanding of the Company's strategy, performance, and governance in line with the business objectives.

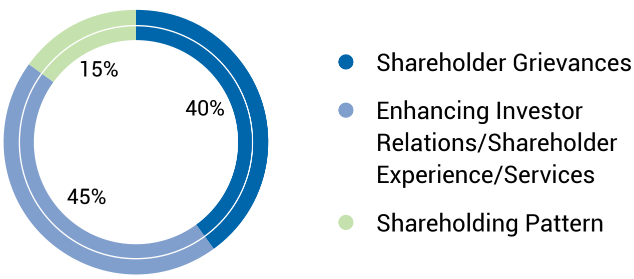
The SRC cohesively supports the Company and its Board in maintaining strong and long-lasting relations with its stakeholders at large. The SRC majorly ensures and oversees the prompt resolution of the grievances of security holders; the implementation of ways to enhance shareholder experience; assessment of performance of Registrar and Transfer Agent (**"RTA"**); monitoring of shareholding movements etc.

The details of SRC composition and meetings are given in the earlier section of this report.

As part of the Board's annual evaluation of its effectiveness and that of its Committees, as described earlier in the report, the SRC assessed its own effectiveness. The members of the SRC agreed that its overall performance had been effective during the year.

The Board accepted all the recommendations made by the Committee in FY 2023.

The utilisation of the Committee's time along with its major responsibilities is detailed below:



Shareholder Grievances

- Review and timely resolution of the grievances of Security holders related to issue, allotment, transfer/transmission, dematerialisation, rematerialisation etc. of shares and/or other securities of the Company;
- Review and timely redressal of all the Security holders grievances related to non-receipt of information demanded, if any, non-receipt of annual report, non-receipt of declared dividend, issue of new/duplicate share certificates, general meeting etc.;
- Review from time to time, the shares and dividend that are required to be transferred to the IEPF Authority; and
- Review and closure of all Investor cases.

Enhancing Investor Relations/Shareholder Experience/Services

- Review of measures taken for effective exercise of voting rights by shareholders;
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;
- Initiatives for registration of email IDs, PAN and Bank Mandates and demat of shares;
- Review reports on shareholder satisfaction surveys, if any;
- Oversight of the performance and services standards of various services being rendered of/by RTA of the Company; and
- To frame IR Strategy, perceptions, actively engaging and communicating with major shareholders of the Company.

Shareholding Pattern

- Review of shareholding distribution;
- Review of movement in shareholding pattern; and
- Comparative details on demat and physical holding.

An analysis of investor queries and complaints received and responded/addressed during the year is provided below:

Investor Complaints

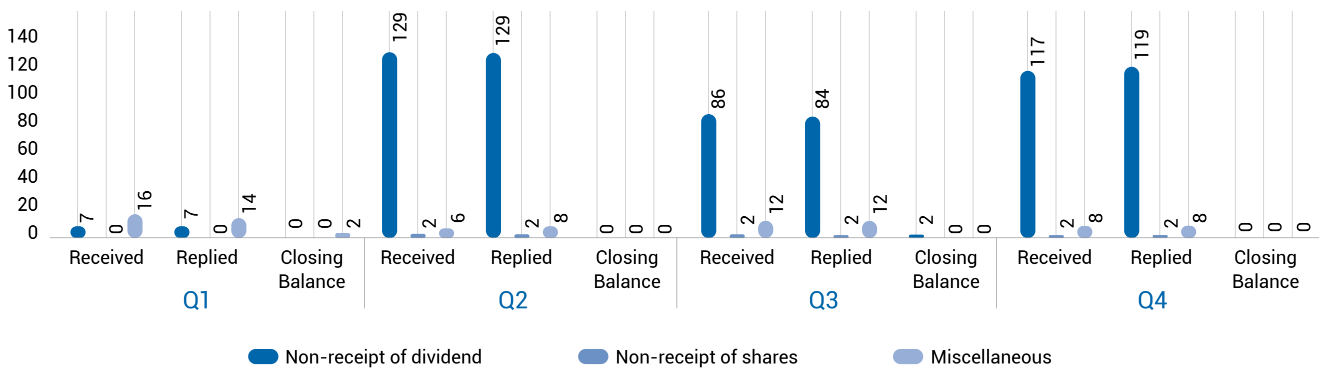
Company's RTA entertains and resolves investor grievances in consultation with the Compliance Officer. All grievances can be addressed either to RTA or to the Company directly. An update on the status of complaints is quarterly reported to the Board and is also filed with stock exchanges.

The details of shareholders' complaints during FY 2023:

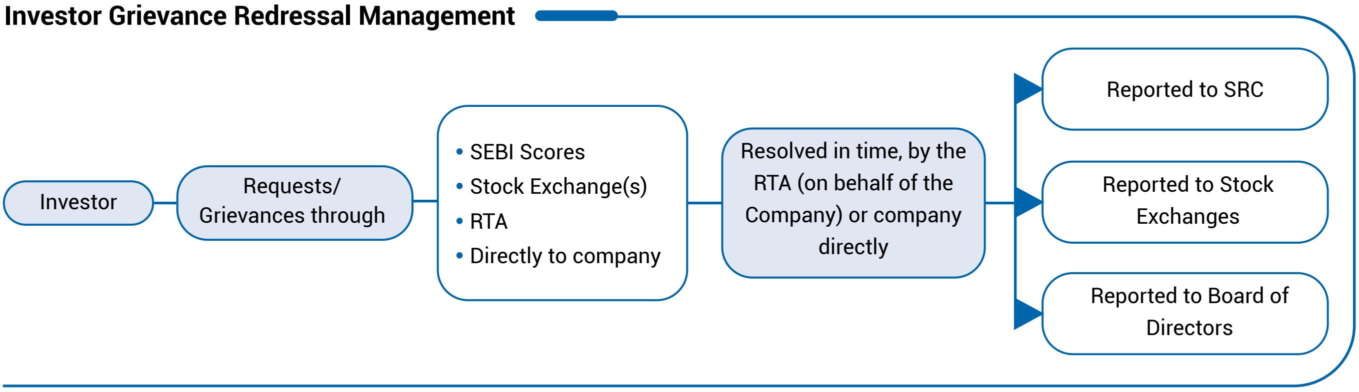
S. No.	Nature of complaints/letters and correspondence	Received	Replied	Closing Balance
Complaints received through Stock Exchanges, SEBI and Ministry of Corporate Affairs				
1	Non-receipt of dividends	339	339	0
2	Non-receipt of shares	6	6	0
3	Miscellaneous	42	42	0
Letters and Correspondence				
1	Letters and correspondence from shareholders	30,300	30,300	0
TOTAL		**30,687**	**30,687**	**0**

Note: The Company received Nil complaints w.r.t. Non-Convertible Debentures.

Investor Complaints



Investor Grievance Redressal Management



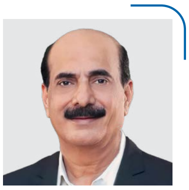
Unclaimed shares and transfer of unpaid and unclaimed amounts to Investor Education and Protection Fund ("IEPF")

The details of Unclaimed Suspense Account and IEPF are forming part of the Directors Report in this Annual Report.

ESG Committee


UK Sinha
Chairperson


Priya Agarwal
Member


Sunil Duggal
Member


Akhilesh Joshi
Member

4 Members

50% Independent

2 Meetings

100% Attendance

2.28 Average Tenure

The ESG Committee of the Board plays a central role in ensuring that material ESG risks to Vedanta's business are addressed in a systematic and timely manner. It meets once in six months and is chaired by an independent director of the Board. It also has representation from executive Board members and select KMP have standing invitations to the meetings. This ensures that Board direction is effectively translated into corporate action.

In FY 2023, the Board focused on the following material issues for the organisation: safety of the workforce, decarbonisation and managing carbon risks, effective management of our tailings facilities, and ensure that the Company remains compliant to environmental regulations.

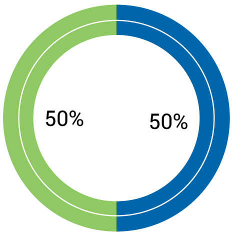
The Board has been happy to note the progress being made to develop a comprehensive ESG governance, performance and monitoring system. In line with the Group's ambition of **"Transforming for Good"**, the Board has routinely sought updates on the progress being made on all nine aims – particularly in the topics cited above. The Board has also kept a track on how our ESG ratings are improving, given that the ratings from agencies such as MSCI, Sustainalytics, and S&P have an influence on the Group's overall reputation and access to finance. The Board has appreciated the positive movement that has been made in all of the important ESG rating platforms – by not just Vedanta Limited, but also Hindustan Zinc and Vedanta Aluminium.

Positive developments have included securing Board approvals for more 838 MW of RE RTC power to be deployed across our businesses and the introduction of an industry-leading EV purchase policy for all our full-time-employees.

Safety of our workforce and BP remains a high focus area by Board and substantial time is spent on the topic of safety understanding long-term action by management on each catastrophic incidents.

The details of Committee composition and meetings are provided in earlier section of this report.

The utilisation of the Committee's time along with its major responsibilities is detailed below:



- ESG Performance
- ESG Governance

ESG Performance

- **Safety**
  - Oversight on fatality investigations and learning dissemination across the organisation;
  - Senior leadership involvement in driving safe work culture; and
  - Engagement with expert agencies to improve systemic response to unsafe work conditions.
- **Climate and Decarbonisation**
  - Oversight on decarbonisation roadmap for the business, including long-term projections and scenario-planning;
  - Review of semi-annual GHG performance;
  - Budgetary allocation for decarbonisation pathway; and
  - Inclusion of Scope 3 emission calculations for business.

ESG Governance

- Review of progress on all nine aims and select KPIs;
- Review of annualised roadmap for all nine aims;
- Oversight and guidance on future plans to deliver on Vedanta's ESG roadmap;
- Review of progress on Vedanta's ESG ratings; and
- Suggestions to enhance stakeholder engagement and communication.

Other Committees

In line with constant endeavour for adopting best governance practices and ensuring smooth functioning of the Board, the Board has constituted various sub-committees and delegated certain roles and responsibilities to ensure prompt and timely decision-making on significant matters of the Company. The minutes of the meeting of each committee are placed before the Board for its noting.

The Board also formulates several project specific sub-committees from time to time in order to secure speedy implementation and execution of the projects to meet business needs. The Board is duly kept abreast of each of the meetings of sub-committees as well.

As on 31 March 2023, the internal Board committees of the Company have been elucidated below:

Committee of Directors

Navin Agarwal
Chairperson

Sunil Duggal
Member

DD Jalan*
Member

The Committee of Directors (**"COD"**) supports the Board by considering, reviewing and approving all borrowing, investments, finance, banking and treasury related proposals, within the overall limits approved by the Board from time to time. The COD enables seamless flow of procedures and assists the Board by catering to various routine requirements.

**Mr. DD Jalan has been appointed as Member of Committee of Directors with effect from 06 July 2022.*

The Committee is entrusted with the following responsibilities:

Financial Matters

- Review and approve all policies related to the financial matters of the Company inter alia Investment policy, Foreign Exchange Policy, Commodity Hedging Policy, Banking Authorisation Policy.

Investment

- Review and approve inter-corporate loans, issuance of Corporate Guarantees, Letter of Comfort to and on behalf of Company/Wholly Owned Subsidiaries/Subsidiaries/Associate Companies in relation to loans and facilities availed by them; and
- Purchase, acquire, subscribe, transfer, sell, redeem or otherwise deal in the shares/securities of other Company/body corporate or any other entity(s) other than for the purpose of trading.

Treasury

- Consider, review and approve all the borrowing proposals including financing proposals within the overall limits approved by the Board from time to time and to create security/charge(s) on all or any of the assets of the Company as may be required for the purpose of the said borrowings and to do such other incidental and ancillary activities as may be deemed necessary for execution;
- Assess and allocate the working capital limits to business units; and
- Consider, review and approve treasury related proposals within the overall limit approved by the Board.

Security related proposals

- Review, consider and approve securities related proposals including allotment of securities, issuance of duplicate share certificates upon split, consolidation, renewal, remat; and
- Consider and review the proposals for buyback of debentures/bonds issued by the Company from time.

General Authorisation

- Nominate and appoint nominee directors on subsidiary, joint ventures, associate companies;
- Authorisation w.r.t account operation including opening, closing and operation of bank account, demat account etc.; and
- Subsidiary Governance and oversight.

The details of the meetings of COD are given in the earlier section to this report.

Share and Debenture Transfer Committee

The Share and Debenture Transfer Committee is primarily entrusted with the following responsibilities:

- Allotment of shares, debentures, or any other securities; and
- Review and approval of transfer, transmission, deletion and transposition of shares, debentures, or any other securities.

The composition details of the Committee as on 31 March 2023 is provided below:

Share and Debenture Transfer Committee:

1. DD Jalan, Member
2. Anupam Kumar, Member*
3. Jagdeep Singh, Member

** Mr. Ajay Goel ceased to be a member of Share and Debenture Transfer Committee with effect from close of business hours on 09 April 2023.*
Mr. Anupam Kumar, Dy. Chief Financial Officer of the Company has been inducted as the Member of the Share and Debenture Transfer Committee with effect from 12 May 2023.

Executive Committee

The Executive Committee (**"EXCO"**) is responsible for day-to-day running of the Company and meets on a monthly basis. It is entrusted with executing the strategy adopted by the Board; allocating resources in line with delegated authorities; managing risk; and monitoring the operational and financial performance of the Company. Authority is delegated by the Executive Committee to the respective CEOs of each of the businesses. The Group CEO keeps the Board informed of the EXCO's activities through his standing reports placed before the Board.

Group Management Committee

Vedanta continues to embark upon the enriching journey of growth and expansion with best-in-class safety, benchmark technology, and cost-efficient practices. The design and culture of our organisation is cohesively built in a manner which aims to ensure that the Group has the right MIP to drive the business and take the organisation to the next level.

In line with our long-term vision to create value, a fully empowered Group Management Committee has been formed effective 01 April 2020 comprising of the Group CFO, CEO, Chief Human Resource Officer (**"CHRO"**) and Chief Commercial Officer (**"CCO"**).

Since its inception, the Management Committee has been instrumental in executing its function as the top-level body collectively responsible for all key decisions taken under the guidance of the Chairman and the Board. The Committee is entrusted with driving all significant initiatives and empowered by the Board to establish operational efficiency in guiding business strategy and achieving strong performance targets.

General Body Meetings

Annual General Meetings/Court Convened Meetings

The details of the last three years Annual General Meetings/Court Convened Meeting through Video Conferencing (**"VC"**)/ Other Audio-Visual Means (**"OAVM"**) are as follows:

Year	Location	Date and Time	Special Resolutions passed	Links
55th Annual General Meeting				
2019-20	VC/OAVM	30 September 2020 at 3:00 p.m. IST	No Special resolution passed	Notice Outcome FAQs
56th Annual General Meeting				
2020-21	VC/OAVM	10 August 2021 at 3:00 p.m. IST	Re-appointment of Mr. UK Sinha as an Independent Director for the 2nd and final term of 3 years.	Notice Outcome Video Chairman Speech FAQs Speaker Criteria
57th Annual General Meeting				
2021-22	VC/OAVM	10 August 2022 at 3:00 p.m. IST	Re-appointment of Mr. Akhilesh Joshi as an Independent Director for 2nd and final term of 2 years.	Notice Outcome Video Chairman Speech FAQs Speaker Criteria
NCLT Convened Meeting				
2022-23	VC/OAVM	11 October 2022 at 3:00 p.m. IST	Scheme of Arrangement between Vedanta Limited and its Shareholders under Section 230 and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016	Notice Outcome Video FAQs Speaker Criteria

Postal Ballot

The details of the Business transacted through Postal Ballot during FY 2023 are as follows:

The Company had sought approval of the shareholders by way of Special Resolutions through notice of postal ballot dated 28 March 2023. The details of the same are as follows:

Date of Postal Ballot Notice	28 March 2023
Voting Period	30 March 2023 to 28 April 2023
Date of passing the resolution(s)	28 April 2023
Date of declaration of result	29 April 2023
Web link	Notice Outcome
Resolution(s)	1. Re-appointment of Ms. Padmini Sekhsaria as Non-Executive Independent Director of the Company for a 2nd and final term of 2 years effective from 05 February 2023 to 04 February 2025; and 2. Re-appointment of Mr. DD Jalan as Non-Executive Independent Director of the Company for a 2nd and final term of 3 years effective from 01 April 2023 to 31 March 2026.
Type of Resolution(s)	Special

Mr. Upendra C. Shukla (Membership No. FCS No. 2727, CP No. 1654), Practising Company Secretaries, was appointed as the Scrutiniser to scrutinise the postal ballot process by voting through electronic means only (remote e-voting) in a fair and transparent manner.

The details of the voting results are as follows:

Description of the Resolution	Votes in favour of the resolution			Votes against the resolution		
	Number of holders	Number of valid votes cast (Shares)	Percentage of total number of valid votes cast	Number of holders	Number of valid votes cast (Shares)	Percentage of total number of valid votes cast
Re-appointment of Ms. Padmini Sekhsaria as an Independent Director for a 2nd and final term of 2 years	4,119	3,23,50,02,401	99.58%	365	1,35,01,155	0.42%
Re-appointment of Mr. DD Jalan as an Independent Director for a 2nd and final term of 3 years	3,643	2,71,70,27,292	93.27%	832	19,60,51,422	6.73%

The resolutions were duly passed by the Shareholders with requisite majority on 28 April 2023.

Procedure for postal ballot: The postal ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder and General Circular nos. 14/2020, 17/2020, 02/2021, 21/2021, 02/2022 and 10/2022 dated 08 April 2020, 13 April 2020, 13 January 2021, 14 December 2021, 05 May 2022 and 28 December 2022 respectively issued by MCA from time to time.

Proposal for Postal Ballot:
There is no immediate proposal for any resolution through postal ballot.

SHAREHOLDERS

Means of Communication

Financial Results

- The quarterly/half-yearly/annual results along with audit/limited review report, press release and investor presentation is filed with the stock exchanges immediately after the approval of the Board;
- The results are also published in at least one prominent national and one regional newspaper having wide circulation vis-à-vis Business Standard, Financial Express, Economic Times and Maharashtra Times, within 48 hours of the conclusion of the meeting;
- Quarterly financial results are sent to shareholders whose email ids are registered with the RTA;
- Financial results are also uploaded on the Company's website and can be accessed at www.vedantalimited.com.

News Releases

- Stock exchanges are regularly updated on any developments/events and the same are simultaneously displayed on the Company's website as well;
- All the releases can be accessed on the website of the Company at www.vedantalimited.com.

Institutional Investor/Analysts Presentation

- The schedule of analyst/investor meets are filed with the stock exchanges and the presentations are uploaded on the website of the Company at www.vedantalimited.com;
- The transcripts and audio/video recordings of post earnings/quarterly calls/production release are filed with the Stock Exchanges and the same are uploaded on the website of the Company at www.vedantalimited.com.

Website

- The Company has a dedicated section on 'Investor Relation' on its corporate website www.vedantalimited.com which encompasses all the information for the investors like financial results, policies and codes, stock exchange filings, press releases, annual reports, SEC Filings etc.

Annual Report

- In compliance with circulars issued by SEBI and MCA on account of COVID-19 pandemic, soft copies of Annual Reports were sent to those shareholders whose email ids were registered with the Company.

Shareholder Satisfaction Survey

- As a part of our constant endeavor to improve shareholder services, the Company has provided a shareholders' satisfaction survey on its website for investors;
- The same can be accessed at www.vedantalimited.com

Chairman Communique

- At every AGM, the Chairman addresses the shareholders on Company's operations and performance with his speech;
- Further, Chairman's statement addressing the shareholders is also published in the Annual Report of the Company.

Access to Documents

- Shareholders can also access the details of Corporate Governance Policies and Charters, Memorandum and Articles of Association, Financial information, Shareholding information, details of unclaimed dividends and shares transferred/liable to transfer to IEPF, etc. on the Company's website.

Appeal to Shareholders

Updation of PAN Bank Mandate and Contact Details

Shareholders are requested to update their email ids, PAN and Bank Mandate with the Company to ensure faster communication and credit of amounts. Regular reminders are also sent to shareholders in this regard. The shareholders having physical units can avail the facility to update the details on the website of the Company at www.vedantalimited.com. and the demat holders can contact their respective depository participant for updating the details.

SEBI vide Circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated 03 November 2021, introduced common and simplified norms for processing investor's service request wherein all members holding securities of the Company in physical mode were mandatorily required to furnish the PAN and Nomination (for all eligible folios) to the Company's RTA by 31 March 2023 which has been further extended to 30 September 2023 vide SEBI Circular SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated 16 March 2023. Shareholders are requested to furnish the above details to enhance the ease of doing business in the securities market. A letter was also sent to the shareholders detailing the above requirements. The forms can be downloaded from the website of the Company at www.vedantalimited.com and also from the website of the RTA at www.kfintech.com.

Unclaimed Dividend/Shares

Reminders are sent to shareholders to encourage them to timely claim their unclaimed dividend and shares before the same is transferred to the IEPF Account.

The Company has also uploaded the details of unpaid and unclaimed dividend amounts lying with the Company on the Company's website at www.vedantalimited.com.

Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the shares on which dividend remains unpaid/unclaimed for seven consecutive years or more shall be transferred to the IEPF after giving due notices to the concerned shareholders. Accordingly, the details of equity shares transferred are also available on the Company's website at www.vedantalimited.com.

Registration of Nomination

Registration of nomination makes easy for dependents to access your investments and set out the proportion of your benefits to the nominees.

The Company has duly provided the facility of updation of nominees to the shareholders.

The shareholders holding physical units can submit the nomination form SH-13 which is available on the website of the Company at www.vedantalimited.com and the demat holders can contact their respective depository participant for the necessary updations.

Conversion of Securities into Dematerialised form

Shareholders are also encouraged to open Demat accounts to eliminate bad delivery, saves stamp duty on transfers, ensures faster settlement, eases portfolio management and provides 'on-line' access through internet.

SEBI vide Circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25 January 2022 issued guidelines for Issuance of Securities in dematerialised form in case of investor service request. In accordance with the circular, the Company post 25 January 2022 shall issue the securities in dematerialised form only while processing the investors' requests for Issue of duplicate certificate, Claim from Unclaimed Suspense Account, Renewal/Exchange/Endorsement/Sub-division/Splitting of certificate, Consolidation of certificates/folios, Transmission and Transposition.

The security holder shall submit duly filled ISR-4 to the RTA for processing of service requests. The form is available at the website of the Company at www.vedantalimited.com and also at the website of the RTA at www.kfintech.com.

Considering that SEBI has disallowed the physical transfer/issuance of equity shares in physical mode, shareholders are requested to convert their equity holding into dematerialised form for ease of dealing in securities markets and processing the service requests.

Correspondence Details

All the Share Transfer, Dividend Payment Requests and Investors Related queries, the shareholder can directly contact to our RTA	KFin Technologies Limited (formerly KFin Technologies Private Limited) Unit: Vedanta Limited Selenium Building, Tower-B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi, Telangana, India, 500 032 Tel: +91 40 6716 2222 Fax: +91 40 2300 1153 Email: einward.ris@kfintech.com
The Shareholders can reach out to the designated persons of any department in case of any query for the matters enumerated below:	
Company Secretary and Compliance Officer for queries related to Corporate Governance and Secretarial matters/Details of Nodal Officer	**Ms. Prerna Halwasiya** Company Secretary and Compliance Officer **Vedanta Limited** Core 6, 3rd Floor, Scope Complex 7, Lodhi Road, New Delhi - 110 003 Tel: +91 011 4226 2300 Email: comp.sect@vedanta.co.in
Investor Relations	**Ms. Prerna Halwasiya** Dy. Head Investor Relations **Vedanta Limited** Core 6, 3rd Floor, Scope Complex 7, Lodhi Road, New Delhi - 110 003 Tel: +91 011 4226 2300 Email: vedantaltd.ir@vedanta.co.in
Corporate Communication related matters of the Company	**Mrs. Ritu Jhingon** Director – Communications, PR and Branding **Vedanta Limited** Core 6, 3rd Floor, Scope Complex 7, Lodhi Road, New Delhi - 110 003 Tel: +91 011 4226 2300 Email: gc@vedanta.co.in
Sustainability Related Matters	**Mr. Rajinder Ahuja** Group Head – HSE and Sustainability **Vedanta Limited** Core 6, 3rd Floor, Scope Complex 7, Lodhi Road, New Delhi - 110 003 Tel: +91 011 4226 2300 Email: sustainability@vedanta.co.in
Queries related to Debenture issued by the Company:	**Debenture Trustee:** Axis Trustee Services Limited Axis House, 2nd Floor, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai - 400 025 Tel: +91 22 2425 2525 Fax: +91 22 2425 4200

Annual General Meeting for FY 2023

Date and Time

- 12 July 2023
- 3:00 p.m IST

Virtual AGM

Virtual Annual General Meeting with live webcast and facility to participate through Video Conferencing/ other audio-visual means for shareholders for attending the AGM from their respective places. Respected Shareholders are requested to kindly join the meeting through VC/OAVM facility by following the instructions provided in the notes to the AGM Notice.

The joining links for the AGM and other details can be accessed at: www.vedantalimited.com/vedanta2023/

Frequently Asked Questions ("FAQs")

A set of FAQs made available for the shareholders on the Company's website at www.vedantalimited.com and NSDL website for a seamless participation through VC/OAVM.

Online Chat Facility

Facility to submit suggestions, feedbacks or questions online during the conduct of the meeting will be provided to the members.

Online Speaker Registration

Members who desire to speak at the AGM can pre-register as speakers by sending request to the Company as per the instructions provided in the Notice convening the Meeting.

Prior to AGM, site testing with the registered speaker shareholders shall be conducted to ensure smooth participation during the AGM.

E-Voting Facility

- Remote e-voting facility will be provided to the shareholders before the date of AGM.
- The Company will also provide remote e-voting facility to the members during the AGM till 15 minutes post conclusion of the meeting to ensure participation and voting through electronic means.

Transcript of AGM

Recorded transcript of AGM will be made available on the website of the Company.

Financial Year

The Financial Year of Company commences from 01 April and concludes on 31 March of each year. Each quarter, the Company reviewed and approved its financials. The previous and tentative dates for approval of the financials for FY 2023 and FY 2024 are as follows:

FY 2023

- 1st Quarter: 28 July 2022
- 2nd Quarter: 28 October 2022
- 3rd Quarter: 27 January 2023
- 4th Quarter: 28 April 2023

FY 2024

- 1st Quarter: End of July 2023
- 2nd Quarter: End of October 2023
- 3rd Quarter: End of January 2024
- 4th Quarter: End of April 2024

Dividend and Capital Allocation

Dividend Distribution Policy

In terms of the provisions of Regulation 43A of the Listing Regulations, the Company has adopted Dividend Distribution Policy to determine the distribution of dividends in accordance with the applicable provisions. The policy can be accessed on the website of the Company at www.vedantalimited.com.

With consistent dividend as a healthy sign of our sustained growth, our firm belief in percolating the benefits of our business progress for widespread socioeconomic welfare facilitates the equitable sharing of our economic value generated. Attaining steady operational performance and a harmonised market environment in continuation of the historical trends helped us to reaffirm the realisation of competent numbers for FY 2023.

Dividend for FY 2023

For the period under review, the Company has declared and paid interim dividend as detailed below:

1st Interim Dividend		2nd Interim Dividend		3rd Interim Dividend		4th Interim Dividend		5th Interim Dividend		Total Dividend
₹31.50 per share	+	₹19.50 per share	+	₹17.50 per share	+	₹12.50 per share	+	₹20.50 per share	=	₹101.50 per share

~30% dividend yield with record dividend declaration of ₹101.50/share in FY 2023

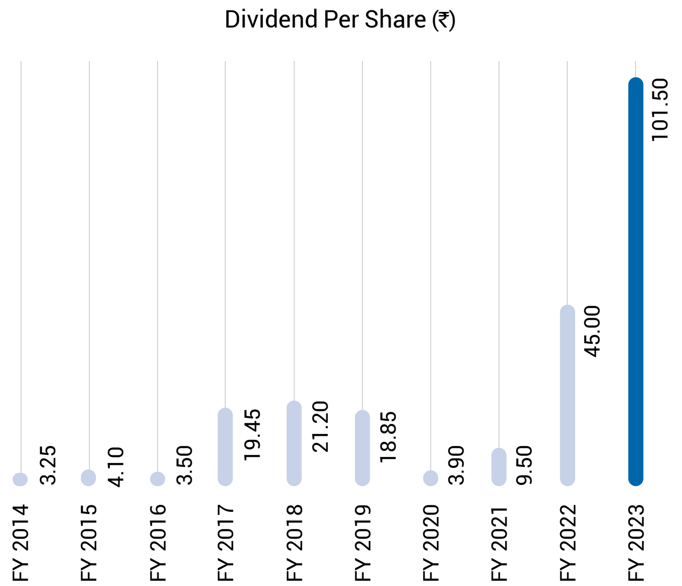
The complete details on date of declaration, date of payment, record date, total pay-out are detailed in the Directors' Report forming part of this Annual Report. The payment of the above-mentioned dividend was duly completed within the statutory timelines.

Further, the Board has not recommended any final dividend for FY 2023.

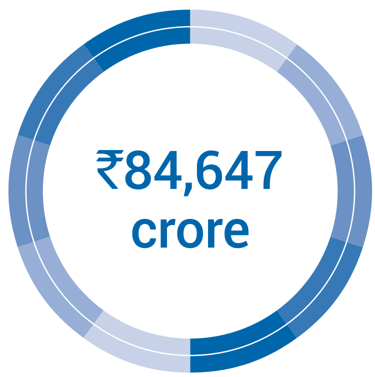
Shareholders Value Creation

Vedanta has a consistent track record of rewarding its shareholders with strong dividend pay-out. The Company has paid attractive dividend amounting to ₹84,647 crore in last 10 years. The details of the same have been summarised below:

Dividend History



Dividend Payout in Last 10 Years



Capital Allocation Policy

Your Company has always strived to maintain an optimal capital allocation to strengthen the balance sheet. The approach has always been to grow sustainably and with financial prudence and in the line with the same, the below guiding principles forms part of the Company's Capital Allocation Policy:

- A consistent, disciplined, and balanced allocation of capital with long-term Balance Sheet management
- Maintain optimal leverage ratio (Net Debt/EBITDA) at consolidated level
- Overall capital allocation will maximise Total Shareholders Returns (**"TSR"**)

Disciplined Capital Allocation Framework

Key Strategic Priority | **Optimise Leverage Ratio**

- Intend to deleverage at group level
- Leverage ratio at the Company should not be more than 1.5x.

CAPITAL ALLOCATION

Capital Expenditure

Project Capex

- Volume augmentation, cost reduction or creating value-added products are key guiding principles for all projects
- Growth projects to ensure minimum guidelines for IRR - 18%

Sustaining Capex

- All sustaining capital expenditure to be a part of Business Plan
- Sustaining capex to be defined and tracked in US$/tonne

Dividend

- Minimum 30% of Attributable Profit after tax (before exceptional items) of Company (excluding profits of HZL)
- Dividend income received from HZL will be pass through within 6 months

Mergers and Acquisitions

- Intent to enhance value via acquiring accretive assets/business that have: synergies with existing line of core businesses

Maximise Total Shareholder's Return

Listing Details

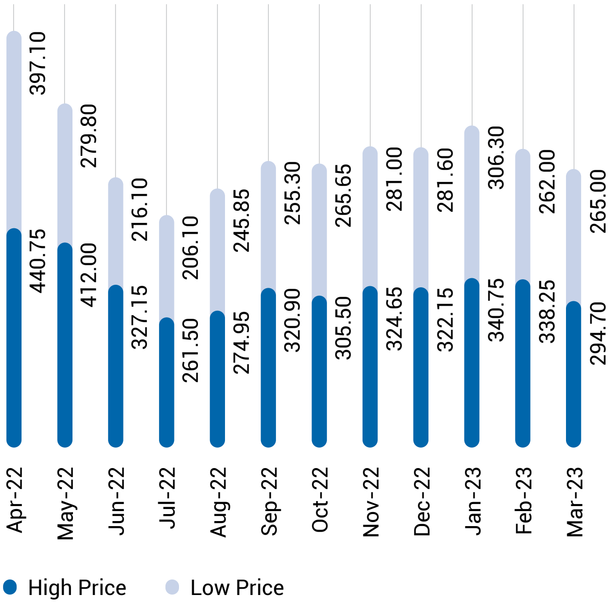
Particular		Scrip Code	ISIN Code
Indian Stock Exchange	BSE Limited (**"BSE"**) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	500295	INE205A01025
	National Stock Exchange of India Limited (**"NSE"**) Exchange Plaza, Plot No. C/1, G-Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	VEDL	INE205A01025

Notes:

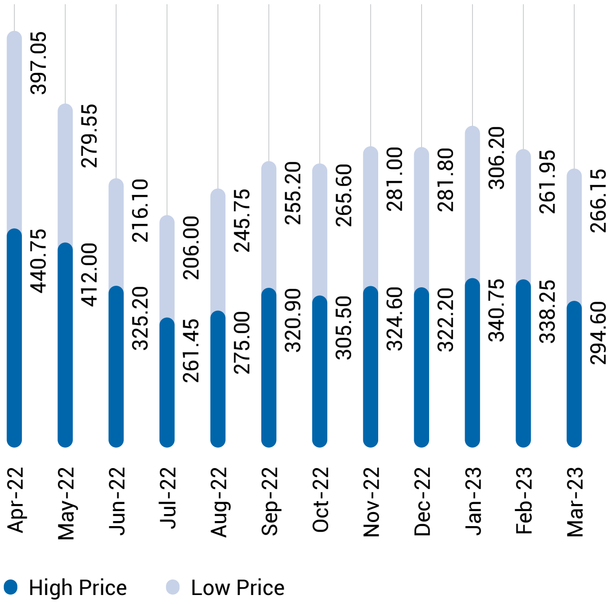
1. *Non-Convertible Debentures of the Company are listed on BSE, details of the same are provided later in this report.*
2. *Commercial Papers of the Company are listed on NSE, details of the same are provided later in this report.*
3. *Company has paid annual listing fees for FY 2024 to all the Stock Exchanges, where the securities of the Company are listed.*
4. *During the year, none of the securities of the Company were suspended from trading.*
5. *No funds were raised through Preferential Allotment or Qualified Institutional Placement as per the Regulation 32(7A) of Listing Regulations.*

Stock Price Data for FY 2023

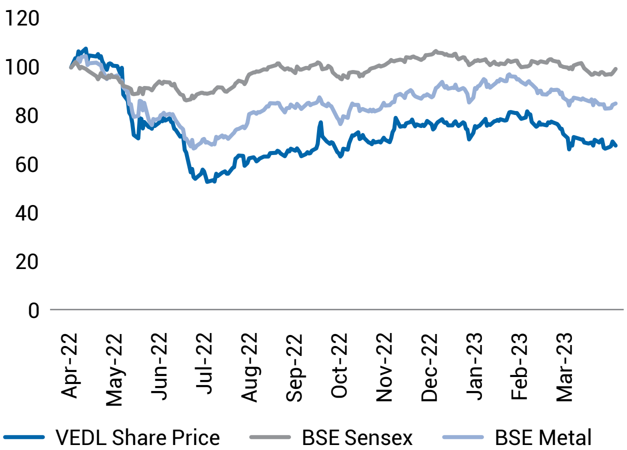
BSE: HIGH-LOW PRICE (in ₹)



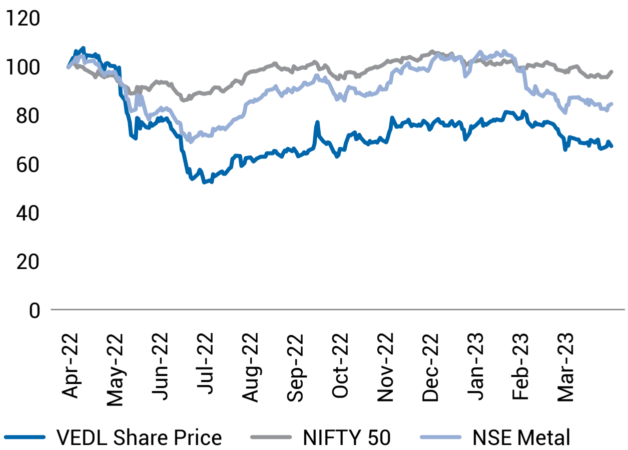
NSE: HIGH-LOW PRICE (in ₹)



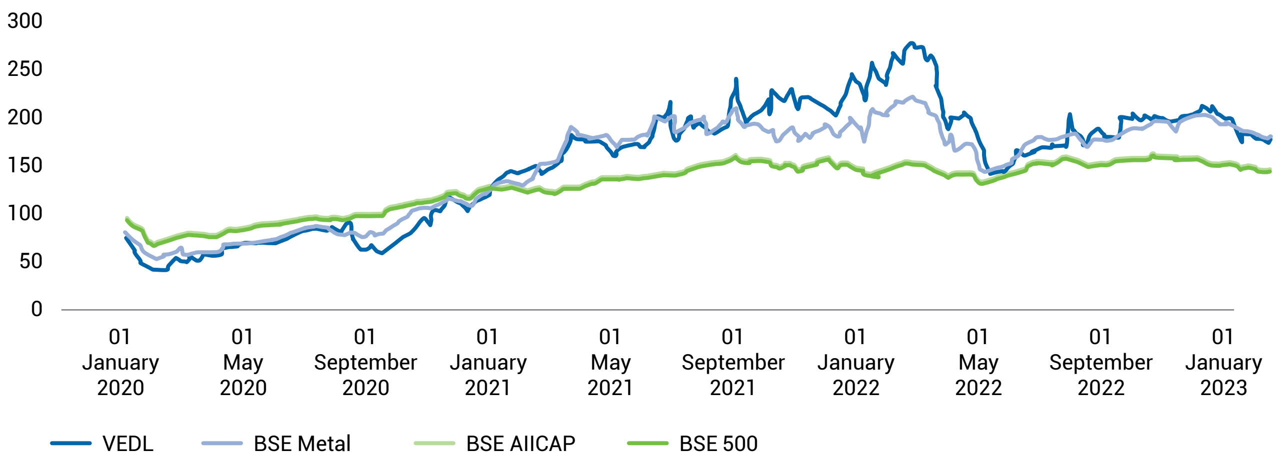
VEDL Share Price v/s BSE Sensex v/s BSE
Metal Index



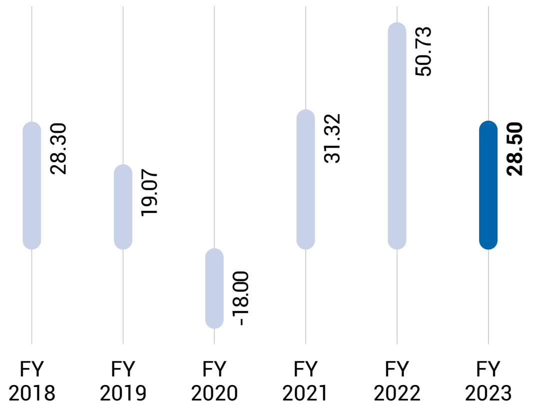
VEDL Share Price v/s NIFTY 50 v/s NSE
Metal Index



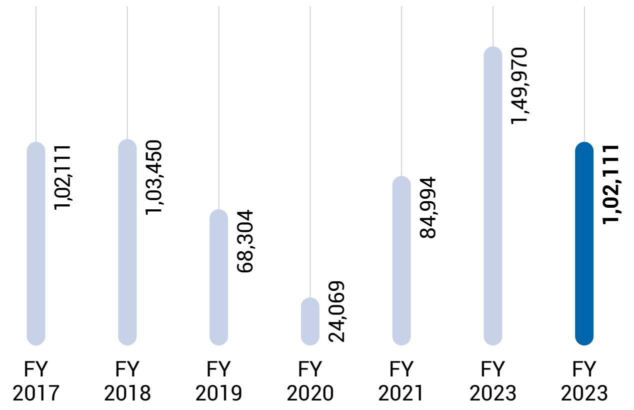
Market Indices



EPS (₹)



Market Cap (₹ crore)



Share Transfer System

As part of the effective shareholder management and grievance redressal processes, various shareholder requests received by the Company through RTA are processed in the following manner:

Request received by RTA

Requests relating to transfer, transmission, transposition, change of name, deletion of name are received from shareholders having physical shareholding;

Document Verification

The Company RTA, verifies the authenticity of documents submitted by shareholders;

RTA thereafter, sends the requests to the Company for processing;

Approval

The Company also inspects and confirms the veracity and validity of documents;

Requests are then approved by the duly constituted Share and Debenture Transfer Committee designated for the share transfer procedures;

Communication to Shareholder

Post Committee approval, RTA completes the process and communicates to the respective shareholders;

Requests are generally processed within 15 days of receipt of the documents, if documents are clear and found to be in order in all respects.

In addition to the above, a compliance certificate is issued on an yearly basis by a Company Secretary in Practice pursuant to Regulation 40(9) of Listing Regulations reiterating due compliance of share transfer formalities by the Company within timelines as required under the applicable provisions.

Shareholders are informed that in case of any dispute against the Company and/or its RTA on delay or default in processing your requests, as per SEBI Circular dated 30 May 2022, an arbitration can be filed with the Stock Exchanges for resolution.

Reconciliation of Share Capital Audit

As required by the Listing Regulations, quarterly audit of the Company's share capital is being carried out by a Company Secretary in Practice with a view to reconcile the total share capital admitted with NSDL and CDSL and held in physical form, with the issued and listed capital. The reports for Share Capital Audit Reconciliation and Compliance Certificates obtained in line with the statutory requirements are meticulously filed with the Stock exchanges on a timely basis and also placed before the Board of Directors.

Capital Evolution

The details of capital evolution of the Company can be accessed on the website of the Company at www.vedantalimited.com.

Shareholding Distribution

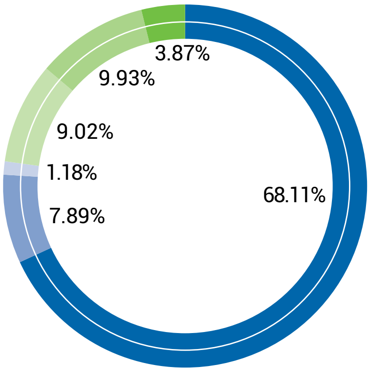
Shareholding according to shareholders class as on 31 March 2023

Shareholding of Nominal value of ₹1/-	No. of shareholders	% of Total shareholders	No. of shares held	Shareholding (%)
1-5000	14,47,938	99.29	25,14,02,256	6.76
5001- 10000	5,986	0.41	4,32,26,934	1.16
10001- 20000	2,451	0.17	3,44,54,947	0.93
20001- 30000	658	0.05	1,61,37,819	0.43
30001- 40000	313	0.02	1,09,36,035	0.30
40001- 50000	175	0.01	79,35,304	0.21
50001- 100000	321	0.02	2,28,64,201	0.62
100001 & Above	476	0.03	3,33,02,41,543	89.59
TOTAL	**14,58,318**	**100.00**	**3,71,71,99,039**	**100.00**

Sr. No.	Category	31 March 2023	
		No. of shares held Face value ₹1/-	Percentage of shareholding
(a)	**Promoter and Promoter Group**		
	Indian promoters	1,60,656	0.00%
	Foreign promoters	2,53,16,89,293	68.11%
	Total (a)	**2,53,18,49,949**	**68.11%**
(b)	**Public**		
	Domestic Institutional Investors (Mutual Funds, Venture Capital Funds, Alternate Investment Funds, Banks, Insurance Companies, Pension Funds/Provident Funds, Asset Reconstruction Companies, Sovereign Wealth Funds, NBFCs etc.)	37,92,97,083	10.20%
	Foreign Institutional Investors (Foreign Direct Investment, Foreign Venture Capital Investors, Sovereign Wealth Funds, Foreign Portfolio Investors, Overseas Depositories, Banks etc.)	29,32,24,835	7.89%
	Central Government/State Government(s)	25,31,674	0.07%
	Associate Companies/Subsidiaries	0	0.00%
	Directors and their relatives (excluding independent directors and nominee directors)	1,02,023	0.00%
	Key Managerial Personnel	11,175	0.00%
	Relatives of promoters	0	0.00%
	Trusts where any person belonging to 'Promoter and Promoter Group' category is 'trustee', 'beneficiary', or 'author of the trust	0	0.00%
	Investor Education and Protection Fund (**"IEPF"**)	55,42,888	0.15%
	Resident Individuals	35,31,66,448	9.50%
	Non-Resident Indians (**"NRI"**)	1,32,16,204	0.36%
	Foreign Nationals	3,059	0.00%
	Foreign Companies	18,42,769	0.05%
	Bodies Corporate	5,82,21,936	1.57%
	Clearing Members	6,18,03,484	1.66%
	HUF	1,17,00,596	0.31%
	Trusts	6,79,841	0.02%
	Total (b)	**1,18,13,44,015**	**31.78%**
(c)	**Non-Promoter Non-Public**		
	ESOS Trust	40,05,075	0.11%
	Total (c)	**40,05,075**	**0.11%**
	Grand Total (a)+(b)+(c)	**3,71,71,99,039**	**100.00%**

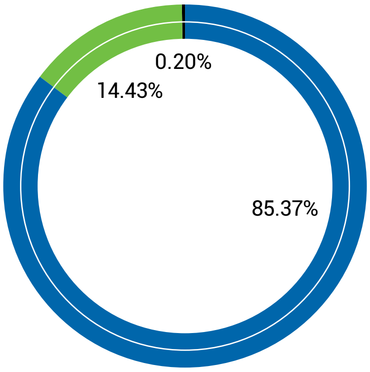
1. *As on 31 March 2023, the shareholding of Vedanta Netherlands Investment B.V. ("**VNIB**") (Promoter Group) in the Company has been reduced to 50,14,714 equity shares. Hence, the total shareholding of Promoter and Promoter Group has been reduced from 69.69% to 68.11%.*
2. *3,05,832 equity shares are under abeyance category, pending for allotment as they are sub judice.*

Shareholding Distribution as on 31 March 2023



- Promoter and Promoter Group
- Foreign Institutional Investors
- Domestic Institutional Investors
- LIC
- Individuals (Indian Resident, NRIs, Directors, KMP etc.)
- Others - Bodies Corporate, HUF, Trusts, Foreign Nationals, IEPF etc.

Dematerialisation of Shares and Liquidity



- NSDL
- CDSL
- Physical

The shares of the Company are compulsorily traded in dematerialised form on the stock exchanges. As on 31 March 2023, ~99% shares of the Company are held in dematerialised form.

Pursuant to the amendment in Listing Regulations, post 01 April 2019, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialised form with a depository.

The equity shares of the Company are freely tradable in the market and are among the most liquid and actively traded shares in the stock exchanges.

Listing of Debt Securities

Non-Convertible Debentures

The following Secured Redeemable Non-Convertible Debentures ("**NCDs**") are listed with BSE as on 31 March 2023:

S. No.	ISIN	Issuance date	Maturity date	Coupon rate	Payment frequency	No. of NCDs (Face value of ₹10 lakh each)	Amount issued (₹ in crore)
1	INE205A07196	25 February 2020	25 February 2030	9.20%	Annual	20,000	2,000
2	INE205A07212	31 December 2021	31 December 2024	7.68%	Annual	10,000	1,000
3	INE205A07220	29 June 2022	29 June 2032	8.74%	Annual	40,890	4,089
4	INE205A08012	16 December 2022	15 March 2024	3M T Bill Linked	Annual	8,000	800

Commercial Papers

The following Commercial Papers ("**CPs**") are listed with NSE as on 31 March 2023:

S. No.	ISIN	Issuance date	Maturity date	Face Value (₹)	Total No. of Securities	Amount Issued (₹ in crore)
1	INE205A14WR8	18 July 2022	17 July 2023	5,00,000	10,000	500

Credit Ratings

Your Company is rated by CRISIL and India Rating and Research Private Limited (**"India Ratings"**) on its various debt instruments.

	Status as on 31 March 2022		Status as on 31 March 2023		Date of Action	
	CRISIL	India Ratings	CRISIL	India Ratings	CRISIL	India Ratings
Bank Loans	CRISIL AA/ Outlook Stable	IND AA/ Outlook Stable	CRISIL AA/ Outlook Negative	IND AA/ Outlook Negative	The long-term rating has been maintained at "AA". However, Outlook has been revised to negative in FY 2023. The ratings affirmation factors in robust operating profitability significantly higher than pre-pandemic levels. Further, consolidated EBITDA is expected to increase to more than ₹40,000-42,000 crore from fiscal 2024, driven by healthy commodity prices that are expected to remain stable around current levels, robust operating rates across key businesses, increased volume growth in Aluminium business supported by commissioning of new capacity during fiscal 2024 along with expected reduction in cost of production for Aluminium business on the back of alumina refinery expansion and commissioning of captive coal mines. The revision in outlook reflects possibility of higher-than-expected financial leverage and lower financial flexibility with reducing ratio of cash surplus to 1-year maturities for fiscals 2023 and 2024.	The long-term rating has been maintained at "AA". However, Outlook has been revised to negative in FY 2023. The affirmation reflects expectation of the consolidated net adjusted leverage (including VRL's debt; (adjusted debt net of cash/EBITDAR)) in the range of 2.5x-2.75x in FY 2024, FY 2025, supported by an improvement in VDL's absolute EBITDA (₹400 billion - ₹450 billion) on account of the increased operating leverage from higher capacities, improving backward integration, healthy domestic demand, correction in commodity spreads and cost-efficient operations in key business segments, despite a moderation from the historical levels. The Outlook revision reflects the elevated risk of refinancing at an increased cost of borrowing with scheduled material debt repayments at VDL and VRL in FY 2024 and FY 2025.
Working Capital Lines	CRISIL AA/ Outlook Stable/ CRISIL A1+		CRISIL AA/ Outlook Negative/ CRISIL A1+		Same as above	NA
Non-Convertible Debentures	CRISIL AA/ Outlook Stable	IND AA/ Outlook Stable	CRISIL AA/ Outlook Negative	IND AA/ Outlook Negative	Same as above	Same as above
Commercial Papers	CRISIL A1+	IND A1+	CRISIL A1+	IND A1+	No Change	No Change

Plant Locations

Division	Location
Copper Anodes (Smelter), Refinery, Continuous Cast Copper Rods	SIPCOT Industrial Complex, Madurai By-pass Road, T.V. Puram PO, Tuticorin – 628 002, Tamil Nadu, India
Copper Cathodes (Refinery) and Continuous Cast Copper Rods/Wire	1/1/2 Chinchpada, Silvassa – 396 230, Union Territory of Dadra and Nagar Haveli, India
	1/1/1/1 Chinchpada, Silvassa – 396 230, Union Territory of Dadra and Nagar Haveli, India
	Gat 201, Plot no. 2, 3, 4, 5, 6 and 7 Pune Old Highway, Takwe Khurd. Post Kamshet. Taluka Maval, Dist Pune – 410 405, Maharashtra, India**
Continuous Cast Copper Rods	209-B, Piparia Industrial Estate, Piparia, Silvassa – 396 230, Union Territory of Dadra and Nagar Haveli, India
	Ratnagiri – Y 1, R 57 Zaadzadgaon Block, MIDC, Zadgaon, Ratnagiri – 415 639, Maharashtra, India **
Iron Ore – Mining	Meghalahalli Office Complex, Near Meghalahalli Village, Bheemasamudra - 577 520, Dist. Chitradurga, Karnataka
	Amona Beneficiation Plant – Plot No. Survey No 39, 41, 36/1 (Part), 37 (Part), 42/1 (Part), 43/1 (Part), Survey No. 39, Marcel, Amona, Bicholim, North Goa – 403 107, India
Pig Iron Division 1	Plot No. Survey No. 39, 41, 36/1 (Part), 37 (Part), 42/1 (Part), 43/1 (Part), Survey No. 39, Marcel, Amona, Bicholim, North Goa – 403 107, India
Metallurgical Coke (Met Coke)	Plot No. Survey No. 205, 206, 207, 43/1, 44/4, 44/5, Navelim, P. O., Navelim, Bicholim, North Goa – 403 505, India
	Sy No. 192, 193, Vazare, Dodamarg, Sindhudurg, Maharashtra – 416 512, India
Pig Iron Division 2	Plot No. Survey No. 177 & 120 (part), Survey No. 120, Subdiv No.1, Navelim, P. O., Navelim, Bicholim, North Goa – 403 505, India
Aluminium Smelters	PMO Office, Bhurkahamuda, PO - Sripura, Dist. Jharsuguda, Odisha – 768 202, India
Alumina Refinery	Alumina Refinery Project, At/PO – Lanjigarh, Via – Biswanathpur, Kalahandi, Lanjigarh, Odisha – 766 027, India
Aluminium	Post Box No. 4, Mettur Dam R.S. - 636 402, Salem District, Tamil Nadu, India
	Gat No. 924, 925, 926 and 927. Sanaswadi Taluka Shirur. Dist. Pune – 412 208, Maharashtra, India**
Power	Bhurkahamunda, PO - Sripura, Dist. Jharsuguda, Odisha - 768 202, India
	SIPCOT Industrial Complex, Meelavitan, Tuticorin, Tamil Nadu - 628 002, India
Oil & Gas	• **Assets** (a) RJ-ON-90/1 - Barmer Basin - India (b) CB/OS-2 - Cambay Basin - India (c) PKGM-1 Ravva - Krishna Godavari Basin - India (d) KG-ONN-2003/1- Krishna Godavari Basin - India (e) KG-OSN-2009/3 - Krishna Godavari Basin - India (f) KG/ONDSF/Kaza/2018 - Krishna Godavari Basin - India (g) AA-ONHP-2017/1 - Assam Basin - India (h) AA-ONHP-2017/6 - Assam Basin - India (i) AA-ONHP-2017/14 - Assam Basin - India (j) AA-ONHP-2017/4 - Assam Basin - India (k) AA-ONHP-2017/5 - Assam Basin - India (l) AA-ONHP-2017/8 - Assam Basin - India (m) AA-ONHP-2017/9 - Assam Basin - India (n) AA-ONHP-2017/11 - Assam Basin - India (o) AA-ONHP-2017/15 - Assam Basin - India (p) AA-ONHP-2017/2 - Assam Basin - India (q) AA-ONHP-2017/3 - Assam Basin - India (r) AA/ONDSF/Hazarigaon/2018 - Assam Basin - India (s) KG-OSHP-2017/1 - Krishna Godavari Basin - India

Division	Location
	(t) KG-DWHP-2017/1- KG Deepwater Basin - India (u) CY-OSHP-2017/1- Cauvery Basin - India (v) CY-OSHP-2017/2- Cauvery Basin - India (w) GK-ONHP-2017/1- Gujarat Kutch Basin - India (x) GK-OSHP-2017/1- Gujrat Kutch Basin - India (y) GS-OSHP-2017/1- Gujrat Kutch Basin - India (z) GS-OSHP-2017/2- Gujrat Kutch Basin - India (aa) MB-OSHP-2017/2- Mumbai Basin - India (bb) RJ-ONHP-2017/5- Barmer Basin - India (cc) RJ-ONHP-2017/6- Barmer Basin - India (dd) RJ-ONHP-2017/7- Barmer Basin - India (ee) RJ-ONHP-2017/1- Barmer Basin - India (ff) RJ-ONHP-2017/2- Barmer Basin - India (gg) RJ-ONHP-2017/3- Barmer Basin - India (hh) RJ-ONHP-2017/4- Barmer Basin - India (ii) CB-ONHP-2017/1- Cambay Basin - India (jj) CB-ONHP-2017/7- Cambay Basin - India (kk) CB-ONHP-2017/10- Cambay Basin - India (ll) CB-ONHP-2017/6- Cambay Basin - India (mm) CB-ONHP-2017/2- Cambay Basin - India (nn) CB-ONHP-2017/3- Cambay Basin - India (oo) CB-ONHP-2017/4- Cambay Basin - India (pp) CB-ONHP-2017/5- Cambay Basin - India (qq) CB-ONHP-2017/11- Cambay Basin - India (rr) HF-ONHP-2017/1- Himalaya Foreland Basin - India (ss) GV-ONHP-2017/1- Ganga Valley Basin - India (tt) CB-ONHP-2018/1- Cambay Basin - India (uu) GK-OSHP-2018/1- Gujarat Kutch Basin - India (vv) GK-OSHP-2018/2- Gujarat Kutch Basin - India (ww) MN-OSHP-2018/1- Mahanadi Basin - India (xx) RJ-ONHP-2018/1- Barmer Basin - India (yy) AA-ONHP-2018/1- Assam Basin - India (zz) CB-ONHP-2018/3- Cambay Basin - India (aaa) CB-ONHP-2018/4- Cambay Basin - India (bbb) AA/ONDSF/TUKBAI/2021- Assam Basin - India (ccc) AA/ONDSF/PATHARIA/2021- Assam Basin - India (ddd) CB/OSDSF/AMBE/2021- Cambay Basin - India (eee) GK/OSDSF/GK1/2021- Gujarat Kutch Basin - India (fff) MB/OSDSF/BH68/2021-Mumbai Basin - India (ggg) MB/OSDSF/B174/2021-Mumbai Basin - India (hhh) KG/OSDSF/G4/2021– Krishna Godavari Basin– India (iii) VN/ONDSF/NOHTA/2021-Madhya Pradesh Basin - India (jjj) SR-ONHP-CBM-2021/5-Chhattisgarh Basin - India • **Pipeline** (a) Radhanpur Terminal, Patan, Gujarat - 385 340, India (b) Viramgam Terminal, Viramgam, Ahmedabad, Gujarat - 382 150, India (c) Bhogat Terminal, Bhogat Jam Kalyanpur Devbhumi Dwarka, Gujarat - 361 315, India

Division	Location
	• **Plant** (a) Mangala Processing Terminal, Barmer, Rajasthan Nagana Village, Near Kawas, NH112, Barmer - 344 035, Rajasthan, India (b) Raageshwari Gas Terminal, Rajasthan, India (c) Suvali Onshore Terminal, Gujarat, India Survey No. 232, Suvali, Surat Hazira Road, Surat - 394 510, Gujarat, India (d) Raava Onshare Terminal, Andhra Pradesh Surasani Yanam, Uppalaguptam Mandal, East Godavari District -533 213, Andhra Pradesh, India (e) Nagayalanka EPS Facility, Andhra Pradesh Nagayalanka GGS, Vakkapatlavaripalem Village, Nagayalanka Mandal, Krishna District - 521 120, Andhra Pradesh, India (f) KW-2 updip: Khasra No. 513, 514, 514/1, 514/3, 524, 524/10, 524/12, 526, 532, 533, Barmer to Gudamalani Road, Dholpaliyanada Barmer - 344 001, Rajasthan, India (g) Jaya Jambusar: Land Survey Nos.: 317/319/320 and 321 of village Amanpur Mota, Jambusar Bharuch - 392 180, Gujarat, India (h) Hazarigaon: Hazarigaon Wellpad, Barapathar, Golaghat - 785 601, Assam, India
Paper	GIDC Doswada, Ta. Fort Songadh, District Tapi, Gujarat - 394 365, India **

***Non-operational unit*

Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

Fluctuation in commodity prices

Impact: Prices and demand for the Group's products are expected to remain volatile/uncertain and strongly influenced by global economic conditions. Volatility in commodity prices and demand may adversely affect our earnings, cash flow and reserves.

Mitigation: Our Group has a well-diversified portfolio, which acts as a hedge against fluctuations in commodities and delivers cash flows through the cycle. We consider exposure to commodity price fluctuations to be an integral part of our Group's business and its usual policy is to sell its products at prevailing market prices, and not to enter into long-term price hedging arrangements. However, to minimise price risk for finished goods where price of raw material is also determined by same underlying base metal prices (e.g. purchase of alumina, copper concentrate for manufacturing and selling copper and aluminium products, respectively) we employ back-to-back hedging. In exceptional circumstances, we may enter into strategic hedging with prior approval of the EXCO. The Group monitors the commodity markets closely to determine the effect of price fluctuations on earnings, capital expenditure and cash flows.

Currency exchange rate fluctuations

Impact: Our assets, earnings and cash flows are influenced by a variety of currencies due to the diversity of the countries in which we operate. Fluctuations in exchange rates of those currencies may have an impact on our financials. Although the majority of the Group's revenue is tied to commodity prices that are typically priced by reference to the US dollar, a significant part of its expenses are incurred and paid in local currency. Moreover, some of the Group borrowings are denominated in US dollars, while a large percentage of cash and liquid investments are held in other currencies, mainly in the Indian rupee. Any material fluctuations of these currencies against the US dollar could result in lower profitability or in higher cash outflows towards debt obligations.

Mitigation: We do not speculate in forex. We have developed robust controls in forex management to monitor, measure and hedge currency risk liabilities. The Committee of Directors reviews our forex-related matters periodically and suggests necessary courses of action as may be needed by businesses from time to time, and within the overall framework of our forex policy.

Exposures on foreign currency loans are managed through the Group-wide hedging policy, which is reviewed periodically to ensure that the results from fluctuating currency exchange rates are appropriately managed. The Group strives to achieve asset liability offset of foreign currency exposures and only the net position is hedged. The Group uses forward exchange contracts, currency swaps and other derivatives to hedge the effects of movements in exchange rates on foreign currency denominated assets and liabilities. The sources of foreign exchange risk are outstanding amounts payable for imported raw materials, capital goods and other supplies as well as financing transactions and loans denominated in foreign currencies. The Group is also exposed to foreign exchange risk on its net investment in foreign operations. Most of these transactions are denominated in US dollars. Short-term net exposures are hedged progressively based on their maturity. A more conservative approach has been adopted for project expenditures to avoid budget overruns, where cost of the project is calculated taking into account the hedge cost. However, all new long-term borrowing exposures are being hedged. The hedge mechanisms are reviewed periodically to ensure that the risk from fluctuating currency exchange rates is appropriately managed.

S. No.	Commodity Name[1]	Exposure[2] in ₹ towards the particular commodity	Units	Exposure in quantity towards the particular commodity	% of such exposure hedged through commodity derivatives				
					Domestic market		International market		Total
					OTC	Exchange	OTC	Exchange	
1	Aluminium	39,263	kt	1,735	0%	0%	0%	38%	38%
2	Oil	6,679	mmboe	10	0%	0%	31%	0%	31%
3	Gas	1,552	mmscf	341	0%	0%	0%	0%	0%
4	Copper[3]	24,835	kt	351	0%	0%	0%	91%	91%
5	Silver[3]	30	Oz	1,73,854	0%	0%	85%	0%	85%
6	Gold[3]	890	Oz	61,641	0%	85%	0%	0%	85%

1. *Commodity means a commodity whose price is fixed by reference to an international benchmark and having a material effect on the financial statements.*
2. *Exposure for Aluminium and Oil is based on sales and closing stock and that for Gas is based on sales.*
3. *Gold and Silver are sold in the form of anode slime/copper concentrate. Anode slime is the residue formed while refining copper. Exposure for Copper (including Gold and Silver) is based on opening stock, purchases and sales. Percentage of exposure not hedged represents unpriced transactions as at 31 March 2023 as the same will be hedged as per the Company's policy and contractual terms once price period is fixed.*

OTHER DISCLOSURES

Details of Loans and Advances by the Company and its Subsidiaries in the nature of loans to firms/companies in which Directors are interested

The aforesaid details are provided in the financial statements of the Company forming part of this Annual Report. Please refer to Note 41 of the standalone financial statements.

Total fees for all services on a consolidated basis to the Statutory Auditor

Particulars	March 2023 (₹ in crore)*
Audit fees (audit and review of financial statements)	20
Certification and other attest services	0
Tax matters	-
Others	1
Total	**21**

*exclusive of GST

Framework for monitoring Subsidiary Companies

The details of the material subsidiaries of the Company have been elucidated in the Directors' Report forming part of Annual Report. The Company has complied with the provisions of Listing Regulations with respect to material subsidiary for FY 2023.

The Company has in place a policy on **Determining Material Subsidiary,** duly approved by the Board in conformity with the Listing Regulations. which can be accessed at www.vedantalimited.com.

The subsidiary companies have their separate independent Board of Directors authorised to exercise all the responsibilities, duties and rights for effective monitoring and management of the subsidiaries.

The Company supervises and monitors the performance of subsidiary companies:

- On a quarterly basis, the minutes of each of the Board and Audit Committee Meeting of the subsidiary companies and a statement of all significant transactions of the subsidiary companies are placed before the Board of Directors and Audit & Risk Management Committee for their review and noting.
- Quarterly presentations are made to the Audit & Risk Management Committee and Board on the Key accounting matters, tax matters and legal cases relating to subsidiaries.
- Significant Internal Audit Observations of the subsidiaries are made to the Audit & Risk Management Committee on a quarterly basis.
- Presentations are made to the Company's Board on business performance by the senior management of major subsidiaries of the Company.
- Certain matters of the subsidiaries relating to Financial and Planning and Commercial are reserved for approval of the Board or Committee of Directors of the Company.
- Subsidiaries are subject to applicable Statutory Audit and Secretarial Audit.

Further, appropriate disclosures related to subsidiaries are made in Financial Statements/Directors' Report of the Company as per the Act and Listing Regulations.

Materially Significant Related Party Transactions

A comprehensive note on material significant related party transactions forms part of Directors' Report.

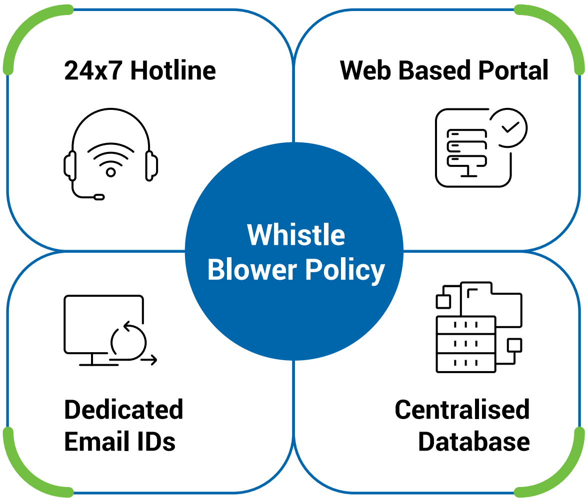
Your Company has in place a policy on Related Party Transactions, which envisages the procedure governing Related Party Transactions entered into by the Company. The said policy was revised in the Board meeting held on 28 March 2023 effective from 01 April 2023 and displayed on the Company's website at www.vedantalimited.com.

Non-Compliance by the Company, Penalties, Strictures imposed by Stock Exchange or SEBI or any Statutory Authority on any matter related to capital markets during the last three (03) years

SEBI has vide its order dated 19 May 2021 imposed a penalty of ₹5 crore on erstwhile Cairn India Limited (merged with Vedanta Limited in 2017) under Section 15HA of SEBI Act for violation of Regulation 3(a),(b),(c),(d) Regulation 4(1) and 4(2)(k) and (r) of SEBI (Prevention of Fraudulent and Unfair Trade Practices) Regulations, 2003 and a penalty of ₹25 lakh under Section 15HB of SEBI Act for violation of Regulation 19(1)(a) of SEBI (Buyback) Regulations, 2003 for not completing the buyback offer in the year 2014. The Company has filed an appeal against the said order. The same is pending before Securities Appellate Tribunal and the final order is awaited.

Vigil Mechanism/Whistle Blower Policy

Vedanta continues to assure utmost commitment towards highest standards of morals and ethics in the conduct of business. The employees have been provided comprehensive access to lodge any complaint against the Company's accounting practices, internal controls, auditing matters or any such suspected incidents of fraud or violation of the Company's Code of Conduct that could adversely impact Company operations, business performance and/or reputation.



All the employees of the Company and its subsidiaries are encouraged and expected to raise their concerns. The Audit & Risk Management Committee has laid down the procedure governing the receipt, retention, and treatment of complaints. Your Company has a Whistle Blower Policy in place as part of the Vigil Mechanism which can be accessed at www.vedantalimited.com.

All the complaints are reported to the Director – MAS, who is independent of operating management and the businesses. In line with global practices, dedicated email IDs (sgl.whistleblower@vedanta.co.in), a centralised database, a 24x7 whistle blower hotline and a web-based portal (www.vedanta.ethicspoint.com) have been created and implemented to facilitate receipt and redressal of complaints.

The Company hereby affirms that no personnel have been denied access to the Chairperson of Audit & Risk Management Committee.

Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The detailed disclosure forms part of the Directors' Report.

COMPLIANCES

Discretionary Requirements

The Board

As on 31 March 2023, the Board of the Company is chaired by a Non-Executive Director who maintains the Chairman's office at the Company's expense.

Shareholder's Rights

Quaterly financial results are sent to the shareholders whose E-mail IDs are registered with the Company.

Additionally, news releases, institutional investor/analyst presentations, annual reports and other governance documents are also made available to the shareholders through Company website.

Unmodified Opinion in Audit Report

During the year under review, the Independent Auditors have issued an unmodified opinion on true and fair view of the Company's financial statements.

Reporting of Internal Auditors

The same is reported by briefing the Audit & Risk Management Committee through discussion and presentation of the observations, review, comments and recommendations, amongst others in the Internal Audit presentation by the Company's Internal Management Assurance.

Separation of Roles of CEO and Chairman

The roles and responsibilities of the Chairman and CEO have been distinctively defined and the positions are held by separate individuals for better efficiency.

ESG Committee

With the integration of ESG parameters into the decision-making of investors; increasing focus of regulatory bodies on ESG reporting and disclosures round the globe; and in line with upholding our core commitment and Board oversight on ESG priorities, the Board, in its meeting held on 26 July 2021, approved the enhancement of the scope of the erstwhile Sustainability Committee and upgraded it to Board-level ESG Committee to strengthen Board-level rigour and advice into all aspects of ESG.

Board Diversity Policy

The Company as part of best governance practices has adopted the Board Diversity Policy as a sub-set of NRC Policy to ensure an inclusive and diverse membership of the Board of Directors of the Company resulting in optimal decision-making and assisting in the development and execution of a strategy which promotes success of Company for the collective benefit of its stakeholders.

Corporate Governance requirements specified in Regulation 17 to 27 and Regulation 46 of the Listing Regulations

Your Company has complied with all the mandatory corporate governance requirements under the Listing Regulations.

Your Company, specifically, confirms compliance with corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 of the Listing Regulations.

Further, in compliance with the advisories issued by the respective Stock Exchanges for dissemination of certain requirements under Regulation 46(2) and 62(1) of the Listing Regulations, a separate section has been created on the website of the Company for the disclosures under the aforesaid Regulations.

The disclosures filed with Stock Exchanges from time to time can be accessed at www.vedantalimited.com.

Corporate Policies of the Company

Your Company is inclined towards following highest levels of ethical standards in all our business transactions. To ensure the same, the Company has adopted various policies, codes and practices. The policies are reviewed periodically by the Board and are updated in line with amended laws and requirements. The key policies/charters adopted are detailed below:

Category of Policy/Code	Brief Summary	Web Link	Amendments
Code of Business Conduct and Ethics including Anti-Bribery and Anti-Corruption Policy, Whistle Blower Policy and Anti-Trust Guidance Notes	The Code provides the general rules for our professional conduct so that the business of the Company is consistent with our values and core purpose.	www.vedantalimited.com	There has been no change in the policy during FY 2023

Category of Policy/Code	Brief Summary	Web Link	Amendments
Corporate Social Responsibility Policy	This Policy provides guidance in achieving the objective of conducting its business in a socially responsible, ethical and environment-friendly manner and to continuously work towards improving the quality of life of the communities in and around its operational area and ensures that the Company operates on a consistent and compliant basis.	www.vedantalimited.com	There has been no change in the policy during FY 2023
Nomination & Remuneration Policy including the Criteria for determining the Independence of Directors	The policy details the guidelines on identification and appointment of individual as a Director, KMP and SMP including the criteria on their qualification and independence, manner & criteria for effective evaluation of the performance and Directors' & Officers Insurance. The Policy also details the compensation principles responsibilities of senior management and succession planning.	www.vedantalimited.com	There has been no change in the policy during FY 2023
Insider Trading Prohibition Code	The Code lays down the guideline to regulate, monitor and report trading in securities of the Company; policy and procedure for inquiry in case of leak of UPSI; and code of practices and procedures for fair disclosure of UPSI and policy for determination of legitimate purpose.	www.vedantalimited.com	There has been no change in the Code during FY 2023
Dividend Distribution Policy	The policy details guidelines for dividend distribution for equity shareholders as per the requirements of the Listing Regulations.	www.vedantalimited.com	There has been no change in the policy during FY 2023
Related Party Transaction Policy	This Policy envisages the procedure governing Related Party Transactions required to be followed by the Company to ensure compliance with the Law and Regulations. The Company has voluntarily adopted a stringent policy as against the requirements under the law.	www.vedantalimited.com	The policy was revised on 28 March 2023 effective from 01 April 2023
Policy on Determination of Material Subsidiaries	The policy determines the guidelines for material subsidiaries of the Company and also provides the governance framework for such material subsidiaries.	www.vedantalimited.com	There has been no change in the policy during FY 2023
Policy for determination of Materiality for Fair Disclosure of Material Events/Unpublished Price Sensitive Information to Stock Exchange(s) and Archival Policy	The policy determines the requirements for disclosing material events including deemed material events for the Company and its subsidiary companies which are in nature of unpublished price sensitive information. The policy also lays the guidelines on archival and retention of records of the Company.	www.vedantalimited.com	There has been no change in the policy during FY 2023
Policy on Prevention, Prohibition and Redressal of Sexual Harassment at Workplace	The purpose to this policy is to create and maintain a healthy and conducive work environment, free of discrimination. This includes discrimination on any basis, including gender and any form of sexual harassment.	www.vedantalimited.com	There has been no change in the policy during FY 2023
Charter of Stakeholders' Relationship Committee (**"SRC"**)	The primary purpose of the SRC is to oversee all matters pertaining to investors of the Company. The Charter sets out the terms of reference for functioning of the SRC.	www.vedantalimited.com	There has been no change in the Charter during FY 2023
ESG Committee Charter	The Charter defines the role of the ESG Committee to assist the Board in meeting its responsibilities in relation to the Environmental, Social and Governance matters arising out of the activities and operations of the Company and its subsidiary companies (the Group) for aiming towards enhanced sustainable development.	www.vedantalimited.com	There has been no change in the Charter during FY 2023
Board Diversity Policy	The purpose of Board Diversity Policy is to ensure an inclusive and diverse membership of the Board of Directors of the Company resulting in optimal decision-making and assisting in the development and execution of a strategy which promotes success of Company for the collective benefit of its stakeholders.	www.vedantalimited.com	There has been no change in the policy during FY 2023
Diversity and Inclusion Policy	The policy highlights the commitment of the Company towards the cause of promoting diversity and inclusion within the organisation and in larger communities who we partner with. This policy is forward-looking as it assimilates people with differences including but not limited to nationality, geography, ethnicity, gender, sexual orientation, age, physical abilities, family status, religious beliefs, perspective, experience or other ideologies and sets a vision for diversity and inclusion for businesses across the Group.	www.vedantalimited.com	There has been no change in the policy during FY 2023

For ease of reference of our stakeholders, all our policies and codes are available on our website in three different languages i.e., English, Hindi and Marathi (since registered office of the Company is in Maharashtra) and can be accessed at: www.vedantalimited.com

Awareness Sessions/Workshops on Governance practices

Vedanta as an organisation staunchly supports transparency and openness in its reporting as well as practice. Believing in zero tolerance for unethical practices, employees across the Group are regularly sensitised about the policies and governance practices through various multi-faceted interactive tools.

Insider Trading Monitoring Portal

- Company has a robust mechanism in place to prevent insider trading.
- As a step towards digitisation, a web-based portal has been implemented for designated employees to enable them to manage and report dealings in securities of the Company and ensure compliance with the Insider Trading Prohibition Code.
- Employees are sensitised through various knowledge sharing emails/updates on a regular basis in order to monitor and prevent any non-compliance as well as ensure initial/continual disclosure.

Online Gift Declaration Portal

- The employees can neither accept nor send gifts/entertainment in exchange of any business/services/giving off any confidential information etc. to derive any benefit conflicting with the interest of the Company.
- The Company has in place an online gift declaration portal with the employees required to promptly declare the gifts received by them in compliance with the Gift Policy forming part of the Code of Business Conduct and Ethics.

Statutory Compliance System

- In order to ensure best-in-class compliance monitoring and reporting, the Company has in place an internal standard operating procedure to manage statutory compliances across all businesses and a top of the line automated compliance management system with regular updates on checklists of all applicable statutory requirements.
- As a best practice, it is mandatory for all CEOs to issue and sign-off on compliance certificates for their respective businesses each quarter for placing before the Audit & Risk Management Committee and Board.

IT Security/Cybersecurity Governance

- The Company conducted an awareness session for the Board of Directors in collaboration with the Data Security Council of India (**"DSCI"**) to facilitate insights on how Cyber Security and Data Governance were being understood, prioritised, and addressed at the Board level.
- An online comprehensive module on Cyber Security Training and Assessment has been launched for employees in order to enhance their awareness about information security through mandatory completion of training.

Digital Safety Module

- Continuing the spirit and reinforcing the vision of **"Zero Harm, Zero Waste and Zero Discharge"**, your Company launched 5 Digital Safety e-learning Modules, across the Company to promote a clear understanding of Safety standards to our employees and Business Partners.
- More than 2,500 employees and business partners completed the training on 5 Critical Safety Standards. In Phase 2, 6 additional modules will be launched. The modules will also be made available in the regional language for business partners.

Code of Conduct - Training Module and annual affirmation

- Reinforcing the principles under the Code of Business Conduct and Ethics, the Company has in place an automated training module for mandatory training for all employees across the Group.
- An annual affirmation for adherence with the Code is also obtained to reiterate commitment and understanding.

Launch of TCFD Report on Climate Change

- The Company will release its third report on its decarbonisation strategy based on the **Taskforce on Climate-related Financial Disclosures ("TCFD")** and the guidelines issued by the FSB.
- The report documents Vedanta's journey to substantially decarbonise its business by 2050 and can be accessed on the Company website at www.vedantalimited.com.
- This report is in addition to the other disclosures that the Company makes on ESG – GRI based Sustainability Report, BRSR, and the Integrated Report. This is reflective of our commitment to transparently disclose our ESG performance.

Innovation Portal and Cafes - Digitalisation Initiatives

- Strengthening one of the core value, the Company is promoting and developing digitalisation and innovation culture strategically among the employees including business partners.
- **Vedanta 360 -** Innovation portal is developed as a unique platform to capture all the thoughts across the organisation. People are encouraged to showcase their innovative thoughts, success stories, ideas etc. and they may also seek innovative solutions to business challenges. This portal has end-to-end integration from Idea to Reward in near future.
- **Vedanta Innovation Cafe -** A place at workplace is established across the operations to provide conducive environment to think across business aspects and come out with Innovation Ideas.
- Top Ideas and success stories are published in **Weekly Innovation Wrap** across the Group to keep the momentum high and recognise the team efforts across businesses.

Employee Sensitisation- Ethics and Governance

- **Awareness Video Clips and Mailers -** With a firm belief in zero tolerance for unethical practices, the Company sensitises employees about various matters including prevention of sexual harassment (**"POSH"**), anti-bribery, conflict of interest, gift policy, corruption, ESG etc. through short video clips and mailers to make the workplace a better place each day.
- **Ethics Quiz -** To assess the awareness and understanding of employees, an Ethics quiz is also conducted on periodic basis.
- **Ethics Compliance Month -** As part of special annual initiative, the Company conducts Ethics Compliance Month wherein awareness and training sessions are conducted covering governance and internal policies such as prevention of insider trading, POSH, anti-bribery, corruption, anti-trust laws etc.

UPSI Sharing Database

The Company also has an online UPSI sharing database where time stamp of UPSI shared by employees is maintained digitally. The full access of this UPSI database is only restricted with the Compliance Officer.

Sustainability Academy

- Following the success of the Sustainability 101 training program to select employees in FY 2022, we have created a digital version of the course.
- The e-Sustainability 101 module will be open to all employees and will be launched in FY 2024. This will enable more than 20,000 employees to access to high-quality training materials on ESG – thereby helping in raising awareness on the topic among all employees.

DECLARATIONS AND CERTIFICATIONS

Declaration by CEO on Code of Business Conduct and Ethics	A Declaration by the CEO of the Company, stating that the members of Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Business Conduct and Ethics of the Company in enclosed as **'Annexure I'** to this Report.
CEO Certification	The Compliance Certificate from the CEO of the Company pursuant to Regulation 17(8) of the Listing Regulations is enclosed as **'Annexure II'** to this Report.
Certificate of Non-Disqualification of Directors	A certificate from Chandrasekaran Associates, Company Secretary in Practice certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the Listing Regulations is enclosed as **'Annexure III'** to this Report.
Auditor's Certificate on Corporate Governance	The auditor's certificate regarding compliance of conditions of corporate governance pursuant to Listing Regulations is enclosed as **'Annexure IV'** to this Report.

ANNEXURE I

Declaration by Chief Executive Officer on Code of Business Conduct and Ethics of the Company

In accordance with the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Sunil Duggal, Whole-Time Director and Chief Executive Officer of Vedanta Limited, hereby declare that all members of the Board and Senior Management Personnel have affirmed compliance with the Code of Business Conduct and Ethics of the Company for FY 2023.

For Vedanta Limited

Sunil Duggal
Whole-Time Director and
Chief Executive Officer

Date: 12 May 2023
Place: Mumbai

ANNEXURE II

CEO CERTIFICATION

I, Sunil Duggal, Whole-Time Director and Chief Executive Officer certify that:

A. I have reviewed financial statements and the cash flow statement for the year and that to the best of my knowledge and belief:

   (1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   (2) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.

C. I accept responsibility for establishing and maintaining internal controls for financial reporting. I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting, and I have disclosed to the auditors and the Audit & Risk Management Committee, where applicable, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.

D. I have indicated to the Auditors and the Audit & Risk Management Committee, where applicable,

   (1) significant changes in internal control over financial reporting during the year;

   (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   (3) instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sunil Duggal
Whole-Time Director and Chief Executive Officer
DIN: 07291685

Date: 12 May 2023
Place: Mumbai

ANNEXURE III

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members
Vedanta Limited
1st Floor, C Wing, Unit 103,
Corporate Avenue, Atul Projects,
Chakala, Andheri (East), Mumbai,
Maharashtra - 400 093

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Vedanta Limited and having CIN L13209MH1965PLC291394 and having Registered Office at 1st Floor, C Wing, Unit 103, Corporate Avenue, Atul Projects, Chakala, Andheri (East), Mumbai, Maharashtra - 400 093 (hereinafter referred to as **"the Company"**), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (**"DIN"**) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31 March 2023 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

S. No.	Name of Director	DIN	Date of appointment in Company*
1.	Anil Kumar Agarwal	00010883	01.04.2020
2.	Navin Agarwal	00006303	17.08.2013
3.	Akhilesh Joshi	01920024	01.07.2021
4.	Sunil Duggal	07291685	25.04.2021
5.	Dindayal Jalan	00006882	01.04.2021
6.	Upendra Kumar Sinha	00010336	13.03.2018
7.	Priya Agarwal	05162177	17.05.2017
8.	Padmini Sekhsaria	00046486	05.02.2021

**Original date of appointment.*

Ensuring the eligibility of for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Chandrasekaran Associates**
Company Secretaries
FRN: P1988DE002500
Peer Review Certificate No.: 1428/2021

Dr. S. Chandrasekaran
Senior Partner
Membership No. FCS 1644
Certificate of Practice No. 715
UDIN: F001644E000205111

Date: 27 April 2023
Place: Delhi

Note:
Due to ongoing impact of COVID-19, we have verified the disclosures and declarations received by way of electronic mode from the Company and could not be verified from the original records. The management has confirmed that the records submitted to us are true and correct.

ANNEXURE IV

Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

The Members of Vedanta Limited
1st Floor, 'C' Wing
Unit 103, Corporate Avenue, Atul Projects
Chakala, Andheri (E), Mumbai

1. The Corporate Governance Report prepared by Vedanta Limited (hereinafter the **"Company"**), contains details as specified in regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (**"SEBI"**) (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (**"Listing Regulations"**) (**"Applicable Criteria"**) for the year ended 31 March 2023 as required by the Company for annual submission to the Stock Exchange(s).

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in Listing Regulations, issued by the SEBI.

Auditor's Responsibility

4. Pursuant to the requirements of Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with the conditions of Corporate Governance as specified in Listing Regulations.

5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India (**"ICAI"**). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (**"SQC"**) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of procedures performed include:

    i. Read and understood the information prepared by the Company and included in its Corporate Governance Report;

    ii. Obtained and verified that the Register of the Board of Directors with respect to the Executive and Non-Executive Directors has been met throughout the reporting period;

    iii. Obtained and read the Register of Directors as on 31 March 2023 and verified that atleast 01 (one) independent woman director was on the Board of Directors throughout the year;

    iv. Obtained and read the minutes of meetings of the following held during the period from 01 April 2022 to 31 March 2023:

        (a) Board of Directors;

        (b) Audit & Risk Management Committee;

        (c) Annual General Meeting (**"AGM"**);

        (d) Nomination & Remuneration Committee;

(e) Stakeholders' Relationship Committee;

(f) Corporate Social Responsibility Committee;

v. Obtained necessary declarations from the directors of the Company.

vi. Obtained and read the policy adopted by the Company for related party transactions.

vii. Obtained the schedule of related party transactions during the year and balances at the year-end. Obtained and read the minutes of the Audit & Risk Management Committee meeting(s) where in such transactions have been pre-approved by the said Committee.

viii. Performed necessary inquiries with the management and also obtained necessary specific representations from the management.

8. The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

9. Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in Listing Regulations, as applicable for the year ended 31 March 2023, referred to in paragraph 4 above.

Other matters and Restriction on Use

10. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

11. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under Listing Regulations with reference to compliance with the relevant regulations of Corporate governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Vikas Pansari
Partner
Membership Number: 093649
UDIN: 23093649BGXPKS3593

Place: Mumbai
Date: 12 May 2023

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

1. SECTION A: GENERAL DISCLOSURES

1.1 Details of the listed entity

1	Corporate Identity Number (CIN) of the Listed Entity	L13209MH1965PLC291394
2	Name of the Listed Entity	Vedanta Limited
3	Year of incorporation	1965
4	Registered office address	1st Floor, 'C' Wing, Unit 103, Corporate Avenue, Atul Projects, Chakala, Andheri (East), Mumbai, Maharashtra – 400 093, India
5	Corporate address	Core-6, 3rd Floor, Scope Complex 7, Lodhi Road, New Delhi - 110 003
6	E-mail	comp.sect@vedanta.co.in
7	Telephone	+91 22 6643 4500
8	Website	www.vedantalimited.com
9	Financial year for which reporting is being done	01-04-2022 to 31-03-2023
10	Name of the Stock Exchange(s) where shares are listed	BSE Limited (BSE) and National Stock Exchange of India Limited (NSE)
11	Paid-up capital	₹3,71,75,04,871
12	Name and contact details of the person who may be contacted in case of any queries on the BRSR report	Mr. Rajinder Ahuja Group Head – HSE and Sustainability, Vedanta Limited Tel: +91 124 459 3000 Email: sustainability@vedanta.co.in
13	Reporting boundary	The disclosures covered under this report are made on a consolidated basis and provides holistic information on Vedanta Limited (VEDL), a subsidiary of Vedanta Resources Limited, and its Subsidiaries/Associate Companies/Joint Ventures.

1.2 Products/Services

14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing	Metal and metal products	56%
2	Mining and quarrying	Mining of metal ores	29%
3	Mining and quarrying	Extraction of crude petroleum and natural gas	10%

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Oil	0610	8.56%
2	Zinc metal	7296	19.95%
3	Lead metal	07296	3.32%
4	Silver metals and bars	24205	3.15%
6	Copper products	24201	11.74%
7	Aluminium products	24202	36.01%
8	Power	3510	3.64%
9	Steel products	2410	4.31%

1.2.1 Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	82	26	108
International	9	8	17

17. Markets served by the entity:

a. Number of locations*

Locations	Number
National (No. of States)	24
International (No. of Countries)	43

** Includes only for HZL*

b. What is the contribution of exports as a percentage of the total turnover of the entity?

The contribution of exports is ~30% of the total turnover of the entity.

c. A brief on types of customers

Vedanta Limited (VEDL) is engaged in the business of supply of power, metals & minerals, and oil & gas. The Company produces and supplies a range of minerals and metals, including aluminium, copper, iron ore, zinc, silver, and lead. Our customers are industrial consumers, such as those in the automotive, steel, power generation, infrastructure, battery manufacturing and oil sectors.

Details as at the end of Financial Year.

18. a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
EMPLOYEES						
1.	Permanent (D)	12,064	9,858	82%	2,206	18%
2.	Other than Permanent (E)	277	206	74%	71	26%
3.	**Total employees (D + E)**	**12,341**	**10,064**	**82%**	**2,277**	**18%**
WORKERS						
4.	Permanent (F)	5,018	4,837	96%	181	4%
5.	Other than Permanent (G)	70,154	67,628	96%	2,526	4%
6.	**Total workers (F + G)**	**75,172**	**72,465**	**96%**	**2,707**	**4%**

18. b. Differently abled employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	9	6	67%	3	33%
2.	Other than Permanent (E)	0	0		0	
3.	**Total differently abled employees (D + E)**	**9**	**6**	**67%**	**3**	**33%**
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	14	12	86%	2	14%
5.	Other than permanent (G)	15	15	100%	0	0%
6.	**Total differently abled workers (F + G)**	**29**	**27**	**93%**	**2**	**7%**

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	8	2	25%
Key Management Personnel	4	1	25%

20. Turnover rate for permanent employees and workers

	FY 2023			FY 2022			FY 2021		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees[1]	10.84%	15.29%	**11.46%**	14.85%	21.49%	**15.62%**	13.50%	16.36%	**13.88%**
Permanent Workers	-	-	-	-	-	-	-	-	-

Note 1: Turnover rate calculated as per FTEs (includes both Permanent Employees and Permanent Workers)

1.2.2 Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of Holding/Subsidiary/Associate Companies/Joint Ventures

S. No.	Name of the Holding/Subsidiary/ Associate Companies/Joint Ventures (A)	Indicate whether Holding/Subsidiary/ Associate/Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Copper Mines of Tasmania Pty Limited (CMT)	Subsidiary	100	Yes
2	Thalanga Copper Mines Pty Limited (TCM)	Subsidiary	100	Yes
3	Athena Chhattisgarh Power Limited	Subsidiary	100	Yes
4	Bharat Aluminium Company Limited (BALCO)	Subsidiary	51	Yes
5	Desai Cement Company Private Limited	Subsidiary	100	Yes
6	ESL Steel Limited	Subsidiary	95.49	Yes
7	Ferro Alloy Corporation Limited (FACOR)	Subsidiary	99.99	Yes
8	Goa Sea Port Private Limited	Subsidiary	100	No
9	Hindustan Zinc Alloys Private Limited	Subsidiary	100	No
10	Hindustan Zinc Fertilizers Private Limited	Subsidiary	100	No
11	Hindustan Zinc Limited (HZL)	Subsidiary	64.9	Yes
12	MALCO Energy Limited (MEL)	Subsidiary	100	No
13	Maritime Ventures Private Limited	Subsidiary	100	No
14	Paradip Multi Cargo Berth Private Limited	Subsidiary	100	No
15	Sesa Mining Corporation Limited	Subsidiary	100	No
16	Sesa Resources Limited (SRL)	Subsidiary	100	No
17	Sterlite Ports Limited	Subsidiary	100	No
18	Talwandi Sabo Power Limited (TSPL)	Subsidiary	100	Yes
19	Vedanta Zinc Football & Sports Foundation	Subsidiary	200	Yes
20	Vizag General Cargo Berth Private Limited	Subsidiary	100	Yes
21	Zinc India Foundation	Subsidiary	100	No
22	Avanstrate Inc (ASI)	Subsidiary	100	No
23	Cairn India Holdings Limited	Subsidiary	100	Yes
24	AvanStrate Taiwan Inc.	Subsidiary	100	No
25	Western Cluster Limited	Subsidiary	100	No
26	Bloom Fountain Limited	Subsidiary	100	No
27	CIG Mauritius Holdings Private Limited	Subsidiary	100	No
28	CIG Mauritius Private Limited	Subsidiary	100	No
29	Amica Guesthouse (Proprietary) Limited	Subsidiary	100	No
30	Namzinc (Proprietary) Limited	Subsidiary	100	No

S. No.	Name of the Holding/Subsidiary/ Associate Companies/Joint Ventures (A)	Indicate whether Holding/Subsidiary/ Associate/Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
31	Skorpion Mining Company Proprietary Limited (NZ)	Subsidiary	100	No
32	Skorpion Zinc Proprietary Limited (SZPL)	Subsidiary	100	No
33	THL Zinc Namibia Holdings (Proprietary) Limited (VNHL)	Subsidiary	100	No
34	Killoran Lisheen Mining Limited	Subsidiary	100	No
35	Lisheen Milling Limited	Subsidiary	100	No
36	Lisheen Mine Partnership	Subsidiary	100	No
37	Vedanta Lisheen Mining Limited	Subsidiary	100	No
38	Cairn Energy Hydrocarbons Limited	Subsidiary	100	No
39	Black Mountain Mining (Proprietary) Limited	Subsidiary	74	No
40	Cairn Lanka Private Limited	Subsidiary	100	No
41	AvanStrate Korea Inc	Subsidiary	51.6	No
42	Lakomasko BV	Subsidiary	100	No
43	Monte Cello BV (MCBV)	Subsidiary	100	No
44	THL Zinc Holding BV	Subsidiary	100	No
45	Vedanta Lisheen Holdings Limited	Subsidiary	100	No
46	Fujairah Gold FZC	Subsidiary	100	Yes
47	Gaurav Overseas Private Limited	Associate/Joint Venture	50	No
48	Raykal Aluminium Company Private Limited	Associate/Joint Venture	24.5	No
49	Madanpur South Coal Company Limited	Associate/Joint Venture	17.6	No
50	Goa Maritime Private Limited	Associate/Joint Venture	50	No
51	Rosh Pinah Health Care (Proprietary) Limited	Associate/Joint Venture	69	No
52	Gergarub Exploration and Mining (Pty) Limited	Associate/Joint Venture	51	No
53	Roshskor Township (Pty) Limited	Associate/Joint Venture	50	No

1.2.3 CSR Details

22. (i) Whether CSR is applicable as per section 135 of the Companies Act, 2013:

Yes.

(ii) Turnover (in ₹) - 1,45,404 crore

(iii) Net worth (in ₹) - 15,902 crore

- These figures disclosed are **as per section 2(57) of the Companies Act, 2013**
- Net Worth = Paid up share capital + General Reserve + Securities Premium + Retained Earnings
- The highlights of Vedanta's CSR interventions are available as part of the Integrated Report FY 2023

I. Transparency and Disclosure Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	FY 2023			FY 2022		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes TS 4_Grievance Mechanisms.pdf (www.vedantalimited.com) Social Performance Standard - Grievance Mechanism.pdf (www.vedantalimited.com)	24	13		-	-	
Investors (other)	Yes Contact Us | Queries, Concerns and Enquiries or Feedback - Vedanta (www.vedantalimited.com)	-	-				
Shareholders	Yes Contact Us | Queries, Concerns and Enquiries or Feedback - Vedanta (www.vedantalimited.com)	391	0		92	0	
Employees and workers	Yes Code of Business Conduct and Ethics (www.vedantalimited.com) Ethics Point - Vedanta *Note: Data except HZL and Fujairah*	407	60		407		
Customers	Yes Vedanta (moglix.com) *Note: Data include Zinc and copper*	94	-		103		
Value Chain Partners	Yes https://www.vedantalimited.com/Media/VSFDocuments/Technical%20Standard%20V-one/TS%204_Grievance%20Mechanisms.pdf	-	-	Data not consolidated at Group Level	-	-	
Other (please specify)							

24. Overview of the entity's material responsible business conduct issues

For this financial year, Vedanta undertook a detailed engagement exercise to identify new material issues that takes various ESG KPIs into consideration under the Company's three pillars: Transforming communities, transforming the planet, and transforming the workplace. Materiality assessment was conducted at Vedanta Group level as well as at 3 Business Units (Vedanta Aluminium, Cairn and HZL) individually. The assessment procedure involved the following steps:

1. Identification of an initial list of material topics: By considering leading standards such as ICMM and SASB, as well as peer company priorities, a total of 26 material topics were identified in this first step.
2. Stakeholder consultations for prioritising material topics: A wide spectrum of stakeholders (both internal and external) were consulted using multiple channels to prioritise the 26 topics for Vedanta based on how it impacts them.
3. Preparation of materiality matrix: Matrix was prepared by assigning different weightages to the responses from various stakeholders based on their relative influence.

4. Finalisation of high priority material topics: Finally, the topics were categorised into highly material, material, and important topics. This is important as each priority level requires a differentiated management approach. 8 highly material topics emerged for Vedanta Group.

Details of the top five high priority topics for the Company in the 2022 materiality assessment have been reported here. For further details, please refer to the section on materiality assessment in the Integrated Report 2022-23.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Climate Change and Decarbonisation	Risk and Opportunity	**Risk:** Transitioning to a lower-carbon economy requires extensive changes in policies, regulations, technologies, and markets to address mitigation and adaptation requirements related to climate change. Depending on these changes, transition risks may pose varying levels of financial and reputational risks to the Company. Increasing regulatory changes and investor pressures aimed at limiting or reducing GHG emissions are likely to impact the Company's operations due to increased costs for fossil fuels, levies for emissions exceeding permitted levels, and increased administrative costs for monitoring and reporting. For instance, the Carbon Border Adjustment Mechanism (CBAM) will be applicable for our Aluminium as well as Iron & Steel business and if so, it may lead to increased compliance costs. The Company would need to account for the carbon content of its products and potentially pay additional fees or taxes for imports into countries implementing CBAM. Also, application of CBAM could potentially increase the Company's risk exposure due to decreased market access. **Opportunity:** Vedanta recognises that transition towards a low carbon economy has resulted in increasing demand for low/ zero carbon metals. Vedanta can leverage its expertise and resources to tap into these opportunities while at the same time reducing its carbon footprint. In FY 2022, the Company launched India's first line of low-carbon aluminium under the brand names of Restora and Restora Ultra. Similarly, the Company is also developing a line of low-carbon copper and the plan is to expand the production of these product-lines over the next decade, thereby catering to the growing demand for low-carbon metals.	Vedanta has conducted an in-depth climate risk assessment and scenario analysis to comprehensively understand the risks and opportunities posed by climate change to our business. The findings of these studies are being used as inputs for the Company's carbon strategy and roadmap to achieve Net Zero status by 2050. Vedanta's strategies for mitigating these risks include: • Committed to being a Net Zero carbon business by 2050. Our climate targets are aligned with SBTi's 2-degree scenario • Revised GHG emissions intensity targets in FY 2022, with a new goal to reduce the GHG emissions intensity of our metal businesses by 20% by FY 2025 from a FY 2021 baseline • Committed to work with long-term tier 1 suppliers to track their GHG reduction strategies • Actively working on decarbonisation projects to offset emissions from growth projects Vedanta has started inventorising Scope 3 emissions and plans to develop a Scope 3 emissions reduction roadmap in FY 2024.	Negative + Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2.	Air Quality & Emissions Management	Risk	Air pollution can have severe impacts on both public health and the environment. Considering the emerging challenges related to air pollution, Vedanta can expect new regulations or additional measures being implemented. With nearly 90% of Vedanta's energy sourced from captive coal-based thermal power plants, stricter regulations to reduce the Company's non-GHG air emissions can significantly impact revenues. These expenses could be in the form of: compliance costs, i.e., stricter regulations would require investments in emission control technologies and operational changes to meet the new standards. This can involve significant upfront capital investments and ongoing operational costs for monitoring and maintaining compliance. It can also impact the operational efficiency if they are required to modify their processes or adopt cleaner technologies. Therefore, it is important for Vedanta to anticipate and assess the potential impacts of increased regulations on their business operations.	As part of their mitigation approach, Vedanta ensures that all operations are confirming to the statutory limits for SOx and NOx. Other strategies include the introduction of Battery Electric Vehicles in underground mining by HZL, which will help in reducing Suspended Particulate Matter (SPM) and other emissions. Vedanta will continue working towards better management of air emissions and the strategies/initiatives for FY 2024 include: Maintain all operations below statutory limits of air emissions. • Increase deployment of EVs at site • Flue-gas desulfurisation (FGD) installation at VAL L new power units	Negative
3.	Water Management	Risk	Water is a critical input for Vedanta's operations and has the potential to disrupt operations, to impact productivity of staff as well as to impact revenues and logistics. With operations in both water-stressed areas and areas prone to flooding, change in water availability is a material risk for businesses like BALCO, HZL and Cairn Oil and Gas. There could be water-related stakeholder conflicts, due to which, availability and accessibility of the water with required quality for our operations and stakeholders will be impacted. These impacts can result in: • Decrease in the capacity utilisation of operation resulting in productivity losses • Legal conflicts resulting in loss of credibility and reputation of the Company • Higher financial burdens and increase in specific water cost of product due to high degree of pre-treatment if quality is the issue and handling, storage issues if availability is the cause of the conflict Vedanta believes that effective water management, especially Integrated watershed management initiatives (IWMI) will help them to manage water-related risks, maintain the social licence to operate and create value for stakeholders.	Vedanta is committed to become water positive and replenish and recover water bodies by 2030. At the grassroots, the Company has nurtured water stewardship, with a focus on minimising water withdrawal and maximising both reuse and recycle of water. The Company follows a zero-discharge philosophy. Vedanta has comprehensive water management strategy in place at operations to ensure that fair allocation of water is maintained for key municipal, agricultural and industrial users in the regions where the Company operate in. Vedanta has undertaken significant initiatives to progress towards becoming water positive: • Site-specific roadmaps are being developed, which involve identifying projects both within and outside the Company's premises to improve the Company's water positivity ratio. Four sites have attained water-positive status (HZL, IOB, Cairn India and BMM) • To reduce freshwater usage, the Company is banking on technology deployment across our sites for process improvement and recycling of wastewater. Out of the total water projects pipeline, 77% are focussed on reducing waste from operations as well as reusing wastewater in operations • During FY 2023, detailed site-wise water study was completed for each major site including long-term basin study for water availability (2030 and beyond) • As part of their integrated watershed management initiatives (IWMI), the Company is creating rainwater harvesting and groundwater recharging projects for communities to improve freshwater availability. Almost 13% of the Company's water-related projects are in these areas • For FY 2024, the Company has set a target to achieve water positivity ratio of 0.7	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4.	Community Engagement and Development	Risk	Maintaining a harmonious relationship with the communities in which the Company operates is crucial for obtaining and retaining the social licence to operate. These communities encompass a wide range of backgrounds, including agrarian societies, semi-urban populations, indigenous peoples, and city-dwellers. Each community is in a unique stage of development, and as a result, they possess different aspirations for themselves and varied expectations from the Company. The complexity of these diverse communities necessitates an inclusive and transparent approach, guided by a process-driven and need-based strategy when engaging with host communities. Inclusivity ensures that all stakeholders are represented, and their voices are heard, regardless of their socioeconomic background or cultural heritage. By involving community members in decision-making processes, the Company can foster a sense of ownership and create opportunities for them to actively contribute to the development and planning of projects that may impact their lives.	• Vedanta's social performance standards call for every site to have a Social Performance Manager (SPM), whose role is to drive the implementation of social performance principles at the location • The Company regularly conducts community group meetings and village council meetings • Work begun to improve social licence to operate – perception surveys, materiality assessment, social performance review, FPIC requirements review	Negative
5.	Health, Safety, and Well-being	Risk	Neglecting the health and safety of Vedanta's employees can have significant consequences for the Company. Firstly, it can lead to a reduction in the availability of manpower. When employees are injured or become ill due to unsafe working conditions, they may be unable to perform their duties, resulting in decreased productivity and efficiency. Additionally, the morale of the workforce can be greatly affected by a lack of focus on health and safety. Failing to prioritise health and safety can result in increased costs of litigation. In the event of accidents or injuries, employees may file lawsuits seeking compensation for damages, medical expenses, and loss of income. Repeated safety violations or, in extreme cases, fatalities, can trigger stringent consequence management for management teams. Regulatory bodies, industry watchdogs, and stakeholders may impose penalties, fines, or even legal action against the Company.	With a sincere commitment to improving safety performance, Vedanta undertakes a focussed approach to reducing fatalities and improving the overall workplace safety. Following are some of the measures taken by the Company to ensure a safe and healthy workplace: • Implementation of Critical Risk Management (CRM) Program across Vedanta sites: This program is aimed at analysing the root causes of fatalities, learning from them, and implementing corrective actions on the ground to prevent future incidents. The CRM implementation has started and for FY 2024, the major focus will be on three areas of risk, which were identified as top three causes of fatalities this year, i.e., vehicle-pedestrian segregation, man-machine interaction, and work at heights • Improving safety infrastructure: With a focus on ensuring that fatal injuries do not happen due to the lack of safe infrastructure, we have prioritised improvements in our safety infrastructure. This will help minimise risks such as those from man/machine interaction, entanglement risk, etc • Employee and business partner training: The Company will continue to organise on-site trainings, virtual webinars and group CEO sessions to reinforce the importance of working safely and stopping work in case of any unsafe situation on the ground	Negative

2. SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

The National Guidelines for Responsible Business Conduct (NGRBC) as prescribed by the Ministry of Corporate Affairs advocates nine principles referred as P1-P9 as given below:

P1 Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent, and accountable

P2 Businesses should provide goods and services in a manner that is sustainable and safe

P3 Businesses should respect and promote the well-being of all employees, including those in their value chains

P4 Businesses should respect the interests of and be responsive towards all its stakeholders

P5 Businesses should respect and promote human rights

P6 Businesses should respect, protect, and make efforts to restore the environment

P7 Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

P8 Businesses should promote inclusive growth and equitable development

P9 Businesses should engage with and provide value to their consumers in a responsible manner

	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	Code of business conduct and ethics: Code of Business Conduct and Ethics (www.vedantalimited.com) Supplier Code of Conduct: Supplier Code of Conduct_May 2022.pdf	Supplier and business partner sustainability management policy: Vedanta Supplier and Business Partner Sustainability Management Policy.pdf (www.vedantalimited.com)	Human Rights Policy: Vedanta Human Rights Policy.pdf (www.vedantalimited.com) Health, Safety & Environment Policy: Vedanta HSE Policy.pdf (www.vedantalimited.com)	Stakeholder Engagement Standard: External-Stakeholder-Engagement.pdf (www.vedantalimited.com)	Human Rights Policy: Vedanta Human Rights Policy.pdf (www.vedantalimited.com)	Health, Safety & Environment Policy: Vedanta HSE Policy.pdf (www.vedantalimited.com) Biodiversity Policy: Vedanta Biodiversity Policy.pdf (www.vedantalimited.com) Water Management Policy: Vedanta Water Policy.pdf (www.vedantalimited.com) Energy & Carbon Policy: Vedanta Energy & Carbon Policy.pdf (www.vedantalimited.com)	Code of business conduct and ethics: Code of Business Conduct and Ethics (www.vedantalimited.com)	Social Policy: Vedanta Social Policy.pdf (www.vedantalimited.com)	Stakeholder Engagement Standard: External-Stakeholder-Engagement.pdf (www.vedantalimited.com)
2. Whether the entity has translated the policy into procedures. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

	P1	P2	P3	P4	P5	P6	P7	P8	P9
4. Name of the national and international codes/ certifications/labels/standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	ISO 31000	ISO 9001	ISO 45001, OHSAS 18001			ISO 14001			ISO 9001 ISO 27001
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	In line with the Company's ESG strategy "Transforming for Good", there are nine goals listed under three pillars: Transforming communities, transforming the planet, and transforming the workplace: AIM 1: Keep community welfare at the core of business decisions. AIM 2: Empowering over 2.5 million families with enhanced skillsets. AIM 3: Uplifting over 100 million women and children through education, nutrition, healthcare and welfare AIM 4: Net-carbon neutrality by 2050 or sooner. AIM 5: Achieving net water positivity by 2030. AIM 6: Innovating for a greener business model. AIM 7: Prioritising safety and health of all employees. AIM 8: Promote gender parity, diversity, and inclusivity. AIM 9: Adhere to global business standards of corporate governance.								
6. Performance of the entity against the specific commitments, goals, and targets along with reasons in case the same are not met.	To track our progress towards their aims and targets, Vedanta has developed an ESG scorecard. This helps monitor the Company's performance and take corrective actions where necessary. For FY 2023's performance on the set goals, please refer Vedanta's Sustainability Report 2023.								
Governance, leadership, and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets, and achievements Please refer to Integrated Report FY 2022-23 for the statement.									
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	The Group CEO, as a member of the Board-level ESG Committee and the chair of group ESG-Executive Committee (ESG-ExCo) is responsible for the implementation and oversight of the Business Responsibility policy(ies).								
9. Does the entity have a specified Committee of the Board/Director responsible for decision-making on sustainability related issues? (Yes/No). If yes, provide details.	Yes At Vedanta, the ESG Board Committee is the top decision-making body for all ESG matters. Together with our Group Sustainability and ESG function, it is responsible for implementing, promoting, and monitoring initiatives under our 'Transforming for Good' agenda. As per updated Terms of Reference of the ESG Board Committee, the Group HSE Head and ESG Director are permanent invitees to the Committee meetings. Committee Composition: Mr. Upendra Kumar Sinha as the Chairperson Members of the Committee are Mr. Akhilesh Joshi, Mr. Sunil Duggal, and Ms. Priya Agarwal.								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director/ Committee of the Board/Any other Committee									Frequency (Annually/Half Yearly/Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow-up action	Y	Y	Y	Y	Y	Y	Y	Y	Y	The policies of the Company are reviewed annually by department heads/director/ board committees/board members, wherever applicable.								

	P1	P2	P3	P4	P5	P6	P7	P8	P9
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Yes. Status of compliance with all the applicable statutory requirements is reviewed by the Board-level ESG Committee on a half-yearly basis.								

	P1	P2	P3	P4	P5	P6	P7	P8	P9
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	Each year, the Company undertakes an audit exercise, known as the Vedanta Sustainability Assurance Process audit conducted by an external agency to evaluate the workings of these policies. This audit is conducted across all business locations to ensure Vedanta Sustainability Framework (VSF) compliance. The VSAP outcomes are specifically tracked by the Board-level ESG Committee that reports to the Group Executive Committee, which, in turn, reports to the Board. The most recent VSAP audit was during FY 2022-23 and DNV-GL was engaged as the external agency for the same.								

3. SECTION C: PRINCIPLE-WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorised as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally, and ethically responsible.

3.1 PRINCIPLE 1

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent, and Accountable

UN SDG mapped:

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	3	**Topic 1:** Training on ESG topics for the Independent Directors in collaboration with McKinsey & Company which included: - Educating on key ESG issues for resources companies and enable incorporation of ESG in decision making and operations; - Build and scale internal capability through deeper knowledge and understanding on key ESG topics for different functional teams; and - Advance the field of Sustainability through research and outreach. **Topic 2:** Training on Cybersecurity/Data Governance in collaboration with Data Security Council of India (DSCI) **Topic 3:** Engagement of directors in ESG and sustainability matters through Board-level ESG Committee meetings, in turn, ensuring participation in overall oversight and transformation initiatives.	75%
Key Managerial Personnel	3	**Topic 1:** Training on ESG topics in collaboration with McKinsey & Company. **Topic 2:** Training on Sustainability topics via a 2-day Sustainability 101 course **Topic 3:** Engagement of KMPs in ESG and sustainability matters through Board-level ESG Committee meetings, in turn, ensuring participation in overall oversight and transformation initiatives.	75%
Employees other than BoD and KMPs	-	**Topic 1:** Training on Code of conduct **Topic 2:** Training on Cyber security	100%
Workers	-	**Topic:** Occupational Health and Safety	100%

2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year, in the following format:

Monetary					
	NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/Fine	There were 0 cases with the regulators/judicial institutions leading to fines, penalties, punishment in the financial year. **There was no settlement amount paid in proceedings by the entity or by directors/KMPs, in the financial year**				
Settlement					
Compounding Fee					

Non-Monetary					
	NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	There were 0 cases with the regulators/judicial institutions leading to imprisonment, punishment in the financial year.				
Punishment					

3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/enforcement agencies/judicial institutions
Not Applicable	

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes. Vedanta has developed and implemented a robust Policy on business conduct. The Code of Business Conduct & Ethics (COBCE) covers aspects of anti-bribery, confidentiality, conflict of interest, anti-trust, insider trading, environment health and safety, and whistle-blower policy. The same can be found on Page 5 of the following link: https://vedantalimited.com/CorporateGovernance/Code%20of%20Business%20Conduct%20and%20Ethics.pdf

The implementation of COBCE is supported by the following additional policies and guidance notes:

- The Insider Trading Prohibition Policy (https://www.vedantalimited.com/uploads/corporate-governance/policies_practices/VEDL-Insider-Trading-Prohibition-Code-November-06-2020-eng.pdf)
- Anti-Trust Guidance Notes (https://www.vedantalimited.com/uploads/corporate-governance/policies_practices/Antitrust-guidance-notes-vedanta-eng.pdf)
- The Supplier Code of Conduct (https://www.vedantalimited.com/uploads/corporate-governance/policies_practices/Supplier-Code-of-Conduct-May-2022.pdf)
- The Whistle Blower Policy (Annexure 3 of Code of Business Conduct & Ethics: https://vedantalimited.com/CorporateGovernance/Code%20of%20Business%20Conduct%20and%20Ethics.pdf)

The Company policy endeavour to comply with all applicable Anti-Corruption Legislations that the Company is subject to, including the Prevention of Corruption Act, 1988 which criminalises bribes accepted by Public Servants, the UK Bribery Act, and the U.S. Foreign Corrupt Practices Act. Management of risks likely to result from any infringement to anti-corruption/bribery policy of the Company is embedded in the Company's risk management framework (Further details at risk management section of IR 2022-23). Details on procedures adopted by Vedanta to deal with complaints on bribery/corruption can be found on Page 22 of the Code of Business Conduct & Ethics.

Each year, all employees are required to affirm their commitment to the Code of Conduct, including the policies addressing bribery and corruption. As part of Vedanta's comprehensive approach, trainings are provided on anti-corruption and bribery to 100% of our employees, as part of trainings on Code of Conduct.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption:

	FY 2023	FY 2022
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. Details of complaints with regard to conflict of interest:

	FY 2023		FY 2022	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors		No complaints received		No complaints received
Number of complaints received in relation to issues of Conflict of Interest of the KMPs		No complaints received		No complaints received

7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.

NA

3.2 PRINCIPLE 2

Businesses should provide goods and services in a manner that is sustainable and safe

UN SDG mapped:

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impact
R&D*	**Value-Added Business (VAB)- ₹13.05 lakh** **Aluminium - ₹67 lakh** **HZL R&D Opex: ₹1,120 lakh** **HZL R&D Capex: ₹64.25 lakh**	0%[1]	Vedanta recognises the importance of aligning with evolving consumer preferences for environmentally friendly products in order to maintain our market share. To uphold this commitment, the Company is directing a significant portion of their research and development (R&D) expenditures towards the decarbonisation of their operations and the provision of more sustainable products to customers. The Company has adopted a proactive approach by embracing new technologies and enhancing their processes and standards. Some of the R&D initiatives being undertaken across business segments: • In their Aluminium business, Vedanta has established a dedicated R&D vertical with a robust pipeline of over 20 initiatives spanning areas such as process improvement, waste utilisation, and product development. In FY 2022, the Company achieved a milestone by becoming the first Indian aluminium producer to manufacture low-carbon aluminium products under the brand name 'Restora.' The Restora brand offers two product lines: Restora (low-carbon aluminium) and Restora Ultra (ultra-low-carbon aluminium). • At HZL, R&D around Zn metal recovery from treatment of lead concentrates, and process for controlling concentrate impurities while using non-hazardous cost-effective reagents is underway. • Vedanta's Iron and Steel business has partnered with IIT Bombay (IIT-B) on an R&D project to develop cost-effective technology for producing Green Steel using hydrogen instead of coke in their manufacturing process targeting significant carbon footprint reduction in iron and steel space. We also have had good success with replacing coke with alternatives like Briquettes.
CAPEX**	**HZL- plant at Zinc Smelter Debari- ₹46 crore** **Dry Tailing Stack- ₹485 crore** **Turbine Revamping -₹124 crore**	94%	Commissioning of Zero Liquid discharge (RO-ZLD) plants, Dry plant, turbine revamping, etc.

**% R&D calculated as ESG R&D/Total R&D expenditure. Total R&D expenditure is considered including salaries, material cost, R&M etc.*

*** % CAPEX calculated as CAPEX related to ESG/Total CAPEX expenditure*

1. Numbers for FY2022 have not been consolidated

2. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes. Sustainable sourcing is part of Vedanta's Business Partner Management practices. The Company is committed to conducting business only with those business partners who can align with the filtering criteria laid down during the on-boarding process. The Company has integrated clauses related to HSE practices and use of child and forced labour in our Supplier Code of Conduct (SCOC) and it is mandatory for all suppliers to sign the SCOC. All Business Units (BUs) have a supply chain strategy in place that sets clear priorities for the vendors they engage with. Vedanta's Supplier and Contractor Sustainability Management Policy helps implement human rights practices across the supply chain. Through this code and policy, the Company ensures that their suppliers comply with all the relevant legislation including labour and human rights laws.

Vedanta has procedures in place to ensure adherence to the SCOC, including HSE criteria, MSA compliance, environmental compliance, etc. All significant suppliers are required to have an adequate system in place to address the human rights concerns of their workforce. The Company regularly undertakes inspections and audits of all key suppliers and problematic issues are communicated to the contractor, and undertakes sustainability screening on human rights and child labour, environment, and labour aspects for all new suppliers and contractors.

3. Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

Ensuring safe and responsible waste management is a top priority for the Company's businesses. Vedanta has established a waste management system designed to handle waste efficiently and responsibly. The management of waste streams is regulated by the "The resource use and waste management" Technical Standard, along with its accompanying guidance notes. These standards are an integral part of the Vedanta Sustainability Framework and have been developed in accordance with the guidelines set by ICMM (International Council on Mining and Metals) and IFC (International Finance Corporation) Performance Standards.

(a) **Plastics (including packaging)**: Vedanta's product portfolio includes metals and minerals which are supplied to the customers without any packaging material. All the plastic waste acquired through suppliers is disposed through certified third parties.

(b) **E-waste**: Not Material to Vedanta's operation. All the e-waste is disposed through certified third-party agencies as per e-waste management and handling rules.

(c) **Hazardous waste**: The hazardous waste comprises of used/spent oil, waste refractories, spent pot lining and residual sludge from smelters. All the hazardous wastes are sent to government authorised handlers or recyclers.

(d) **Other waste**: Non-hazardous wastes include fly-ash (from captive and merchant power plants), red mud (aluminium refinery waste), jarofix (from zinc smelting), slag, lime grit (process residues from smelters and aluminium refineries) and phosphor gypsum (phosphoric acid plant). These non-hazardous wastes are termed High-Volume-Low-Toxicity (HVLT) wastes. HVLT wastes are stored in tailings dams/ash-dykes or other secure landfill structures before being sent to other industries as raw materials – thereby recycling the waste stream.

Other non-hazardous wastes are sent for recycling, disposed, or incinerated.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

No. Vedanta does not fall under Extended Producers Responsibility (EPR) regime under Plastic Waste Management Rules, 2016, according to which it is the responsibility of Producers, Importers and Brand-owners to ensure processing of their plastic packaging waste through recycling, re-use, or end of life disposal.

3.3 PRINCIPLE 3

Businesses should respect and promote the well-being of all employees, including those in their value chains

UN SDG mapped:

Essential Indicators

1.a. Details of measures for the well-being of employees

Category	Total (A)	% Of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	9,858	9,858	100%	9,858	100%	0		9,858	100%	9,858	100%
Female	2,206	2,206	100%	2,206	100%	2,206	100%			2,206	100%
Total	**12,064**	**12,064**	**100%**	**12,064**	**100%**	**2,206**				**12,064**	**100%**
Other than Permanent employees											
Male	191	112	59%	110	58%	0		165	86%	7	4%
Female	71	11	15%	11	15%	67	94%	0		2	3%
Total	**262**	**123**	**47%**	**121**	**46%**	**67**		**165**		**9**	**3%**

1.b. Details of measures for the well-being of workers:

Category	Total (A)	% Of workers covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	4,339	4,339	100%	4,339	100%	0		3,288	76%	3,499	81%
Female	84	84	100%	84	100%	80	95%	0		80	95%
Total	**4,423**	**4,423**	**100%**	**4,423**	**100%**	**80**		**3,288**		**3,579**	**81%**
Other than Permanent workers											
Male	63,133	41,124	65%	41,124	65%	0		11,797	19%	28,344	45%
Female	1,796	891	50%	891	50%	884	49%	0		760	42%
Total	**64,929**	**42,015**	**65%**	**42,015**	**65%**	**884**		**11,797**		**29,104**	**45%**

2. Details of retirement benefits, for Current Financial Year and Previous Financial Year.

Benefits	FY 2023			FY 2022		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	99%	100%	Y	99%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI	100%	99%	Y	100%	100%	Y
Others – medical, term life and accidental coverage	-	-	-	-	-	-

3. Accessibility of workplaces

The premises/offices where people with disabilities are present are equipped with enabling infrastructure such as ramps, elevators to accommodate wheelchair access, and washrooms with wheelchair access, which are as per requirements of Rights of Persons with Disabilities Act 2016. Vedanta is in the process of increasing the inclusive infrastructure that enables access to People with Disability across BUs. For instance, in BUs such as HZL and TSPL, 100% of office buildings/spaces have ramps, as well as washrooms and elevators with wheelchair access. Moreover, HZL has also implemented infrastructure to assist people with visual impairment. Infrastructure is also present at some locations of Cairn, ESL and VZI.

As a next step, the Company is working on a roadmap in accordance with the guidelines and Space Standards for Barrier Free environment for disabled persons, which will ensure standardised inclusive infrastructure across all our sites and offices. This roadmap will help us establish standardised infrastructure across all our sites and offices, ensuring equal accessibility for everyone.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Vedanta takes all the efforts to maintain adequate representation of persons with disabilities in its workforce and is in compliance with the provisions of the Rights of Persons with Disabilities Act, 2016. Some of the key provisions under RPDA that Vedanta complies with includes:

- Equality and Non-discrimination: Vedanta ensures that there is no discrimination against persons with disabilities in aspects, including recruitment, promotion, training, and work-related opportunities.
- Accessibility: Vedanta ensures that their premises/facilities are accessible to persons with disabilities. This includes making reasonable accommodations and modifications to physical infrastructure.
- Equal Opportunities: Vedanta provides equal opportunities for career advancement, job security, and promotion for persons with disabilities.

Vedanta as guided by their Code of Business Conduct and Ethics have zero tolerance against discrimination of any kind. Policy can be accessed from- https://www.vedantalimited.com/CorporateGovernance/Code%20of%20Business%20Conduct%20and%20Ethics.pdf

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	89%	-	-
Female	99%	84%	-	-
Total	**100%**	**89%**	**-**	**-**

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

	Yes/No
Permanent Workers	Yes. Employees can raise the grievances with their respective line managers, and/or HR. Furthermore, Vedanta has formal channels in place including a 24*7 hotline which are accessible for all employees to raise any grievances. To ensure a streamlined process, Vedanta has implemented an online Portal across all BUs. This platform allows employees to log their complaints and seek resolution. Additionally, the Company has dedicated HR Single Points of Contact (SPoCs) who are responsible for handling and resolving grievances. A unified Human Resource Management System (HRMS) system Darwinbox has also been implemented. This system includes a dedicated employee helpdesk portal that is accessible to employees throughout the Company, including business partners. This portal serves as a centralised hub for addressing employee queries and concerns.
Other than Permanent Workers	Yes, as a mandatory requirement, all business partners have a formal grievance redressal mechanism to be used by contractual employees.

7. Membership of employees and workers in association(s) or Unions recognised by the listed entity:

Category	FY 2023			FY 2022		
	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/ workers in respective category (C)	No. of employees/ workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees	10,869.00	812.00	7%	9,949	625	6%
Male	8,926.00	710.00	8%	8,460	530	6%
Female	1,943.00	102.00	5%	1,489	95	6%
Total Permanent Workers	3,758.00	3,704.00	99%	3,750	3,696	99%
Male	3,677.00	3,625.00	99%	3,669	3,617	99%
Female	81.00	79.00	98%	81	79	98%

8. Details of training given to employees and workers:

Category	FY 2023					FY 2022				
	Total (A)	On Health and Safety measures		On Skill upgradation		Total (D)	On Health and Safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	9,744	8,563	88%	9,271	95%	9,645	8,447	88%	8,503	88%
Female	2,145	1,684	79%	1,940	90%	1,689	1,378	82%	1,441	85%
Total	**11,889**	**10,247**	**86%**	**11,211**	**94%**	**11,334**	**9,825**	**87%**	**9,944**	**88%**
Workers										
Male	29,517	23,941	81%	8,646	29%	29,275	19,786	68%	5,161	18%
Female	453	391	86%	156	34%	361	252	70%	114	32%
Total	**29,970**	**24,332**	**81%**	**8,802**	**29%**	**29,636**	**20,038**	**68%**	**5,275**	**18%**

9. Details of performance and career development reviews of employees and workers:

Category	FY 2023			FY 2022		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	9,714	9,205	95%	9,593	9,593	100%
Female	2,122	1,973	93%	1,679	1,679	100%
Total	**11,836**	**11,178**	**94%**	**11,272**	**11,272**	**100%**
Workers						
Male	4,598	2,885	63%	4,683	3,574	76%
Female	111	94	85%	105	90	86%
Total	**4,709**	**2,979**	**63%**	**4,788**	**3,664**	**77%**

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage of such system?

Yes, Vedanta has implemented a robust health and safety management system across their operations, including subsidiaries, joint ventures, and acquisitions. It is guided by Vedanta Sustainability Framework (VSF) and is implemented as per the Vedanta Safety Standards (VSS) and other relevant standards and guidance documents. We have 17 safety performance standards and 20 health and safety technical and management standards in place which are aligned with ICMM guidelines, IFC as well as other applicable international systems of health and safety.

In addition, all operational facilities and sites are certified with ISO 45001, OHSAS 18001.

Rolling out of VSF continues with the introduction of safety performance standards, formal safety risk assessment, industrial hygiene baseline assessment and safety leadership coaching.

b. **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

Vedanta's Enterprise Risk Management Framework sets a threshold to classify the risks based on the severity and likelihood of occurrence of the identified risks. The risks are identified, monitored and reported by the BU-wise risk management team to the group risk officer on a regular basis.

Vedanta follows a systematic approach to manage health & safety risks as part of their Occupational Health & Safety Management System. Hazard Identification and Risk Assessment (HIRA) process along with Job Safety Analysis (JSA) is regularly conducted for identification of risks and development of mitigation plans. These mitigation plans are periodically updated to ensure safety at workplace.

In addition, to improve safety at workplace, in FY 2023, Vedanta initiated the implementation of Critical Risk Management Framework. Under this initiative, 13 critical risks have been identified across the business based on historical safety incidents and learnings from fatal accidents. Detailed mitigation plans have been developed to minimise or eliminate each of these 13 risks across the Company. This programme is led by the business CEOs from across the Group of companies.

At Vedanta, all fatalities and high potential incidents undergo detailed investigation using the Incident Cause Analysis Method (ICAM) under the oversight of the Group CEO. A corrective action and preventive action (CAPA) plan is then developed based on the findings of the investigation. The ESG Board reviews the findings. The learnings are implemented across the Group to avoid repeat incidents and corrective actions are driven by site leadership of each location.

c. **Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Yes/No)**

Yes. All sites have incident and hazard reporting procedures laid down to assist the workforce to highlight unsafe working conditions and remove themselves from such situations. A responsibility matrix is in place with site leadership driving the closure of such unsafe observations and risks. An incident shall be reported to the relevant business or site personnel on the same workday on which it occurs. Vedanta has implemented Enablon that facilitates the reporting, analysis, and tracking of critical tasks related to safety and other sustainability issues. This digital platform has streamlined the reporting of incidents, strengthened data-based analytics and decision-making processes, and improved the tracking and implementation of corrective action plans.

The top management at every Vedanta BU regularly reviews (at least once a year) and documents the incident and investigation data. Vedanta has laid out detailed procedure for incident reporting and investigation for each category of safety and health incidents as defined in its Management Standard on Incident Reporting, Classification and Investigation (https://www.vedantalimited.com/uploads/esg/esg-sustainability-framework/Incident-Reporting-Classification-and-Investigation.pdf).

d. **Do the employees/workers of the entity have access to non-occupational medical and healthcare services? (Yes/No)**

Yes. All employees of the Company are covered under the company's medical and healthcare services. Additionally, the Company offers life insurance and accident coverage policies to provide financial protection and support in unforeseen circumstances.

To promote a healthy workforce, Vedanta conducts regular periodic health check-ups for employees. These check-ups help identify any potential health issues early on, enabling timely intervention and appropriate medical care. Moreover, the Company organises awareness sessions to educate employees about maintaining good health and adopting healthy habits.

Recognising the significance of mental health, Vedanta places great emphasis on fostering a supportive and balanced work environment. In line with this commitment, we have set a goal for FY 2025 to implement a mental health program for all employees. This program will focus on raising awareness about mental health, providing resources for employees to address mental well-being, and promoting a healthy work-life balance.

11. Details of safety-related incidents, in the following format:

Safety Incident/Number	Category	FY 2023	FY 2022
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.44	0.55
	Workers	0.54	0.59
Total recordable work-related injuries (Nos.)	Employees	30	37
	Workers	271	279
No. of fatalities	Employees	1	0
	Workers	12	12
High consequence work-related injury or ill-health (excluding fatalities)	Employees	NA	NA
	Workers	NA	NA

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

Vedanta's safety culture is guided by a robust health and safety framework encompassing all activities across the Company. Vedanta Sustainability Framework (VSF) puts significant emphasis on Safety & Occupational Health. The Company has identified the following measures to improve their safety performance and prevent fatal injuries in the future:

i. **Implementation of Critical Risk Management (CRM):** A scientific approach is implemented to analysing root causes of fatalities, learning from them, and implementing actions on the ground. Currently, focus is on three areas of risk at the work site: vehicle-pedestrian segregation, man-machine interaction, and work at height.

ii. **Improving safety infrastructure:** Vedanta recognises the importance of providing a safe work environment to employees and have therefore prioritised improving safety infrastructure. The Company is installing walking pathways with guiderails, roads with markers and traffic signals, and separate roads for ash dumpers. The focus is on ensuring that there are no fatal injuries due to lack of safe infrastructure in place.

iii. **Provision of PPE:** Vedanta ensures that the PPE provided is tailored to the specific risks faced by employees and contractors. Further it is ensured that PPE is readily available to all employees and contractors who require it.

iv. **Employee and business partner training:** Vedanta understands the importance of ensuring that all employees and business partners work safely. To that end, on-site trainings, virtual webinars, and group CEO sessions are organised to reinforce the importance of working safely and stopping work, if any unsafe situation exists on the ground. The goal is to instil a culture of safety for both employees and business partners.

Other procedures in place to ensure a safe and healthy workplace include Observation Management, Process Hazard Analysis, Contractor Safety Management, Audit and Inspection Management, Management of Change, Data Management, and Risk Management.

All of Vedanta's operational facilities are certified with ISO 45001 and align to ICMM guidelines and other applicable international occupational health and safety management systems.

13. Number of Complaints on the following made by employees and workers:

	FY 2023			FY 2022		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0		0	0	
Health & Safety	0	0		0	0	

14. Assessments for the year:

	% Of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and Safety Practices	100% (VSAP and AO audits) All sites are ISO 45001:2018/OHSAS 18001 certified and are audited by the third party once in three years. In addition, HSE is an important part of Vedanta Sustainability Assurance Programme Module assessment, and all units are annually audited by third party under VSAP.
Working Conditions	100% (VSAP and AO audits) Labour Practices, including working conditions is an important part of Vedanta Sustainability Assurance Programme Module assessment, and all units are annually audited by a third party under VSAP.

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.

While safety is a top priority for the Company, Vedanta is deeply saddened to report that there were 13 fatalities in FY 2023. This is a matter of significant concern, and the Company is fully committed to improving safety performance and ensuring a safer workplace for employees. To address this issue, Vedanta has implemented a focussed approach to reduce fatalities and enhance overall workplace safety. The details of the corrective actions being undertaken as below:

- Investigation of incidents: Every incident is thoroughly investigated by the leadership team, and for fatalities, a senior leadership team nominated by the Group ExCo conducts the investigation. The findings from these investigations are finalised, and Corrective and Preventive Actions (CAPA) are shared across all Vedanta sites to ensure consistent implementation. The analysis of the fatal injuries revealed that man-machine interaction, vehicle driving, and structural stability were the primary causes of fatalities this year. The Company recognises the critical nature of these areas and have implemented measures to enhance safety in these specific aspects.
- Implementation of Critical Risk Management (CRM): To prevent future fatal incidents, Vedanta has conducted a comprehensive analysis of all fatal incidents that have occurred over the past decade. Based on this analysis, the key contributors to these incidents have been identified and a targeted list of improvement measures have been developed. This approach, known as Critical Risk Management (CRM), has been rolled out at Vedanta's sites and is currently being implemented.

By implementing these corrective actions, Vedanta aims to prevent future fatalities and improve overall safety across the Company.

3.4 PRINCIPLE 4

Businesses should respect the interests of and be responsive to all its stakeholders

UN SDG mapped:

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

Vedanta's stakeholders are those individuals or organisations who have an interest in, and/or whose actions impact the Company's ability to execute their strategy. The Company considers stakeholder identification as an ongoing process to identify and understand who might be directly or indirectly affected or interested in Vedanta operations, either positively or negatively as well as who can contribute to or hinder their success. Vedanta's facilities are guided by Stakeholder Engagement Standard (Stakeholder-Engagement.pdf (www.vedantalimited.com)) as part of the Vedanta Sustainability Framework and is in line with IFC, UNGC and other global standards.

Vedanta recognises the importance of proactive stakeholder engagement and analysis in effectively managing social risks and responsibilities, as well as building positive relationships and trust with stakeholders. To achieve this, the Company undertakes a thorough process of stakeholder identification and analysis in consultation with multiple functions and business units across Vedanta. The stakeholder identification process involves considering the interests and influence of various stakeholders on our business. This enables Vedanta to prioritise engagement efforts and allocate resources accordingly. More information about Vedanta's stakeholder identification and analysis process can be found on Page 6 of the Stakeholder Engagement Standard. Currently, six key internal and external stakeholder groups have been identified: the Local Community, Employees, Shareholders, Investors & Lenders, Civil Society, Industry (Suppliers, Customers, Peers, Media), and Governments.

Vedanta periodically engages with different stakeholder groups and actively responds to their concerns and issues. Grievance redressal is a critical part of the Company's stakeholder engagement process, and Vedanta has a defined grievance redressal process to identify, record, acknowledge, assess and assign, investigate, resolve, and close all grievances. The grievance redressal mechanism in place help map Vedanta's impact on the stakeholders and take steps to address them. The success of the Company's stakeholder engagement initiatives lies in continued emphasis on providing information that is accurate and relevant to each group. The Company does this in a transparent and structured manner and in addressing their concerns through effective processes and mechanisms.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Other)	Frequency of engagement (Annually/Half Yearly/Quarterly/ Others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Local Community	Mixed	• Community group meetings • Village council meetings, • Community needs/social impact assessments • Public hearings • Grievance mechanisms • Cultural events • Engaging with communities via various community initiatives of Vedanta Foundation	Monthly	• The Social Performance Steering Committees (SPSCs) takes a cross-functional approach to community engagement through community group meetings, village council meetings • Developing and undertaking need-based community projects • Increasing community outreach via public hearings, grievance mechanisms and cultural events • Improving grievance mechanism for community • Developing community needs/social impact assessments to undertake need-based community projects FY 2023 engagement initiatives were: • Completed baseline, need, impact and SWOT assessments in all BUs • Community grievance process followed at all operations
Employees	No	• Chairman's workshops • Chairman's/CEO's town hall meetings • Feedback sessions • Performance management systems • Various meetings at plant level • V-Connect mentor program • Event management committee and welfare committee • Women's club	Monthly	The Company undertakes employee performance management and employee feedback as primary mode of engaging with the employees. In addition, other engagement objectives include: • Improving training on Health & Safety and other pertinent material issues for the organisation • Providing increased opportunities for career growth through internal talent recognition • Increasing the gender diversity of the workforce FY 2023 engagement initiatives were: • Identification of top talents and future leaders through workshops • Recruitment of global talent through hiring from top global universities • Strengthening gender and regional diversity with V Lead and V-Engage respectively • Dedicated hiring drive for women
Shareholders, Investors, & Lenders	No	• Regular updates via: – Investor meetings – Site visits (put on hold in the last year due to COVID) – AGM and conference – Quarterly result calls • Dedicated contact channel: Vedantaltd.ir@vedanta.co.in and esg@vedanta.co.in	Quarterly and on case to case basis	• Consistent disclosure on economic, social, and environmental performance • Spread awareness of the development in business with respect to business and ESG initiatives FY 2023 engagement initiatives were: • Sustainability assurance audits conducted through Vedanta Sustainability Assurance Programme (VSAP) • Bi-weekly investor briefings and pro-active engagement with the investment community on ESG topics
Civil Society	No	• Partnerships with, and membership of international organisations • Working relationships with organisations on specific projects • Engagement with international, national, and local NGOs • Conferences and workshops • Dedicated contact channel – esg@vedanta.co.in	Semi-annually	The Company has implemented multi-stakeholder initiatives and partnerships with international organisations to align with the expectations of the global sustainability agenda. Any key concerns or trends from engagements with international, national, and local NGOs are reported to the relevant community of practice. Conferences and workshops are conducted as needed. FY 2023 engagement initiatives include: • Membership of international organisations including the United Nations Global Compact (UNGC), The Energy and Resources Institute (TERI), Confederation of Indian Industry (CII), The World Business Council for Sustainable Development (WBCSD), and Indian Biodiversity Business Initiative (IBBI) • Alignment to Sustainable Development Goals • Compliance to the Modern Slavery Act

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Other)	Frequency of engagement (Annually/Half Yearly/Quarterly/ Others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Industry (Suppliers, Customers, Peers, Media)	No	• Customer satisfaction surveys • Vendor score cards • In-person visits to customers, suppliers, and vendor meetings (put on hold during COVID)	Quarterly	• Consistent implementation of the Code of Business Conduct and Ethics • Ensuring contractual integrity and data privacy Modes of engagement include: • Hotline service and email ID to receive whistle-blower complaints • Vendor meets to understand vendors and supplier's issues
Governments	No	• Participation in government consultation programs • Engagement with national, state, and regional government bodies at business and operational level • Meet all the regulatory requirements laid down	Continuous basis	These engagements with government bodies are initiated with the objective of: • Ensuring compliance with laws • Contributing towards the economic development of the nation Engagement initiatives are in the form of participation in government consultation programmes. The Company engages with national, state, and regional government bodies at the business and operational levels both directly and through industrial associations. FY 2023 engagement initiatives include: • Partnership with UP government to eradicate state's malnutrition by 2024 • Partnership with Rajasthan government to modernise 25,000 Anganwadis

3.5 PRINCIPLE 5

Businesses should respect and promote human rights.

UN SDG mapped:

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2023			FY 2022		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	10,892	10,133	93%	10,491	9,695	92%
Other permanent	605	594	98%	502	496	99%
Total Employees	**11,497**	**10,727**	**93%**	**10,993**	**10,191**	**93%**
Workers						
Permanent	2,615	753	29%	3,415	1,326	39%
Other permanent	17,313	6,038	35%	16,052	4,671	29%
Total Workers	**19,928**	**6,791**	**34%**	**19,467**	**5,997**	**31%**

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2023					FY 2022				
	Total (A)	Equal to minimum wage		More than Minimum Wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No.(B)	% (B/A)	No.C	% (C/A)		No.E	% (E/D)	No.(F)	% (F/D)
Employees										
Permanent	7,077	0	0%	7,077	100%	6,583	0	0%	6,583	100%
Male	5,710	0	0%	5,710	100%	5,509	0	0%	5,509	100%
Female	1,367	0	0%	1,367	100%	1,074	0	0%	1,074	100%
Other Permanent than	262	0	0%	262	100%	232	0	0%	232	100%
Male	175	0	0%	175	100%	192	0	0%	192	100%
Female	85	0	0%	85	100%	40	0	0%	40	100%
Workers										
Permanent	4,423	19	0%	4,404	100%	4,597	24	1%	4,573	99%
Male	4,339	19	0%	4,320	100%	4,513	24	1%	4,489	99%
Female	84	0	0%	84	100%	84	4	5%	84	100%
Other Permanent than	36,167	4,536	13%	31,631	87%	34,514	5,539	16%	30,523	88%
Male	35,467	4,580	13%	30,887	87%	34,801	5,421	16%	30,062	86%
Female	700	31	4%	669	96%	487	118	24%	461	95%

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/wages of respective category	Number	Median remuneration/ salary/wages of respective category
Board of Directors (BoD)	6	1,00,00,000*	2	98,00,000*
Key Managerial Personnel	3	8,84,66,358.39*	1	1,30,57,665*
Employees other than BoD and KMP	6,382	904,348**	759	11,46,853**
Workers	NA			

*Note *BoD, Key Managerial Personnel and Employee Data has been shared for VEDL Standalone*

***Employee data has been shared for the employees active throughout the full financial year FY 2023 in VEDL*

4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes. At Vedanta, the Board ESG Committee is responsible for monitoring and guiding the organisation's approach to addressing and managing human rights issues within its operations. The primary role of this Board-level Committee overseeing Human Rights is to provide oversight and strategic guidance on human rights-related risks, policies, and practices. In addition to the Board ESG Committee, several functions within the Company have specific responsibilities for preventing and addressing human rights violations. These functions include the Human Resources (HR) department, Commercial department, Security team, and Industrial Relations department. Each of these departments plays a crucial role in upholding human rights standards and ensuring that appropriate measures are in place to safeguard the well-being and rights of individuals affected by the Company's activities.

To oversee and drive the implementation of human rights practices, we have established Social Performance Steering committee (SPSC) at all our sites. These committees play a crucial role in promoting local stakeholder engagement, managing grievance mechanisms, and addressing any human rights impacts associated with the Company's business operations. They work towards ensuring that the Company's activities are conducted in a manner that respects and upholds human rights principles. The SPSC consists of representation from at least the following functions: External Affairs/Public Relations, Operations, Security, CSR, Human Resources, HSE, Finance, and Corporate Communications. The SPM is supported by a Community Liaison Officer (CLO), whose primary responsibility is to have regular interactions with the local communities.

Each site has a Social Performance Manager (SPM), whose role is to drive the implementation of social performance principles at the location. The SPM is the convening authority for the Social Performance Steering Committee (SPSC).

To provide an avenue for employees and external stakeholders to raise concerns or grievances related to human rights issues, Vedanta has implemented a comprehensive grievance mechanism. This mechanism is designed to receive and facilitate the resolution of concerns raised by employees and to address complaints, disputes, or grievances brought forward by external stakeholders. It serves as an important channel for individuals to seek redress and ensures that their concerns are handled in a fair and timely manner.

By involving various functions and establishing robust mechanisms, Vedanta strives to create a work environment that respects and safeguards human rights. The Company is committed to addressing any human rights issues that may arise and continuously improving practices to uphold the well-being and dignity of all individuals impacted by our operations.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

All locations also have formal grievance mechanism cells where external stakeholders can register their grievances. Grievance system at Vedanta sites is guided by Technical Standard and Guidance note on Grievance Mechanism which are part of Vedanta Sustainability Framework (VSF).

All of Vedanta's sites have a Social Performance Steering Committee (SPSC), oversee the resolution of all grievances related to human rights in a timely manner. The Community Liaison Officer (CLO) must record, assess and assign the grievance to the concerned department for investigation and resolution. Human Rights related grievances must be directly assigned to the location head for investigation and closure.

Grievances are attempted to be resolved within 30 days from identification. If not possible, the CLO updates the Social Performance Manager (SPM) and the grievance holder with bimonthly progress. Grievance once rejected or resolved is considered closed after the CLO has shared a closure report and grievance holder's feedback is obtained on Grievance Mechanism process experience and outcome.

The SPM monitors quarterly performance of the GM against the principle outcome & expectations and share findings with the location head, SPSC and Corporate HSES.

6. Number of Complaints on the following made by employees and workers*:

	FY 2023			FY 2022		
	Filed during the year (2022-23)	Pending resolution at the end of year	Remarks	Filed during the year (2021-22)	Pending resolution at the end of year	Remarks
Sexual Harassment	17	0				
Discrimination at Workplace	5	0		1	0	
Child Labour	0	0		0	0	
Forced Labour/Involuntary Labour	0	0		0	0	
Wages	8	3		23	14	
Other Human Rights related issues	14	0		55	55	

**HZL and Fujairah Gold are not included*

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Vedanta has a strict adherence to policy on discrimination and harassment where all information/names of employees disclosed in investigations is strictly confidential to prevent any disadvantage to the complainant or the witnesses. In line with Vedanta's Sexual Harassment Policy, the Company takes necessary steps to safeguard individuals who raise complaints against victimisation or retaliation. Vedanta recognises the importance of providing a safe environment for employees to come forward and address their concerns without fear of negative consequences.

To effectively address both sexual and non-sexual harassment, Vedanta has established an Internal Complaints Committee (ICC).

(https://www.vedantalimited.com/CorporateGovernance/policy_on_prevention_and_prohibition_of_sexual_harassment_final.pdf). The committee comprises a diverse group of internal and external members with relevant backgrounds. While well-defined criteria is already in place for handling sexual harassment cases, the Company has recently expanded the committee's scope to include the redressal of non-sexual harassment cases as well. In the fiscal year 2021-22, this additional provision was implemented.

To ensure awareness and sensitivity towards these issues, Vedanta will provide sensitisation and training programs to all employees. These initiatives will be coordinated with the Human Resources department and other relevant functions to ensure comprehensive coverage across the Company.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes. Human rights requirements form part of Vedanta's business agreements and contracts. The Company has been complying with the Modern Slavery Act (UK) or MSA since 2016. With regular and systematic updates and audit mechanisms, Vedanta has been making their systems robust to ensure that vendors and supply chain are entirely free of slave labour. Vedanta also seeks MSA self-declaration from each of their vendors.

Key initiatives:

1. MSA clause included in vendor contracts, SCOC and recruitment procedures
2. MSA awareness and training programmes for vendors
3. MSA compliance for onboarding new vendors
4. Supply chain managers regularly trained on Vedanta Code, SCOC and Human Rights Policy

9. Assessments for the year:

	% Of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100% Human Rights self-assessment was conducted across all BUs during the year.
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

10. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 9 above.

The Company has established an Internal Complaints Committee (ICC) to handle sexual and non-sexual harassment (bullying, discrimination). The ICC consists of both internal and external members from diverse backgrounds, ensuring a fair and unbiased approach to handling complaints. The committee follows predefined criteria and guidelines specifically tailored for addressing incidents of sexual harassment. (https://www.vedantalimited.com/CorporateGovernance/policy_on_prevention_and_prohibition_of_sexual_harassment_final.pdf).

3.6 PRINCIPLE 6

Businesses should respect and make efforts to protect and restore the environment.

UN SDG mapped:

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2023	FY 2022
Total electricity consumption (A)	5,86,12,317	3,32,11,181
Total fuel consumption (B)	50,03,09,642	53,07,64,592
Energy consumption through other sources (C)	-	-
Total energy consumption (A+B+C)	**55,89,21,959**	**56,39,75,774**
Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees)	3,843	4,298
Energy intensity (optional) – the relevant metric may be selected by the entity (Total energy consumption/tonne of metal)	-	-

** Energy intensity per rupee of turnover- (GJ/₹ crore)*

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, an independent assurance has been carried out by Ernst & Young Associates LLP.
Following are the key indicators assured by independent Agency:
302-1 Energy consumption within the organisation
302-3 Energy intensity
302-4 Reduction of energy consumption

2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Vedanta's Aluminium Business i.e., Balco and Vedanta Ltd Jharsuguda as well as their Independent Power Plants (IPPs) i.e., TSPL, Vedanta Ltd Jharsuguda IPP and Balco IPP are designated consumers. These sites have successfully achieved their targets under the Perform, Achieve, and Trade (PAT) scheme. Below are the accomplishments for each site:

- Balco smelter (including CPP): Achieved the target in PAT Cycle 2. Also, Bharat Aluminium Company Ltd has been recognised as a Top Performer Designated Consumer for the Aluminium Sector in PAT Cycle-II under the National Mission for Enhanced Energy Efficiency (NMEEE).
- TSPL: Achieved the target in PAT Cycle 3.
- VAL J smelter: Achieved the target in PAT Cycle 2.
- VAL J IPP: Achieved the target in PAT Cycle 3.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2023	FY 2022
Water withdrawal by source (in kilolitres)		
(i) Surface water	14,53,05,251	15,21,15,631
(ii) Groundwater	1,59,29,325	1,74,32,334
(iii) Third party water	36,02,979	2,24,001
(iv) Seawater/desalinated water	-	-
(v) Others: Wastewater from other Organisations, Rain Water and Produced Water	4,57,37,178	9,88,85,638
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**21,05,74,733**	**26,86,57,604**
Total volume of water consumption (in kilolitres)	**26,60,01,190**	**28,02,25,972**
Water intensity per rupee of turnover (Water consumed/turnover)	1,815	2,135
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

Water intensity per rupee of turnover- (Kiloliters/₹ crore)

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, an independent assurance has been carried out by Ernst & Young Associates LLP.

Following are the key indicators assured by independent Agency:

- 303-3 Water Withdrawal
- 303-5 Water Consumption

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Vedanta has a longstanding commitment to achieving zero waste and zero discharge, recognising the responsibility to minimise any adverse environmental impacts.

HZL's (of Vedanta Limited) sites are Zero Liquid Discharge (ZLD) plants with no liquid effluent into surface water, groundwater, or third parties, eliminating the environmental pollution. To ensure this process, real time monitoring systems along with flow meters and PTZ camera are installed at the plant outlets for all smelters and captive power plants. Vedanta tracks the process water which is recycled after undergoing treatment at onsite ETP and a two stage RO system. The treated effluent conforms to the prescribed standards and is recycled in the process. Multiple Effective Evaporator (MEE) and Mechanical Vapor Recompression (MVR) have been provided to ensure ZLD.

To provide an overview of the facilities available across our business units, here is a summary:

Business Unit	Facilities Available (Yes/No)		
	ETP/STP	RO	No water discharge
HZL	Yes	Yes	Yes
VAL-JSG	Yes	Yes	Yes
VAL-Lanjigarh	Yes	No	Yes
Zinc Int.	Yes	No	Yes
FACOR	Yes	Yes	No
Sterlite Cu	Yes	No	Yes
ESL	Yes	No	Yes
IOK	Yes	No	Yes
BALCO	Yes	Yes	Yes
TSPL	Yes	Yes	Yes
VAB	Yes	Yes	No
CAIRN	Yes	Yes	Yes

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Unit	FY 2023	FY 2022
NOx	MT	89,856	84,657
SOx	MT	5,01,201	3,86,621
Particulate matter (PM)	MT	18,275	11,898
Persistent organic pollutants (POP)	-	NA	NA
Volatile organic compounds (VOC)	-	NA	NA
Hazardous air pollutants (HAP)	-	NA	NA
Other – please specify	-		

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, an independent assurance has been carried out by Ernst & Young Associates LLP.

Following are the key indicators assured by independent Agency:
305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2023	FY 2022
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO_2 equivalent	5,71,47,242	5,94,86,747
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO_2 equivalent	85,71,214	33,42,745
Total Scope 1 and Scope 2 emissions per rupee of turnover	tCO_2e/₹ million	451	478
Total Scope 1 and Scope 2 emission intensity (optional)– the relevant metric may be selected by the entity.			

Total Scope 1 and Scope 2 Emissions per rupee of turnover- (MT/₹ crore)

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, an independent assurance has been carried out by Ernst & Young Associates LLP.

Following are the key indicators assured by independent Agency:

305-1 Direct (Scope 1) GHG Emissions

305-2 Energy indirect (Scope 2) GHG Emissions

305-3 Other indirect (Scope 3) GHG Emissions

305-4 GHG Emissions intensity

305-5 Reduction of GHG Emissions

7. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

Yes. Vedanta is fully committed to becoming a "Net Zero Carbon" organisation by 2050, or potentially even sooner. To achieve this goal, the Company has identified four key strategies, or levers, to reduce GHG emissions and meet their 2030 emission targets. These levers are increasing renewable energy, switching to low-carbon or zero-carbon fuels, improving energy and process efficiency, and purchasing carbon offsets for residual emissions.

Lever 1: Increasing Renewable Energy
Vedanta is making significant progress in increasing their renewable energy capacity. By the end of FY 2023, the Company has signed power delivery agreements (PDAs) for 788 MW of renewable energy, which will result in an estimated avoidance of 6.6 million tonnes of CO_2e per year. This represents 32% of our target to use 2,500 MW of RE RTC (eq.) power by 2030. To coordinate these efforts, the Company has established an RE Steering Committee.

Lever 2: Switch to low-carbon/zero-carbon fuels
Lever 2 focusses on transitioning from coal to biomass and other low-carbon or zero-carbon fuels. Vedanta aims to substitute 5% of coal used in thermal power plants with biomass, a net zero-carbon fuel. In FY 2023, the Company achieved a four-fold increase in biomass usage compared to FY 2022, reaching approximately 78,000 MT.

Vedanta has also made positive progress on reducing emissions from LMV and mining fleet, through electrification and other measures. HZL and ESL have initiated the use of electric vehicles. HZL has launched the first battery-powered electric underground vehicle and LNG-powered 55-tonne heavy-duty trucks. A large electric forklift fleet of 27 is operating at our Jharsuguda location. Biofuel trials have started at BALCO and VAL-Jharsuguda and planning is underway to start trials at Sterlite Copper and Sesa Value-Added Business (VAB).

Lever 3: Improving the energy and process efficiency of our operations.
Vedanta has undertaken several projects to enhance efficiency in the Aluminium sector. Some of these projects include:

100% Graphitisation with copper inserted collected bar (potential 1.1 million tCO_2e/year)

Vedanta pot controller implementation (potential 0.2 million tCO_2e)

Commissioning of TRT and BPRT at ESL (potential 82,000 tCO_2e/year)

Natural gas usage at Lanjigarh Alumina Refinery (potential 1,20,000 tCO_2e/year)

While these are projects under progress, there are some major energy efficiency projects which are already completed at Vedanta's sites:

R&M of 1 unit of 600 MW at VAL Jharsuguda (3,70,000 tCO_2e/year))

VAL Lanjigarh Evaporation - 1 Calendria 1 & 2 tubes replacement (18,000 tCO_2e/year)

VAL Lanjigarh Boiler 2 junior APH replacement (16,000 tCO_2e/year)

ESL Fuel crushing index improvement (31,000 tCO_2e/year)

ESL LD gas recovery project completion (18,000 tCO_2e/year)

Lever 4: Purchasing carbon offsets for residual emissions.
Vedanta has yet to initiate specific work on Lever 4, which involves purchasing carbon offsets for residual emissions.

The Company will consider options for addressing hard-to-abate GHG emission at the end of their target period.

Vedanta's collective efforts over the past two years have resulted in significant emissions reductions, with 4.17 million tonnes of CO_2e avoided based on the FY 2021 baseline and 14.62 million tonnes of CO_2e avoided based on the initial FY 2012 baseline. For more detailed information, please refer to Vedanta's Sustainability Report for FY 2022-23.

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2023	FY 2022
Total Waste generated (in metric tonnes)		
Plastic waste **(A)**	372	85
E-waste **(B)**	141	121
Bio-medical waste **(C)**	1,297	1,223
Construction and demolition waste **(D)**	NA	NA
Battery waste **(E)**	252	130
Radioactive waste **(F)**	-	-
Other Hazardous waste. Please specify, if any. **(G) (other than above mentioned HW)**	5,31,595	5,16,245
Other Non-hazardous waste generated **(H)**. Please specify, if any. (HVLT) **(Excluding Plastic waste, construction waste)** (Break-up by composition i.e., by materials relevant to the sector)	1,80,98,325	1,90,10,000
Total (A + B + C + D + E + F + G + H)	**1,86,31,982**	**1,95,27,804**
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	3,02,20,013	1,94,65,805
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
Total	**3,02,20,013**	**1,94,65,805**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste	-	-
(i) Incineration	282	293
(ii) Landfilling	15,786	12,465
(iii) Other disposal operations	2,10,96,024	1,70,43,316
Total	**2,11,12,092**	**1,70,56,074**

** Recycle waste includes - Recycle, reuse and Other recovery operations*

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, an independent assurance has been carried out by Ernst & Young Associates LLP.

Following are the key indicators assured by independent Agency:
306-1 Waste generation and significant waste-related impacts
306-2 Management of significant waste-related impacts
306-3 Waste generated
306-4 Waste diverted from disposal/recycled
306-5 Waste directed to disposal

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Vedanta has implemented a robust waste management system designed to handle waste efficiently and responsibly. As part of their refreshed ESG vision, the Company is committed to becoming a "Zero Waste" organisation. To achieve this goal, specific targets are set:

- Sustain the fly ash utilisation at 100%
- Achieve zero legacy waste by 2035
- Use 100% of High-Volume Low Toxicity (HVLT) waste generated by 2025

To fulfil these targets, Vedanta is deploying advanced technologies to minimise waste and increase metal recovery. The Company is also establishing long-term collaborations with potential users of our HVLT waste (which includes fly ash, bottom ash, slag, jarosite, and red mud), and partnering with academic and research institutes to explore alternative applications for these wastes. For instance, Vedanta is working with the cement industry to use these wastes as raw materials and collaborating with the National Highways Authority of India (NHAI) to incorporate them as substrates for road construction. In the case of HVLT waste such as red mud, which contains traces of Rare Earth Minerals (REE), the Company is conducting research and development projects to economically extract these minerals. Additionally, trials are underway to explore the use of this waste as an alternative to sand. Vedanta is collaborating with esteemed institutions such as CSIR, CRRI, IIT Kharagpur, IMMT, and NITI Aayog for these initiatives. For instance, during FY 2022-23, the Company completed a lab scale feasibility study with CSIR-Central Road Research Institute (CSIR-CRRI) for utilisation of red mud in highway construction.

Vedanta's waste management efforts are guided by our HSE (Health, Safety, and Environment) policy, which outlines their overall commitment to waste management and other environmental aspects. We follow 'The resource use and waste management' Technical Standard and supporting guidance notes, which are integral components of the Vedanta Sustainability Framework. These standards are aligned with the national Hazardous Waste Management Rules of 2016. Hazardous wastes, such as used/spent oil, waste refractories, spent pot lining, and residual sludge from smelters, are sent to government-authorised handlers or recyclers in accordance with regulatory requirements.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
1	Vedanta Lanjigarh (Lanjigarh, India)	Alumina Refinery	Yes
2	Skorpan Zinc (Rosh Pinah, Namibia)	Mining	Yes
3	Black Mountain Mines (Gamsberg, South Africa)	Mining	Yes

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
Expansion within the existing Chanderiya Lead Zinc Smelter Complex at Villages: Putholi, Ajoliya Ka Khera & Biliya, Tehsil: Gangrar & Chittorgarh, District: Chittorgarh (Rajasthan)	S.O. 1533 (E)	-	Yes	Yes	https://parivesh.nic.in/newupgrade/#/department/ec-proposal-detail/1722660
2EC for development and production in Hazarigaon On-shore DSF II Block in Golaghat Dist, Assam	EIA Notification 2006 and its amendments	-	Yes	No	
	Office Memorandum issued from MoEF&CC vide no. IA3-22/23/2021-IA.III (E 167077) dated 20.10.2021 and IA3-22/10/2022-IA.III (E 177258)		Submiited to MoEF		

12. Is the entity compliant with the applicable environmental law/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes. Vedanta adheres to and complies with the relevant environmental laws, regulations, and guidelines in India. This includes the Water (Prevention and Control of Pollution) Act, the Air (Prevention and Control of Pollution) Act, the Environment Protection Act, and the respective rules established under these Acts. The Company ensures that operations align with these legal requirements to promote environmental stewardship and maintain regulatory compliance.

3.7 PRINCIPLE 7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

UN SDG mapped:

Essential Indicators

1. a. **Number of affiliations with trade and industry chambers/associations:** 5

   b. **List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of/affiliated to.**

S. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/ associations (State/National)
1	Confederation of Indian Industry (CII)	National
2	Federation of Indian Chambers of Commerce & Industry (FICCI)	National
3	The Associated Chambers of Commerce and Industry of India (ASSOCHAM)	National
4	Federation of Indian Mineral Industry (FIMI)	National
5	Federation of Indian Petroleum Industry (FIPI)	National

2. **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

Name of authority	Brief of the case	Corrective action taken
Not Applicable. There were 0 cases related to anti-competitive conduct by Vedanta or its associated subsidiaries, joint ventures.		

3.8 PRINCIPLE 8

Businesses should promote inclusive growth and equitable development

UN SDG mapped:

Essential Indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
Onshore Oil and Gas Exploration, Appraisal and Early Production in AA-ONHP-2017/1 Block, Karbi Anglong and Golaghat Districts, Assam	NA (as per Vedanta Sustainability Framework requirement)	Not Applicable	External Agency	Not required	Not Applicable
Onshore Oil and Gas Exploration, Appraisal and Early Production in AA-ONHP-2017/2 Block in Tirap District, Arunachal Pradesh		Not Applicable	External Agency	Not required	Not Applicable

<table>
<tr><th>Name and brief details of project</th><th>SIA Notification No.</th><th>Date of notification</th><th>Whether conducted by independent external agency (Yes/No)</th><th>Results communicated in public domain (Yes/No)</th><th>Relevant Web link</th></tr>
<tr><td>Onshore Oil and Gas Exploration, Appraisal and Early Production in AA-ONHP-2017/3 in Tinsukia District, Assam</td><td rowspan="8">NA (as per Vedanta Sustainability Framework requirement)</td><td>Not Applicable</td><td>External Agency</td><td>Not required</td><td>Not Applicable</td></tr>
<tr><td>Onshore Oil and Gas Exploration, Appraisal and Early Production in AA-ONHP-2017/4 Block, Jorhat District, Assam</td><td>Not Applicable</td><td>External Agency</td><td>Not required</td><td>Not Applicable</td></tr>
<tr><td>Onshore Oil and Gas Exploration, Appraisal and Early Production in AA-ONHP-2017/5 Block in Jorhat, Lakhimpur and Sibsagar Districts, Assam</td><td>Not Applicable</td><td>External Agency</td><td>Not required</td><td>Not Applicable</td></tr>
<tr><td>Onshore Oil and Gas Exploration, Appraisal and Early Production in AA-ONHP-2017/9 Block in Sibsagar District, Assam</td><td>Not Applicable</td><td>External Agency</td><td>Not required</td><td>Not Applicable</td></tr>
<tr><td>Onshore Oil and Gas Exploration, Appraisal and Early Production in AA-ONHP-2017/11 in Golaghat and Jorhat Districts, Assam</td><td>Not Applicable</td><td>External Agency</td><td>Not required</td><td>Not Applicable</td></tr>
<tr><td>Onshore Oil and Gas Exploration, Appraisal and Early Production in CB-ONHP-2018/1 Block in Mehsana & Patan Districts, Gujarat</td><td>Not Applicable</td><td>External Agency</td><td>Not required</td><td>Not Applicable</td></tr>
<tr><td>Onshore Oil and Gas Exploration, Appraisal and Early Production in CB-ONHP-2018/3 Block in Kheda & Anand Districts, Gujarat</td><td>Not Applicable</td><td>External Agency</td><td>Not required</td><td>Not Applicable</td></tr>
<tr><td>Onshore Oil and Gas Exploration, Appraisal and Early Production in CB-ONHP-2018/4 Block in Vadodara District, Gujarat</td><td>Not Applicable</td><td>External Agency</td><td>Not required</td><td>Not Applicable</td></tr>
</table>

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in FY (In ₹)
1	Vedanta Limited Lanjigarh	Odisha	Kalahandi	261	100%	Land Payments: ₹40.28 crore : Already done New RR Colony Construction: ₹54.28 crore : Ongoing R&R Package: 31.58 CR: Disbursement is in progress. R&R Subsistence Allowances and Trainees Stipends: ₹7.02 crore: Ongoing Skill development training cost: ₹4.56 crore: Ongoing

3. Describe the mechanisms to receive and redress grievances of the community.

Vedanta has established Social Performance Steering Committees (SPSCs) across all BUs to enhance various aspects of their social performance. These committees play a vital role in tracking, investigating, and resolving grievances, preventing any adverse impacts on communities, and involving them in economic activities. By adopting a cross-functional approach to community engagement, the Company breaks down the perception that community engagement is solely the responsibility of our CSR teams.

The SPSCs are entrusted with driving social performance standards, including the implementation of a grievance mechanism at the site level, and addressing human rights-related issues. The grievance redressal system at Vedanta sites is guided by the Technical Standard and Guidance note on Grievance Mechanism, which are integral parts of the Vedanta Sustainability Framework (VSF). These standards align with the IFC Performance Standards and incorporate global best practices in social performance.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2023	FY 2022
Directly sourced from MSMEs/small producers*	**9.81%**	**10.22%**
Sourced directly from within the district and neighbouring districts*	**49.38%**	**43.28%**

**Only for Cairn*

3.9 PRINCIPLE 9

Businesses should engage with and provide value to their consumers in a responsible manner.

UN SDG mapped:

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Vedanta has established formal feedback mechanisms to gather input from customers, which are guided by their Grievance Redressal Performance Standard. Currently, the Company uses the "Vedanta Metal Bazaar" (Moglix Portal) to capture all customer grievances (https://vedantametalbazaar.moglix.com/#/login). When a customer files a complaint through the portal, it triggers email notifications to the relevant team members. After completing a thorough root cause analysis, necessary actions are taken, and the complaint is resolved and closed. Throughout this process, customers can track the stages of complaint closure and provide their consent.

Vedanta engages with customers proactively through online and offline channels, in line with the monthly customer connect calendar, to gather their voices of concern (VOC). Based on the VOC, appropriate actions are taken, communicated to customers, and feedback is recorded for future reference. Additionally, the Company conducts customer satisfaction surveys to capture VOC and ensure their expectations are met.

2. Turnover of products and/services as a percentage of turnover from all products/services that carry information about:

	% to total turnover
Environmental and social parameters relevant to the product	This is not applicable as Vedanta supplies power, metals & minerals, oil & gas which does not require any labelling.
Safe and responsible usage	This is not applicable as Vedanta supplies power, metals & minerals, oil & gas which does not require any labelling.
Recycling and/or safe disposal	This is not applicable as Vedanta supplies power, metals & minerals, oil & gas which does not require any labelling.

3. Number of consumer complaints in respect of the following:

	FY 2023			FY 2022		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	0	0	No Complaint received	0	0	No Complaint received
Advertising	-	-	-	-	-	-
Cyber-security	0	0	No Complaint received	0	0	No Complaint received
Delivery of essential services	-	-	-	-	-	-
Restrictive Trade Practices	-	-	-	-	-	-
Unfair Trade Practices	-	-	-	-	-	-
Other	-	-	-	-	-	-

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary Recalls	0	NA

5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes. Vedanta has an Information Security Policy in place that covers aspects of cyber security and risks related to data privacy (https://www.vedantalimited.com/CorporateGovernance/Information_security_Policy_V3_3.pdf). Vedanta has implemented a robust Information Security Management Framework under their Enterprise Risk Management (ERM) framework. This framework comprises policies, standard operating procedures (SOP), and technology standards for all business units. It also includes a comprehensive security assessment and audit process aimed at preventing cyber-attacks and enhancing overall information security across Vedanta's technology landscape (https://www.vedantalimited.com/uploads/corporate-governance/policies_practices/IT%20Disclosure%20Cybersecurity%202022.pdf).

Vedanta's cybersecurity framework follows a principle and objective-based approach to safeguard the confidentiality, integrity, and availability of all technology and data assets, especially those critical to business and operational resilience, stability, and regulatory compliance. The framework focusses on identifying risks and implementing critical controls for our assets. Moreover, the Company adheres to various standards and guidelines governing information technology and cybersecurity practices, including those related to information security management, personal data privacy, disaster recovery, business continuity management, and risk management.

The Company's Information Security Framework takes following aspects as an input:

1. Globally recognised Information Security Management Frameworks and Standards
2. Applicable Regulatory Requirements
3. Risk Assessment and Risk Control Matrix defined under Risk Management Process
4. Information Security Objectives aligned to Business Objectives
5. Prevailing Best Practices
6. Security Threat Intelligence

Cybersecurity is covered under the revised Risk Management Policy of the Company, which was updated in 2019. Vedanta also conducts Vulnerability Assessment and Penetration Testing (VAPT) reviews with the assistance of cybersecurity experts. At the Group level, the Company has a well-structured cybersecurity framework, and each BU has a Chief Information Officer (CIO) experienced in information/cybersecurity. IT experts carry out annual cybersecurity reviews to ensure the effectiveness of their security measures.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.

Not applicable

FINANCIAL STATEMENTS

Standalone

INDEPENDENT AUDITOR'S REPORT

To the Members of Vedanta Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Vedanta Limited ("the Company"), which comprise the Balance sheet as at 31 March 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended 31 March 2023. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Accounting and disclosure of related party transactions (as described in note 39 of the Standalone Ind AS financial statements)	
The Company has undertaken transactions with related party, Vedanta Resources Limited ('VRL'), its intermediated holding company and its affiliates including among others payment of brand and strategic management fee, agency commission, obtaining guarantees and payment of consideration thereof. Accounting and disclosure of such related party transactions has been identified as a key audit matter due to a) Significance of such related party transactions; b) Risk of such transactions being executed without proper authorizations; and c) Risk of material information relating to aforesaid transactions not getting disclosed in the financial statements.	Our procedures included the following: • Obtained and read the Company's policies, processes and procedures in respect of identification of such related parties in accordance with relevant laws and standards, obtaining approval, recording and disclosure of related party transactions and identified key controls. For selected controls we have performed tests of controls. • Tested such related party transactions and balances with the underlying contracts, confirmation letters and other supporting documents provided by the Company. • Examined the approvals of the board and/or audit committee of these transactions. • Obtained and assessed the legal and accounting opinion issued by experts engaged by the management for the accounting of agency commission with the parent company. • Obtained and assessed the benchmarking report issued by the experts engaged by the management for the brand and strategic management fee. • Assessed the competence and objectivity of the external experts • Engaged transfer pricing experts to assist us in corroborating the arms-length assessment carried out by the management for brand and strategic fee. • Held discussions and obtained representations from the management in relation to such transactions. • Read the disclosures made in this regard in the financial statements and assessed whether relevant and material information have been disclosed.

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">Recoverability of carrying value of property plant and equipment capital work in progress and exploration intangible assets under development and Non-current Investments (as described in note 3(a)(F), 3(a)(G)(iii), 3(c)(A)(i), 3(c)(A)(iii), 3(c)(A)(v), 5 and 34 of the Standalone Ind AS financial statements)</td></tr>
<tr><td>As at 31 March 2023, the Company had significant amounts of property, plant and equipment, capital work in progress and exploration intangible assets under development which were carried at historical cost less depreciation.

We focused our efforts on the Cash Generating Unit ("CGU") at (a) Tuticorin within the copper segment; (b) Rajasthan block within the oil & gas segment; (c) Investments made in Western Cluster Limited (WCL) in Liberia within the Iron Ore segment through the wholly owned subsidiary Bloom Fountain Limited and d) Investments made in Optionally Convertible Redeemable Preference Shares (OCRPS) of THL Zinc Ventures Limited (THLZVL), a wholly owned subsidiary within the Zinc International segment; as it had identified impairment (charge) / reversal indicators.

Recoverability of property plant and equipment, capital work in progress and exploration intangible assets being carried at cost has been identified as a key audit matter due to:
• The significance of the carrying value of assets being assessed.
• The fact that the assessment of the recoverable amount of the Company's CGU involves significant judgements about the future cash flow forecasts, start date of the plant and the discount rate that is applied.
• The withdrawal of the Company's licenses to operate the copper plant.
• The revision to brent oil assumptions up to 2040 due to increased demand.
• Changes in production forecasts due to adjustments in the future reserve estimates
• Levy of Special Additional Excise Duty ('SAED') on oil producers due to significant increase in crude prices resulting windfall gains to domestic crude producers.
• The fact that the Company's subsidiary WCL obtained the mining license and has started the mining activity at Bomi mine in Liberia, which were suspended since 2015 due to outbreak of Ebola.
• The fact that THLZVL has generated profitability owing to increase in reserves and production at Zinc International.

The key judgements and estimates centered on the likely outcome of the litigations with respect to withdrawal of license to operate the Copper plant, cash flow forecasts, likelihood of license extension, interpretations on mechanism of levy of SAED, discount rate assumptions and related disclosures as given in note 5 (Property, plant and equipment) / 34 (Exceptional items) of the accompanying financial statements.</td><td>Our audit procedures included the following:
• Obtained and read the Company's policies, processes and procedures in respect of identification of impairment indicators, recording and disclosure of impairment charge / (reversal) and identified key controls. For selected controls we have performed tests of controls.
• Assessed through an analysis of internal and external factors impacting the Company, whether there were any indicators of impairment in line with Ind AS 36 and Ind AS 109.
• In relation to the CGU at (a) Tuticorin within the copper segment; (b) Rajasthan block within the oil & gas segment; (c) Investment made in WCL through wholly owned subsidiary Bloom Fountain Limited within the Iron Ore segment and d) Investments made in Optionally Convertible Redeemable Preference Shares (OCRPS) of THL Zinc Ventures Limited (THLZVL), a wholly owned subsidiary within the Zinc International segment where impairment (charge) / reversal indicators were identified, obtained and evaluated the valuation models used to determine the recoverable amount by assessing the key assumptions used by management, which included:
– Assessed the implications of withdrawal of Company's license to operate the copper plant at Tuticorin. Read the external legal opinions in respect of the merits of the case and assessed management's position through discussions with the legal counsel to determine the basis of their conclusion and its consequential impact on the reopening of the plant.
– Evaluated the valuation methodology adopted by the management i.e. determination of Value In Use in light of the facts and circumstances of the matter.
– Assessed management's forecasting accuracy by comparing prior year forecasts to actual results and assessed the potential impact of any variances.
– Corroborated the sales price assumptions used in the models against analyst consensus and assessing the reasonableness of costs.
– Compared the production forecasts used in the impairment tests with management's approved reserves and resources estimates,
– Compared the SAED forecast used in the impairment tests with actual levy of current year and obtained external legal opinion for the interpretations made over the determination of amount due to the levy of SAED.
– Tested the weighted average cost of capital used to discount the impairment models.
– Tested the integrity of the models together with their clerical accuracy.
– Tested the classification of expenses incurred in respect of the Bomi mines in Liberia to evaluate whether these are eligible for reversal.
– Tested arithmetical accuracy of bifurcation of expenses between the 3 mines in Western cluster.
– Compared assumptions used by management in respect of price forecast and ore grade against the consensus report and reserve and resource report.
– Assessed the production and profitability trend in the Zinc International segment and compared the same with the projected cash flows for reasonableness.
– Assessed reserves and resources estimation methods and policies and reading reports provided by management's external reserves experts for the oil and gas assets of the Company and the assets located in the subsidiary companies i.e. WCL and THLZBVL and assessed the scope of work and findings of these third parties;
– Assessed the competence, capability and objectivity of experts engaged by management; through understanding their relevant professional qualifications and experience.
– Engaged valuation experts to assist in performance of the above procedures.
• Assessed the disclosures made by the Company in this regard and evaluated the considerations leading to disclosure of above impairment (charge) / reversal as exceptional items.</td></tr>
</table>

Key audit matters	How our audit addressed the key audit matter
Recoverability of disputed trade receivables in Power segment (as described in note 3(c)(B)(ii) and 7 of the Standalone Ind AS financial statements)	
As of 31 March 2023 the value of disputed receivables in the power segment aggregated to ₹ 878 crore. Due to short supply or non-supply of power due to transmission line constraints, order received from Orissa State Electricity Regulatory Commission (OERC) and disagreements over the quantification relating to aforementioned disputes or timing of the recovery of receivables, the recovery of said receivables are subject to increased risk. Some of these balances are also subject to litigation. The risk is specifically related to receivables from GRIDCO. These receivables include long outstanding balances as well and are also subject to counter party credit risk and hence considered as a key audit matter.	Our audit procedures included the following: • Examined the underlying power purchase agreements. • Examined the relevant state regulatory commission, appellate tribunal and court rulings. • Obtained and assessed the model prepared by the management for computation of Expected credit loss on the disputed receivables, including testing of key assumptions. • Engaged valuation experts to assist in performing above procedures. • Tested arithmetical accuracy of the models prepared by the management. • Obtained independent external lawyer confirmation from Legal Counsel of the Company who is contesting the cases. • Examined external legal opinions in respect of the merits of the case and assessed management's position through discussions with the management's in-house legal team to determine the basis of their conclusion. • Assessed the competence and objectivity of the Company's experts. • Assessed the disclosures made by the Company in this regard.
Claims and exposures relating to taxation and litigation (as described in note 3(c)(B)(i), 38D and 44 of the Standalone Ind AS financial statements)	
The Company is subject to a large number of tax and legal disputes, including objections raised by auditors appointed by the Director General Hydrocarbons in the oil and gas segment, vendor arbitrations, income tax disallowances and various indirect tax disputes which have been disclosed / provided for in the financial statements based on the facts and circumstances of each case. Taxation and litigation exposures have been identified as a key audit matter due to the complexities involved in these matters, timescales involved for resolution and the potential financial impact of these on the financial statements. Further, significant management judgement is involved in assessing the exposure of each case and thus a risk that such cases and thus a higher risk involved on adequacy of provision or disclosure of such cases.	Our audit procedures included the following:- • Obtained an understanding of the process of identification of claims, litigations and its classification as probable, possible or remote and identified key controls in the process. For selected controls we have performed tests of controls. • Obtained the summary of Company's legal and tax cases and critically assessed management's position through discussions with the Legal Counsel, Head of Tax and operational management, on both the probability of success in significant cases, and the magnitude of any potential loss. • Obtained independent external lawyer confirmation from Legal Counsel of the Company who is contesting the cases. • Examined external legal opinions (where considered necessary) and other evidence to corroborate management's assessment of the risk profile in respect of legal claims. • Assessed the competence and objectivity of the Company's experts. • Engaged tax specialists to technically appraise the tax positions taken by management with respect to local tax issues. • Assessed whether management assessment of similar cases is consistent across the divisions and subsidiaries or that differences in positions are adequately justified. • Assessed whether management assessment of similar cases is consistent with the positions taken in earlier periods or that difference in positions are adequately justified. • Assessed the relevant disclosures made within the financial statements to address accuracy of the amounts and whether they reflect the facts and circumstances of the respective tax and legal exposures and the requirements of relevant accounting standards.
Recognition and measurement of Deferred Tax Assets including Minimum Alternate Tax (MAT) (as described in note 3(c)(A)(ii) and 35 of the Standalone Ind AS financial statements)	
Deferred tax assets as at 31 March 2023 includes MAT credits of ₹ 9,184 crore which is available for utilization against future tax liabilities. Of the aforesaid, we focused our effort on MAT assets of ₹ 2,689 Crore which is expected to be utilised in the fourteenth year and fifteenth year, fifteen years being the maximum permissible time period to utilize the same. The analysis of the recoverability of such deferred tax assets has been identified as a key audit matter because the assessment process involves judgement regarding the future profitability, allowability of tax positions / deductions claimed by the management in the tax computations and likelihood of the realization of these assets, in particular whether there will be taxable profits in future periods that support the recognition of these assets. This requires assumptions regarding future profitability, which is inherently uncertain. Accordingly, the same is considered as a key audit matter.	Our audit procedures included the following:- • Obtained an understanding of the management's process for estimating the recoverability of the deferred tax assets and identified key controls in the process. For selected controls we have performed tests of controls. • Obtained and analysed the future projections of taxable profits estimated by management, assessing the key assumptions used, including the analysis of the consistency of the actual results obtained by the various segments with those projected in the previous year. We further obtained evidence of the approval of the budgeted results included in the current year's projections, and the reasonableness of the future cash flow projections. • Assessed management's forecasting accuracy by comparing prior year forecasts to actual results and assessed the potential impact of any variances. • Tested the accuracy of the deductions availed under the Income Tax Act included in the tax computation. • Tested the computation of the amounts recognized as deferred tax assets. • Engaged valuation experts to assist in performance of the above procedures. • Assessed the competence and objectivity of the experts engaged by us. • Assessed the disclosures made by the Company in this regard.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended 31 March 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the financial statements and other financial information, in respect of an unincorporated joint venture, whose financial statements include total assets of ₹ 149 as at 31 March 2023, and total revenues of ₹ 100 Crore, total net profit after tax of ₹ 32 Crore, total comprehensive income of ₹ 32 Crore for the year ended 31 March 2023, and net cash inflows of ₹ 0 Crore for the year ended 31 March 2023. These financial statements and other financial information of the said unincorporated joint venture have not been audited by other auditors, whose unaudited financial statements and other unaudited financial information have been furnished to us by the management. Our opinion on the standalone Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of the said unincorporated joint venture and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid unincorporated joint venture, is based solely on the unaudited information furnished to us by the management. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) In our opinion, the managerial remuneration for the year ended 31 March 2023 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 38 and Note 44 to the standalone Ind AS financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

iv. a) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 39 (H) to the standalone Ind AS financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 39(H) to the standalone Ind AS financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with section 123 of the Act.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable only w.e.f. 01 April 2023 for the company, hence the reporting under this clause is not applicable.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Vikas Pansari**
Partner
Membership Number: 093649
UDIN: 23093649BGXPKQ3436

Place of Signature: Mumbai
Date: 12 May 2023

ANNEXURE-1

referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date

Re: **Vedanta Limited**

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangibles assets.

(b) Property, Plant and Equipment have been physically verified by the management in accordance with a planned programme of verifying them once in three years which is reasonable having regard to the size of the Company and the nature of its assets, except for Property, Plant and Equipment located at Tuticorin Plant amounting to ₹ 1,033 Crore due to suspension of operations since April 2018 (refer Note 3(c)(A)(iii)). No material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company except for the title deeds of immovable properties as per table below:

Particulars	Gross carrying value	Held in the name of	Whether promoter, director or their relative or employee	Period held since	Reason for not being held in name of company
Land	53	Erstwhile Company Sterlite Industries (India) Limited that merged with the Company	No	1965-2012	The title deeds are in the names of erstwhile Companies that merged with the Company under Section 391 to 394 of the Companies Act, 1956 pursuant to Schemes of Amalgamation and Arrangement as approved by the Honourable High Courts.
ROU Land	50	Erstwhile Company Sterlite Industries (India) Limited that merged with the Company	No	1993-2009	
Land	20	Erstwhile Company Vedanta Aluminium Limited that merged with the Company	No	2008-2012	
Land & Building	1,749	Oil and Natural Gas Corporation Limited & Cairn India Limited (now a division of the company)	No	10 April 2009	The title deeds of Oil & Gas exploration blocks are jointly owned by the JV partners and are in the name of ONGC the licensee of these exploration blocks

The original title deeds amounting to ₹ 68 Crore pertaining to immovable properties have been pledged with lenders, which have been confirmed by the lenders/trustees.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended 31 March 2023

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory has been physically verified by the management during the year except for inventories aggregating ₹ 269 Crore lying at Tuticorin plant which is under suspension (refer note 3(c)(A)(iii)) and inventories lying with third parties amounting to ₹ 623 Crore. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Inventories lying with third parties have been confirmed by them as at 31 March 2023 and no discrepancies were noticed in respect of such confirmations. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed in respect of such verification.

(b) As disclosed in note 17B to the financial statements, the Company has been sanctioned working capital limits in excess of ₹ five Crores in aggregate from banks and financial institutions during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the audited books of accounts of the Company.

(iii) (a) During the year the Company has provided loans and stood guarantee to companies as follows:

Particulars (₹ In Crores)	Guarantees	Loans
Aggregate amount granted/ provided during the year		
- Subsidiaries	1,174	543
Balance outstanding as at balance sheet date (including opening balances)		
- Subsidiaries	9,541	630
- Ultimate parent company	115	-
- Other Parties	-	53

The Company has not provided any security and advances in the nature of loans during the year.

(b) During the year the investments made, guarantees provided, and the terms and conditions of the grant of all loans and guarantees provided to companies or any other party are not prejudicial to the Company's interest. The Company has not given any security and has not granted any advances in nature of loans during the year.

(c) The Company has granted loans during the year to its wholly owned subsidiaries where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular. The Company has not granted any advances in nature of loans during the year.

(d) There are no amounts of loans and advances in the nature of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.

(e) During the year, the Company had renewed loans to its wholly owned subsidiaries to settle the loans which had fallen due during the year.

The aggregate amount of such dues renewed by fresh loans and the percentage of the aggregate to the total loans or advances in the nature of loans granted during the year are as follows:

Name of the parties	Aggregate amount of loans or advances in the nature of loans granted during the year (in INR Crore)*	Aggregate overdue amount settled by renewal or extension or by fresh loans granted to same parties (INR Crore)	Percentage of the aggregate to the total loans or advances in the nature of loans granted during the year
Malco Energy Limited (MEL)	503	147	29%
Sesa Mining Corporation Limited (SMCL)	4	4	100%
Vizag General Cargo Berth Private limited (VGCB)	19	19	100%

* loan renewed/ extended is considered as new loan granted during the year for the purpose of reporting under this clause

(f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 of the Companies Act, 2013 are applicable. and hence not commented upon. Loans, investments, guarantees and security in respect of which provisions of Section 186 of the Companies Act, 2013 are applicable have been complied with by the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits during the year. However, in regard to the unclaimed deposits the Company has complied with the provisions of Sections 73 to 76 of the Act and the rules made thereunder, to the extent applicable. We are informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in this regard.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of goods and generation of electricity, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed dues in respect of goods and services tax, provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable.

(vii) (b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute as listed in Appendix-1 at the end of this report.

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) Term loans were applied for the purpose for which the loans were obtained

(d) On an overall examination of the financial statements of the Company, the Company has used funds raised on short-term basis in the form of working capital and short term borrowings from banks aggregating to ₹ 4,645 Crore for long-term purposes representing acquisition of property plant and equipment.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) No fraud by the Company or no material fraud on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor and secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.

(xii) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), (b) & (c) of the Order is not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a), (b), (c) & (d) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses in the current financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company

(xix) On the basis of the financial ratios disclosed in note 42 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 41 (a) to the financial statements.

(b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 41 (a) to the financial statements.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Vikas Pansari**
Partner
Membership Number: 093649
UDIN: 23093649BGXPKQ3436

Place of Signature: Mumbai
Date: 12 May 2023

APPENDIX-1

Dues not deposited on account of dispute

(Amount in INR Crore)

Name of the statute	Nature of the dues	31 March 2023	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income tax	729.11	AY 2006-07 ; 2008-09 to 2013-14	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income tax	30.35	1999-00, 2008-09, 2009-10	Not applicable as application filed for rectification
Income Tax Act, 1961	Income tax	2,014.30	2002-03; 2004-05 to 2009-10; 2014-15, 2015-16	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income tax	1,493.06	2007-08 to 2013-14; 2019-20	High Court
Income Tax Act, 1961	Income tax	205.82	2007-08	Supreme Court
Custom Act, 1962	Customs duty on exports	47.99	FY 2017-18: FY 2018; 2004-05 to 2009-10 and 2013-14 and 2019-20	Commissioner of Customs
Custom Act, 1962	Customs duty on exports	116.99	FY 2004-05 to 2013-14	CESTAT
Custom Act, 1962	Customs duty on exports	89.4	FY 2015-16 to FY 2019-20	Assistant Commissioner
Custom Act, 1962	Customs Duty	0.18	1996-97, 2005-10, 2015	Supreme Court
Custom Act, 1962	Customs Duty	47.34	2005-06 to 2006-07	High Court
Custom Act, 1962	Customs Duty	-	2012-13	Deputy Commissioner, Customs
Custom Act, 1962	Customs Duty	-	2012-13 to 2016-17; 2018-19; 2019-20	CESTAT
Custom Act, 1962	Customs Duty	7.67	2012-13	Commissioner, Appeals
Central Excise Act, 1944	Cess Demand - Excess quantity of Crude Oil	0.04	02 June to 03 August	CESTAT
Central Excise Act, 1944	Demand of Edu.Cess & Hr. Sec. Cess on Oil Cess	49.5	December 2013 to February 2015	CESTAT
Central Excise Act, 1944	Excise duty	142	1997-98 to 2012-13; FY 2014-15; 2017-18 and 2018-19	CESTAT
Central Excise Act, 1944	Excise Duty	21.73	2017-18	Assistant Commissioner
Central Excise Act, 1944	Penalty for Non payment of NCCD in time	0.4	November 2007 to July 2008	Additional Commissioner
Central Excise Act, 1944	Excise duty	8.34	FY 1997-2013	Commissioner of Central Excise /Jt.Commisioner
Central Excise Act, 1944	Excise duty	-	FY 2020-21	Commissioner Appeals
Central Excise Act, 1944	Excise duty	4.53	2000-2006	High Court
Central Sales Tax, 1956	Sales tax	13.56	FY 2004-17; 2019-20	Additional Commissioner
Central Sales Tax, 1956	Sales Tax	1.69	2012-2020	Assistant Commissioner
Central Sales Tax, 1956	Sales Tax	0.02	2019-20	Assistant CTO
Central Sales Tax Act / Gujarat VAT Act	Sales Tax	0.03	FY 14-15 & 15-16	Joint Commissioner of Commercial Tax
Central Sales Tax Act / Andhra Pradesh VAT Act	Sales Tax	0.11	2012-2015	Dy. Commissioner Appeals/Tribunal
Central Sales Tax, 1956	Sales tax	1.84	FY 2008-12	VAT Tribunal
Central Sales Tax, 1956	Sales tax	18.39	98-99(CST); FY 2009-10; FY 2010-11	High Court
Central Sales Tax, 1956	Sales tax	16.15	2007-08 to 2014-15	Tamil Nadu Sales tax Tribunal

Name of the statute	Nature of the dues	31 March 2023	Period to which the amount relates	Forum where the dispute is pending
Central Sales Tax, 1956	Sales Tax	5.35	October 2015 to June 2017	Dy. Commissioner
Central Sales Tax, 1956	Sales Tax	-	2014-15	Commercial tax board, Rajasthan
Electricity Duty	Electricity Duty	-	2017-18 to 2020-21	High Court
Entry Tax Act, 1976	Entry Tax	475.32	April 2007 to June 2017	High Court
Entry Tax Act, 1976	Entry Tax	0.93	18 August 2013- 31 March 2015	Additional commissioner of commercial taxes
Entry Tax Act, 1976	Entry Tax	-	October 2015 to June 2017	Dy. Commissioner
Entry Tax Act, 1976	Entry Tax	-	FY 2008-12	Joint Commissioner of Commercial Tax
Energy Cess	Energy Cess	38.28	2014-19	High Court
Finance Act, 1994	Service tax	27.84	FY 2015-2016 to FY 2016-18	Assistant Commissioner (Central Tax) Audit
Finance Act, 1994	Service tax	209.22	2006-2017 and 2017-18 (Till 30 June 2017)	CESTAT
Finance Act, 1994	Service tax	18.55	FY 2016-17	Directorate General of Goods & Service Tax Intelligance
Finance Act, 1994	Service Tax	-	2007-13	Commissioner of Central Excise/Jt.Commissioner
Finance Act, 1994	Service Tax	23.51	FY 2006-07, 2007-08; FY 2016-17	High Court
Foreign Development Tax & Foreign Development Fund	Forest Development tax	394.75	FY 2008 to till date	Supreme Court
Goa Rural Improvement & Welfare Cess Act,2000	Cess	126.52	FY 2010 to till date	High court
Goods and Service tax , 2017	GST	0.51	2018-19	Appellate authority
Goods and Service tax , 2017	GST	-	2017-18	Additional Commissioner of Central Tax, GST & CX Commissionarate
MMRDA	Royalty	110.16	FY 2013-14	High Court
MMRDA	Forest lease rent	-	FY 2009	High Court
Railways Act 1971 and wagon investment scheme	Stacking and Warfare charge	4.09	FY 2010	High Court
Value Added Tax Act,2006	Value Added Tax	52.87	2007-08 to 2014-15	Commissioner
Value Added Tax Act,2006	Value Added Tax	0.34	October 2015 to June 2017	Dy. Commissioner
Value Added Tax Act,2006	Value Added Tax	321.92	1998-99 to 2014-15; 2015-16, 2016-17	High Court
	Total	**6,870.70**		

ANNEXURE 2

to the Independent Auditor's Report of even date on the Ind As Standalone Financial Statements of Vedanta Limted

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Vedanta Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Committee of Sponsoring Organisations of the Treadway Commission (2013 Framework) ("COSO 2013 Criteria"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at 31 March 2023 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in COSO 2013 criteria.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Vikas Pansari**
Partner
Membership Number: 093649
UDIN: 23093649BGXPKQ3436

Place of Signature: Mumbai
Date: 12 May 2023

BALANCE SHEET

As at 31 March 2023

(₹ in Crore)

Particulars	Note	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
Property, Plant and Equipment	5	40,488	39,490
Capital work-in-progress	5	10,090	9,226
Intangible assets	5	834	26
Exploration intangible assets under development	5	2,094	1,488
Financial assets			
Investments	6A	59,872	60,881
Trade receivables	7	847	1,075
Loans	8	126	154
Others	9	2,679	1,677
Deferred tax assets (net)	35	5,295	1,118
Income tax assets (net)	35	1,311	1,800
Other non-current assets	10	2,046	2,214
Total non-current assets		**1,25,682**	**1,19,149**
Current assets			
Inventories	11	8,217	8,563
Financial assets			
Investments	6B	4,973	585
Trade receivables	7	1,694	2,328
Cash and cash equivalents	12	5,147	5,518
Other bank balances	13	318	1,393
Loans	8	507	365
Derivatives	22	98	249
Others	9	7,240	7,394
Income tax assets (net)		190	-
Other current assets	10	4,717	3,197
Total current assets		**33,101**	**29,592**
Total Assets		**1,58,783**	**1,48,741**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	14	372	372
Other Equity	15	67,440	77,277
Total Equity		**67,812**	**77,649**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	17A	32,606	23,421
Lease liabilities	21	51	57
Derivatives	22	20	6
Other financial liabilities	20	-	192
Provisions	24	1,373	1,268
Other non-current liabilities	23	2,364	2,751
Total non-current liabilities		**36,414**	**27,695**
Current Liabilities			
Financial liabilities			
Borrowings	17B	9,417	13,275
Lease liabilities	21	46	25
Operational buyers' credit / suppliers' credit	19	10,485	9,261
Trade payables	18		
(a) Total outstanding dues of micro, small and medium enterprises		218	195
(b) Total outstanding dues of creditors other than micro, small and medium enterprises		5,436	5,329
Derivatives	22	151	277
Other financial liabilities	20	18,425	9,802
Provisions	24	129	158
Income tax liabilities (net)		1,025	601
Other current liabilities	23	9,225	4,474
Total current liabilities		**54,557**	**43,397**
Total Equity and Liabilities		**1,58,783**	**1,48,741**

See accompanying notes to the financial statements

As per our report of even date

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

per **Vikas Pansari**
Partner
Membership No:093649

Place: Mumbai
Date: 12 May 2023

For and on behalf of the Board of Directors

Navin Agarwal
Executive Vice-Chairman and
Whole-Time Director
DIN 00006303

Sunil Duggal
Whole-Time Director and Group
Chief Executive Officer
DIN 07291685

Prerna Halwasiya
Company Secretary and Compliance Officer
ICSI Membership No. A20856

Place: Mumbai
Date: 12 May 2023

STATEMENT OF PROFIT AND LOSS

For the year ended 31 March 2023

(₹ in Crore)

Particulars	Note	Year ended 31 March 2023	Year ended 31 March 2022
Revenue from operations	28	67,193	62,801
Other operating income	29	887	476
Other income	30	21,262	8,347
Total Income		**89,342**	**71,624**
Expenses:			
Cost of materials consumed		27,619	23,976
Purchases of stock-in-trade		173	228
Changes in inventories of finished goods, work-in-progress and stock-in-trade	31	581	(1,172)
Power and fuel charges		17,019	11,649
Employee benefits expense	26	926	867
Finance costs	32	4,384	3,146
Depreciation, depletion and amortisation expense	5	3,661	2,945
Other expenses	33	12,322	10,051
Total expenses		**66,685**	**51,690**
Profit before exceptional items and tax		22,657	19,934
Net exceptional gain/ (loss)	34	4,353	(318)
Profit before tax		**27,010**	**19,616**
Tax (benefit)/ expense:	35		
On other than exceptional items			
Net current tax expense		3,790	3,505
Net deferred tax benefit, including tax credits		(4,033)	(1,023)
On exceptional items			
Net current tax benefit		(50)	(281)
Net deferred tax (benefit)/ expense		(53)	170
Net tax (benefit)/expense		**(346)**	**2,371**
Net Profit after tax (A)		**27,356**	**17,245**
Net Profit after tax before exceptional items (net of tax)		**22,900**	**17,452**
Other Comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurements loss of defined benefit plans		(15)	(23)
Tax benefit		6	8
(Loss)/ Gain on FVOCI equity investment		(37)	15
		(46)	**0**
Items that will be reclassified to profit or loss			
Net gain/ (loss) on cash flow hedges recognised during the year		2,418	(142)
Tax (expense)/ benefit		(846)	51
Net (loss)/ gain on cash flow hedges recycled to statement of profit and loss		(2,554)	375
Tax benefit/ (expense)		893	(131)
Exchange differences on translation		518	174
Tax benefit		36	6
		465	**333**
Total Other Comprehensive Income for the year (B)		**419**	**333**
Total Comprehensive Income for the year (A+B)		**27,775**	**17,578**
Earnings per share (in ₹)			
- Basic & Diluted	36	73.54	46.36

See accompanying notes to the financial statements

As per our report of even date

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

per **Vikas Pansari**
Partner
Membership No:093649

Place: Mumbai
Date: 12 May 2023

For and on behalf of the Board of Directors

Navin Agarwal
Executive Vice-Chairman and
Whole-Time Director
DIN 00006303

Sunil Duggal
Whole-Time Director and Group
Chief Executive Officer
DIN 07291685

Prerna Halwasiya
Company Secretary and Compliance Officer
ICSI Membership No. A20856

Place: Mumbai
Date: 12 May 2023

STATEMENT OF CASH FLOWS

For the year ended 31 March 2023

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	27,010	19,616
Adjustments for:		
Depreciation, depletion and amortisation	3,703	2,968
Reversal of impairment on assets/ capital work-in-progress written off (net)	(18)	(1,346)
Reversal of impairment on investments	(4,694)	-
Provision for doubtful debts/ advance/ bad debts written off	436	239
Liabilities written back	(62)	-
Exploration costs written off	315	1,412
Other exceptional items	-	252
Fair Value gain on financial assets held at fair value through profit or loss	(44)	(1)
Net gain on sale of long term investments in subsidiary (Refer Note 34(b))	(183)	(16)
Loss/ (Profit) on sale/ discard of property, plant and equipment (net)	21	(129)
Foreign exchange loss (net)	251	146
Unwinding of discount on decommissioning liability	30	24
Share based payment expense	48	29
Interest income	(348)	(221)
Dividend income	(20,711)	(7,829)
Interest expense	4,354	3,123
Deferred government grant	(81)	(78)
Changes in assets and liabilities		
Decrease/ (Increase) in trade and other receivables	204	(4,996)
Decrease/ (Increase) in inventories	377	(3,008)
Increase in trade and other payable	4,911	5,064
Cash generated from operations	**15,519**	**15,249**
Income taxes paid (net)	(3,028)	(2,685)
Net cash generated from operating activities	**12,491**	**12,564**
CASH FLOWS FROM INVESTING ACTIVITES		
Purchases of property, plant and equipment (including intangibles)	(6,080)	(3,674)
Proceeds from sale of property, plant and equipment	41	268
Loans given to related parties (Refer Note 39)	(543)	(383)
Loans repaid by related parties (Refer Note 39)	475	567
Deposits made	(889)	(1,067)
Proceeds from redemption of deposits	1,439	1,285
Short term investments made	(50,153)	(25,777)
Proceeds from sale of short-term investments	48,995	27,230
Interest received	346	206
Dividends received	20,711	7,829
Payment made to site restoration fund	(60)	(76)
Advance given for acquisition (Refer Note 3(d) and 39)	(565)	-
Purchase of long term investments (Refer Note 39)	(70)	(0)
Sale of long term investments in subsidiary (Refer Note 34(b))	2,665	-
Net cash generated from investing activities	**16,312**	**6,408**

STATEMENT OF CASH FLOWS

For the year ended 31 March 2023

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayment)/ proceeds from short-term borrowings (net)	(900)	816
Proceeds from current borrowings	9,583	8,868
Repayment of current borrowings	(12,247)	(4,066)
Proceeds from long-term borrowings	15,333	18,942
Repayment of long-term borrowings	(6,593)	(20,250)
Interest paid	(4,369)	(3,872)
Payment of dividends to equity holders of the Company (net of tax)	(29,959)	(16,689)
Payment of lease liabilities	(22)	(64)
Net cash used in financing activities	**(29,174)**	**(16,315)**
Net (decrease)/ increase in cash and cash equivalents	**(371)**	**2,657**
Cash and cash equivalents at the beginning of the year	5,518	2,861
Cash and cash equivalents at the end of the year (Refer note 12)	**5,147**	**5,518**

Notes :

1. The figures in parentheses indicate outflow.
2. The above cash flow has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS) 7 - statement of cash flows

See accompanying notes to the financial statements

As per our report of even date

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

per **Vikas Pansari**
Partner
Membership No:093649

Place: Mumbai
Date: 12 May 2023

For and on behalf of the Board of Directors

Navin Agarwal
Executive Vice-Chairman and
Whole-Time Director
DIN 00006303

Sunil Duggal
Whole-Time Director and Group
Chief Executive Officer
DIN 07291685

Prerna Halwasiya
Company Secretary and Compliance Officer
ICSI Membership No. A20856

Place: Mumbai
Date: 12 May 2023

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2023

A. Equity Share Capital

Equity shares of ₹ 1/- each issued, subscribed and fully paid up	Number of shares (in Crore)	Amount (₹ in Crore)
As at 31 March 2023, 31 March 2022 and 31 March 2021*	372	372

*There are no prior period errors for the years ended 31 March 2022 and 31 March 2021.

B. Other Equity

(₹ in Crore)

Particulars	Reserves and Surplus				Items of Other comprehensive income			Total other equity
	Capital reserve	Securities premium	Retained earnings	Other reserves (Refer below)	Equity instruments through OCI	Hedging reserve	Foreign currency translation reserve	
Balance as at 01 April 2021	**26,027**	**19,009**	**13,038**	**16,443**	**93**	**(39)**	**1,847**	**76,418**
Profit for the year	-	-	17,245	-	-	-	-	17,245
Other comprehensive income for the year, net of tax	-	-	(15)	-	15	153	180	333
Total Comprehensive Income for the year	**-**	**-**	**17,230**	**-**	**15**	**153**	**180**	**17,578**
Transfer from debenture redemption reserve	-	-	557	(557)	-	-	-	-
Recognition of share based payment	-	-	-	43	-	-	-	43
Stock options cancelled during the year	-	-	24	(34)	-	-	-	(10)
Exercise of stock options	-	-	(20)	(43)	-	-	-	(63)
Dividends (Refer note 37)	-	-	(16,689)	-	-	-	-	(16,689)
Balance as at 31 March 2022	**26,027**	**19,009**	**14,140**	**15,852**	**108**	**114**	**2,027**	**77,277**
Profit for the year	-	-	27,356	-	-	-	-	27,356
Other comprehensive income for the year, net of tax	-	-	(9)	-	(37)	(89)	554	419
Total Comprehensive Income for the year	**-**	**-**	**27,347**	**-**	**(37)**	**(89)**	**554**	**27,775**
Recognition of share based payment	-	-	-	85	-	-	-	85
Stock options cancelled during the year	-	-	8	(15)	-	-	-	(7)
Exercise of stock options	-	-	(80)	(38)	-	-	-	(118)
Dividends (net of tax) (Refer note 37)	-	-	(37,572)	-	-	-	-	(37,572)
Balance as at 31 March 2023	**26,027**	**19,009**	**3,843**	**15,884**	**71**	**25**	**2,581**	**67,440**

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2023

Other reserves comprises:

(₹ in Crore)

Particulars	Capital redemption reserve	Debenture redemption reserve	Preference share redemption reserve	Amalgamation Reserve	General reserve	Share Based Payment Reserve	Total
Balance as at 01 April 2021	38	557	3,087	3	12,587	171	16,443
Transfer to retained earnings	-	(557)	-	-	-	-	(557)
Recognition of share based payment	-	-	-	-	-	43	43
Stock options cancelled during the year	-	-	-	-	-	(34)	(34)
Exercise of stock options	-	-	-	-	-	(43)	(43)
Balance as at 31 March 2022	**38**	**-**	**3,087**	**3**	**12,587**	**137**	**15,852**
Recognition of share based payment	-	-	-	-	-	85	85
Stock options cancelled during the year	-	-	-	-	-	(15)	(15)
Exercise of stock options	-	-	-	-	-	(38)	(38)
Balance as at 31 March 2023	**38**	**-**	**3,087**	**3**	**12,587**	**169**	**15,884**

See accompanying notes to the financial statements

As per our report of even date

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

per **Vikas Pansari**
Partner
Membership No:093649

Place: Mumbai
Date: 12 May 2023

For and on behalf of the Board of Directors

Navin Agarwal
Executive Vice-Chairman and
Whole-Time Director
DIN 00006303

Sunil Duggal
Whole-Time Director and Group
Chief Executive Officer
DIN 07291685

Prerna Halwasiya
Company Secretary and Compliance Officer
ICSI Membership No. A20856

Place: Mumbai
Date: 12 May 2023

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forming part of the financial statements as at and for the year ended 31 March 2023

1 Company overview:

Vedanta Limited ("the Company") is a diversified natural resource company engaged in exploring, extracting and processing minerals and oil and gas. The Company engages in the exploration, production and sale of oil and gas, aluminium, copper, iron ore and power.

The Company was incorporated on 08 September 1975 under the laws of the Republic of India. The registered office of the Company is situated at 1st Floor, 'C' wing, Unit 103, Corporate Avenue, Atul Projects, Chakala, Andheri (East), Mumbai-400093, Maharashtra. The Company's shares are listed on National Stock Exchange ("NSE") and Bombay Stock Exchange ("BSE") in India. In June 2007, the Company completed its initial public offering of American Depositary Shares, or ADS, each representing four equity shares, and listed its ADSs on the New York Stock Exchange ("NYSE").

The ADSs of the Company have been delisted from NYSE effective close of trading on NYSE on 08 November 2021. The Company has been deregistered from SEC under the Exchange Act effective 01 March 2023.

The Company is majority owned by Twin Star Holdings Limited ("Twin Star"), Finsider International Company Limited ("Finsider"), Vedanta Holdings Mauritius II Limited ("VHM2L"), Vedanta Holdings Mauritius Limited ("VHML"), Welter Trading Limited ("Welter") and Vedanta Netherlands Investments BV ("VNIBV") which are in turn wholly-owned subsidiaries of Vedanta Resources Limited ("VRL"), a company incorporated in the United Kingdom. VRL, through its subsidiaries, held 68.11%
(31 March 2022: 69.69%) of the Company's equity as at 31 March 2023.

Details of Company's various businesses are as follows:

- The Company's oil and gas business consists of business of exploration and development and production of oil and gas.
- The Company's iron ore business consists of iron ore exploration, mining and processing of iron ore, pig iron and metallurgical coke. The Company has iron ore mining operations in the States of Goa and Karnataka. Pursuant to Honourable Supreme Court of India order, mining operations in the state of Goa were suspended. During the current year, the Government of Goa has initiated auction of mines in which the Company has participated. The Company has been declared as the principal bidder for the Bicholim mine and has received the Letter of Intent (LOI) from the Government of Goa.
- The Company's copper business is principally one of custom smelting and includes captive power plants at Tuticorin in Southern India. The Company's copper business in Tamil Nadu, India has received an order from the Tamil Nadu Pollution Control Board ("TNPCB") on 09 April 2018, rejecting the Company's application for renewal of consent to operate under the Air and Water Acts for the 400,000 tpa copper smelter plant in Tuticorin for want of further clarification and consequently the operations were suspended. The Company has filed an appeal with TNPCB Appellate authority against the said order. During the pendency of the appeal, TNPCB through its order dated 23 May 2018 ordered for disconnection of electricity supply and closure of copper smelter plant. Post such order, the state government on 28 May 2018 ordered the permanent closure of the plant. We continue to engage with the Government of India and relevant authorities to enable the restart of operations at Copper India.

  Further, the Company's copper business includes refinery and rod plant Silvassa consisting of a 133,000 MT of blister/ secondary material processing plant, a 216,000 tpa copper refinery plant and a copper rod mill with an installed capacity of 258,000 tpa. The plant continues to operate as usual, catering to the domestic market. (Refer note 3(c)(A)(iii)).
- The Company's aluminium business include a refinery and captive power plant at Lanjigarh and a smelter and captive power plants at Jharsuguda both situated in the State of Odisha in Eastern India.
- The Company's power operations include a thermal coal-based commercial power facility of 600 MW at Jharsuguda in the State of Odisha in Eastern India.

Besides the above, the Company has business interest in zinc, lead, silver, iron ore, steel, ferro alloys and other products and services through its subsidiaries in India and overseas.

These are the Company's separate financial statements.

2 Basis of preparation and basis of measurement of financial statements

(a) Basis of preparation

i) These financial statements have been prepared in accordance with Indian Accounting Standards

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forming part of the financial statements as at and for the year ended 31 March 2023

(Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Companies Act, 2013 (the Act) (as amended from time to time), guidelines issued by the Securities and Exchange Board of India ("SEBI") and Guidance Note on Accounting for Oil and Gas Producing Activities issued by the Institute of Chartered Accountants of India.

These financial statements have been prepared in accordance with the accounting policies, set out below and were consistently applied to all periods presented unless otherwise stated.

These financial statements are approved for issue by the Board of Directors on 12 May 2023. The revision to these financial statements is permitted by the Board of Directors after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of the Act.

All financial information presented in Indian Rupee has been rounded off to the nearest Crore except when indicated otherwise. Amounts less than ₹ 0.50 Crore have been presented as "0".

ii) Certain comparative figures appearing in these financial statements have been regrouped and/ or reclassified to better reflect the nature of those items.

(b) Basis of measurement

The financial statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets and liabilities which are measured at fair value as explained in the accounting policies below.

3 a) Significant accounting policies

(A) Revenue recognition

- **Sale of goods/rendering of services (including revenue from contracts with customers)**

The Company's revenue from contracts with customers is mainly from the sale of oil and gas, aluminium, copper, iron ore and power. Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer as per terms of contract, which usually is on delivery of the goods to the shipping agent at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is recognised net of discounts, volume rebates, outgoing sales taxes/ goods and service tax and other indirect taxes. Revenues from sale of by-products are included in revenue.

Certain of the Company's sales contracts provide for provisional pricing based on the price on the London Metal Exchange (LME) and crude index, as specified in the contract. Revenue in respect of such contracts is recognised when control passes to the customer and is measured at the amount the entity expects to be entitled – being the estimate of the price expected to be received at the end of the measurement period. Post transfer of control of goods, provisional pricing features are accounted in accordance with Ind AS 109 'Financial Instruments' rather than Ind AS 115 'Revenue from contracts with customers' and therefore the Ind AS 115 rules on variable consideration do not apply. These 'provisional pricing' adjustments, i.e., the consideration adjusted post transfer of control are included in total revenue from operations on the face of the statement of profit and loss and disclosed by way of note to the financial statements. Final settlement of the price is based on the applicable price for a specified future period. The Company's provisionally priced sales are marked to market using the relevant forward prices for the future period specified in the contract and is adjusted in revenue.

Revenue from oil, gas and condensate sales represent the Company's share in the revenue from sale of such products, by the joint operations, and is recognised as and when control in these products gets transferred to the customers. In computing its share of revenue, the Company excludes government's share of profit oil which gets accounted for when the obligation in respect of the same arises.

Revenue from sale of power is recognised when delivered and measured based on rates as per bilateral contractual agreements with buyers and at a rate arrived at based on the principles laid down under the relevant Tariff Regulations as notified by the regulatory bodies, as applicable.

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs part of its obligation by transferring goods or services to a

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forming part of the financial statements as at and for the year ended 31 March 2023

customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration when that right is conditional on the Company's future performance.

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is received. The advance payments received plus a specified rate of return/ discount, at the prevailing market rates, is settled by supplying respective goods over a period of up to twenty four months under an agreed delivery schedule as per the terms of the respective agreements. As these are contracts that the Company expects, and has the ability, to fulfil through delivery of a non-financial item, these are presented as advance from customers and are recognised as revenue as and when control of respective commodities is transferred to customers under the agreements. The fixed rate of return/ discount is treated as finance cost. The portion of the advance where either the Company does not have a unilateral right to defer settlement beyond 12 months or expects settlement within 12 months from the balance sheet date is classified as a current liability.

- **Interest income**

  Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

- **Dividends**

  Dividend income is recognised in the statement of profit and loss only when the right to receive payment is established, provided it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

(B) Property, plant and equipment

i) Mining properties and leases

When a decision is taken that a mining property is viable for commercial production (i.e., when the Company determines that the mining property will provide sufficient and sustainable return relative to the risks and the Company decided to proceed with the mine development), all further pre-production primary development expenditure other than that on land, buildings, plant, equipment and capital work in progress is capitalised as property, plant and equipment under the heading "Mining properties and leases" together with any amount transferred from "Exploration and evaluation" assets. The costs of mining properties and leases, include the costs of acquiring and developing mining properties and mineral rights.

The stripping costs incurred during the production phase of a surface mine is deferred to the extent the current period stripping cost exceeds the average period stripping cost over the life of mine and recognised as an asset if such cost provides a benefit in terms of improved access to ore in future periods and certain criteria are met. When the benefit from the stripping costs are realised in the current period, the stripping costs are accounted for as the cost of inventory. If the costs of inventory produced and the stripping activity asset are not separately identifiable, a relevant production measure is used to allocate the production stripping costs between the inventory produced and the stripping activity asset. The Company uses the expected volume of waste compared with the actual volume of waste extracted for a given value of ore/mineral production for the purpose of determining the cost of the stripping activity asset.

Deferred stripping costs are included in mining properties within property, plant and equipment and disclosed as a part of mining properties. After initial recognition, the stripping activity asset is depreciated on a unit of production method over the expected useful life of the identified component of the ore body.

In circumstances where a mining property is abandoned, the cumulative capitalised costs

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forming part of the financial statements as at and for the year ended 31 March 2023

relating to the property are written off in the period in which it occurs i.e. when the Company determines that the mining property will not provide sufficient and sustainable returns relative to the risks and the Company decides not to proceed with the mine development.

Commercial reserves are proved and probable reserves as defined by the 'JORC' Code, 'MORC' code or 'SAMREC' Code. Changes in the commercial reserves affecting unit of production calculations are dealt with prospectively over the revised remaining reserves.

ii) Oil and gas assets- (developing/producing assets)

For oil and gas assets, a "successful efforts" based accounting policy is followed. Costs incurred prior to obtaining the legal rights to explore an area are expensed immediately to the statement of profit and loss.

All costs incurred after the technical feasibility and commercial viability of producing hydrocarbons has been demonstrated are capitalised within property, plant and equipment - development/producing assets on a field-by-field basis. Subsequent expenditure is capitalised only where it either enhances the economic benefits of the development/producing asset or replaces part of the existing development/producing asset. Any remaining costs associated with the part replaced are expensed.

Net proceeds from any disposal of development/ producing assets are credited against the previously capitalised cost. A gain or loss on disposal of a development/producing asset is recognised in the statement of profit and loss to the extent that the net proceeds exceed or are less than the appropriate portion of the net capitalised costs of the asset.

iii) Other property, plant and equipment

The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use. It also includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains and losses on disposal of an item of property, plant and equipment computed as the difference between the net disposal proceeds and the carrying amount of the asset is included in the statement of profit and loss when the asset is derecognised. Major inspection and overhaul expenditure is capitalised, if the recognition criteria are met.

iv) Assets under construction

Assets under construction are capitalised in the assets under construction account. At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset and any obligatory decommissioning costs are capitalised until the period of commissioning has been completed and the asset is ready for its intended use.

v) Depreciation, depletion and amortisation expense

Mining properties and other assets in the course of development or construction and freehold land are not depreciated or amortised.

- Mining properties

  The capitalised mining properties are amortised on a unit-of-production basis over the total estimated remaining commercial proved and probable reserves of each property or group of properties and are subject to impairment review. Costs used in the unit of production calculation comprise the net book value of capitalised costs plus the estimated future capital expenditure required to access the commercial reserves. Changes in the estimates of commercial reserves or future capital expenditure are dealt with prospectively.

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forming part of the financial statements as at and for the year ended 31 March 2023

- **Oil and gas producing facilities**

  All expenditures carried within each field are amortised from the commencement of production on a unit of production basis, which is the ratio of oil and gas production in the period to the estimated quantities of depletable reserves at the end of the period plus the production in the period, generally on a field-by-field basis or group of fields which are reliant on common infrastructure.

  Depletable reserves are proved reserves for acquisition costs and proved and developed reserves for successful exploratory wells, development wells, processing facilities, distribution assets, estimated future abandonment cost and all other related costs. These assets are depleted within each cost centre. Reserves for this purpose are considered on working interest basis which are reassessed atleast annually. Impact of changes to reserves are accounted for prospectively.

- **Other assets**

  Depreciation on other property, plant and equipment is calculated using the straight-line method (SLM) to allocate their cost, net of their residual values, over their estimated useful lives (determined by the management) as given below.

  Management's assessment takes into account, inter alia, the nature of the assets, the estimated usage of the assets, the operating conditions of the assets, past history of replacement and maintenance support.

  Estimated useful lives of assets are as follows:

Asset	Useful Life (in years)
Buildings (Residential, factory etc.)	3-60
Plant and equipment	15-40
Railway siding	15
Office equipment	3-6
Furniture and fixture	8-10
Vehicles	8-10

Major inspection and overhaul costs are depreciated over the estimated life of the economic benefit to be derived from such costs. The carrying amount of the remaining previous overhaul cost is charged to the statement of profit and loss if the next overhaul is undertaken earlier than the previously estimated life of the economic benefit.

The Company reviews the residual value and useful life of an asset at least at each financial year-end and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

(C) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Subsequently, intangible assets are measured at cost less accumulated amortisation and accumulated impairment losses, if any.

Intangible assets are amortised over their estimated useful life on a straight line basis. Software is amortised over the estimated useful life ranging from 2-5 years. Amounts paid for securing mining rights are amortised over the period of the mining lease ranging from 16-25 years.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is different from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

(D) Exploration and evaluation intangible assets

Exploration and evaluation expenditure incurred prior to obtaining the mining right or the legal right to explore are expensed as incurred.

Exploration and evaluation expenditure incurred after obtaining the mining right or the legal right to explore are capitalised as exploration and evaluation assets (intangible assets) and stated at cost less impairment, if any. Exploration and evaluation intangible assets are transferred to the appropriate category of property, plant and equipment when the technical feasibility and commercial viability has been determined. Exploration intangible assets under development are assessed for impairment and impairment loss, if any, is recognised prior to reclassification.

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forming part of the financial statements as at and for the year ended 31 March 2023

Exploration expenditure includes all direct and allocated indirect expenditure associated with finding specific mineral resources which includes depreciation and applicable operating costs of related support equipment and facilities and other costs of exploration activities:

- Acquisition costs - costs associated with acquisition of licenses and rights to explore, including related professional fees.
- General exploration costs - costs of surveys and studies, rights of access to properties to conduct those studies (e.g., costs incurred for environment clearance, defence clearance, etc.), and salaries and other expenses of geologists, geophysical crews and other personnel conducting those studies.
- Costs of exploration drilling and equipping exploration and appraisal wells.

Exploration expenditure incurred in the process of determining oil and gas exploration targets is capitalised within "Exploration and evaluation assets" (intangible assets) and subsequently allocated to drilling activities. Exploration drilling costs are initially capitalised on a well-by-well basis until the success or otherwise of the well has been established. The success or failure of each exploration effort is judged on a well-by-well basis. Drilling costs are written off on completion of a well unless the results indicate that hydrocarbon reserves exist and there is a reasonable prospect that these reserves are commercial.

Following appraisal of successful exploration wells, if commercial reserves are established and technical feasibility for extraction demonstrated, then the related capitalised exploration costs are transferred into a single field cost centre within property, plant and equipment - development/producing assets (oil and gas properties) after testing for impairment. Where results of exploration drilling indicate the presence of hydrocarbons which are ultimately not considered commercially viable, all related costs are written off to the statement of profit and loss.

Expenditure incurred on the acquisition of a license interest is initially capitalised on a license-by-license basis. Costs are held, undepleted, within exploration and evaluation assets until such time as the exploration phase on the license area is complete or commercial reserves have been discovered.

Net proceeds from any disposal of an exploration asset are initially credited against the previously capitalised costs. Any surplus/ deficit is recognised in the statement of profit and loss.

(E) Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets and disposal groups classified as held for sale are not depreciated and are measured at the lower of carrying amount and fair value less costs to sell. Such assets and disposal groups are presented separately on the face of the balance sheet.

(F) Impairment of non-financial assets

Impairment charges and reversals are assessed at the level of cash-generating units. A cash-generating unit (CGU) is the smallest identifiable group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or group of assets.

The Company assesses at each reporting date, whether there is an indication that an asset may be impaired. The Company conducts an internal review of asset values annually, which is used as a source of information to assess for any indications of impairment or reversal of previously recognised impairment losses. Internal and external factors, such as worse economic performance than expected, changes in expected future prices, costs and other market factors are also monitored to assess for indications of impairment or reversal of previously recognised impairment losses.

If any such indication exists then an impairment review is undertaken and the recoverable amount is calculated, as the higher of fair value less costs of disposal and the asset's value in use.

Fair value less costs of disposal is the price that would be received to sell the asset in an orderly transaction between market participants and does not reflect the effects of factors that may be specific to the company and not applicable to entities in general. Fair value for mineral and oil and gas assets is generally determined as the present value of the estimated future cash flows

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forming part of the financial statements as at and for the year ended 31 March 2023

expected to arise from the continued use of the asset, including any expansion prospects, and its eventual disposal, using assumptions that an independent market participant may take into account. These cash flows are discounted at an appropriate post tax discount rate to arrive at the net present value.

Value in use is determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset in its present form and its eventual disposal. The cash flows are discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted. Value in use is determined by applying assumptions specific to the Company's continued use and cannot take into account future development. These assumptions are different to those used in calculating fair value and consequently the value in use calculation is likely to give a different result to a fair value calculation.

The carrying amount of the CGU is determined on a basis consistent with the way the recoverable amount of the CGU is determined.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

Any reversal of the previously recognised impairment loss is limited to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

Exploration and evaluation assets:

In assessing whether there is any indication that an exploration and evaluation asset may be impaired, the Company considers, as a minimum, the following indicators:

- the period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the Company has decided to discontinue such activities in the specific area;
- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale; and
- reserve information prepared annually by external experts.

When a potential impairment is identified, an assessment is performed for each area of interest in conjunction with the group of operating assets (representing a cash-generating unit) to which the exploration and evaluation assets is attributed. Exploration areas in which reserves have been discovered but require major capital expenditure before production can begin, are continually evaluated to ensure that commercial quantities of reserves exist or to ensure that additional exploration work is underway or planned. To the extent that capitalised expenditure is no longer expected to be recovered, it is charged to the statement of profit and loss.

(G) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets – recognition and subsequent measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Trade receivables that do not contain a significant financing component are measured at transaction price as per Ind AS 115.

For purposes of subsequent measurement, financial assets are classified in four categories:

- **Financial assets at amortised cost**

  A financial asset is measured at amortised cost if both the following conditions are met:

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a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss.

- **Financial assets at fair value through other comprehensive income (FVOCI)**

  A financial asset is classified as at FVOCI if both of the following criteria are met:

  a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

  b) The asset's contractual cash flows represent SPPI.

  Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in other comprehensive income (OCI). However, interest income, impairment losses and reversals and foreign exchange gain or loss are recognised in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in other comprehensive income is reclassified from the equity to statement of profit and loss. Interest earned whilst holding fair value through other comprehensive income debt instrument is reported as interest income using the EIR method.

  For equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in OCI. The Company makes such election on an instrument-by-instrument basis. If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

- **Financial assets at fair value through profit or loss (FVTPL)**

  FVTPL is a residual category for debt instruments and default category for equity instruments.

  Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL.

  In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument at FVTPL.

  Debt instruments included within the FVTPL category are measured at fair value with all changes being recognized in statement of profit and loss.

  Any equity instrument in the scope of Ind AS 109 is measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL.

  For equity instruments which are classified as FVTPL all subsequent fair value changes are recognised in the statement of profit and loss.

  Further, the provisionally priced trade receivables are marked to market using the relevant forward prices for the future period specified in the contract and is adjusted in revenue.

(ii) Financial Assets - derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

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(iii) Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets:

a) Financial assets that are debt instruments, and are measured at amortised cost, e.g., loans, debt securities and deposits;

b) Financial assets that are debt instruments and are measured as at FVOCI;

c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables, contract assets and lease receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

At each reporting date, for recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive, discounted at the original EIR.

ECL impairment loss allowance (or reversal) recognised during the year is recognized as income/ expense in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

a) Financial assets measured at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets. The Company does not reduce impairment allowance from the gross carrying amount.

b) Debt instruments measured at FVOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

(iv) Financial liabilities – Recognition and Subsequent measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, or as loans, borrowings and payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

The measurement of financial liabilities depends on their classification, as described below:

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- **Financial liabilities at fair value through profit or loss**

  Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

  Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

  Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/losses are not subsequently transferred to statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Company has not designated any financial liability at fair value through profit or loss.

  Further, the provisionally priced trade payables are marked to market using the relevant forward prices for the future period specified in the contract and is adjusted in costs.

- **Financial liabilities at amortised cost (Loans, Borrowings and Trade and Other payables)**

  After initial recognition, interest-bearing loans, borrowings and trade and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

  Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

(v) Financial liabilities - Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

(vi) Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in the statement of profit and loss, unless designated as effective hedging instruments.

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(vii) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

The Company recognises a liability to pay dividend to equity holders of the Company when the distribution is authorised, and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution with respect to interim dividend is authorised when it is approved by the board of directors of the Company and final dividend is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

(viii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(H) Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

In order to hedge its exposure to foreign exchange, interest rate, and commodity price risks, the Company enters into forward, option, swap contracts and other derivative financial instruments. The Company does not hold derivative financial instruments for speculative purposes.

Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the statement of profit and loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to the statement of profit and loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment;
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment;
- Hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

i) Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in the statement of profit and loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in the statement of profit and loss. Hedge accounting is discontinued when the Company revokes the hedge relationship, the hedging instrument or

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hedged item expires or is sold, terminated, or exercised or no longer meets the criteria for hedge accounting.

ii) Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

Amounts recognised in OCI are transferred to the statement of profit and loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised in OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

(l) Leases

The Company assesses at contract inception, all arrangements to determine whether they are, or contain, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

(b) Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities towards future lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date when the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The right-of-use assets are also subject to impairment.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets as described in 'B' above.

(ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (and, in some instances, in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase

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option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is generally not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are disclosed on the face of Balance sheet.

(iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(J) Inventories

Inventories and work-in-progress are stated at the lower of cost and net realisable value. Cost is determined on the following basis:

- purchased copper concentrate is recorded at cost on a first-in, first-out ("FIFO") basis; all other materials including stores and spares are valued on a weighted average basis except in Oil and Gas business where stores and spares are valued on FIFO basis;
- Finished products are valued at raw material cost plus costs of conversion, comprising labour costs and an attributable proportion of manufacturing overheads based on normal levels of activity and are moved out of inventory on a weighted average basis (except in copper business where FIFO basis is followed); and
- By-products and scrap are valued at net realisable value.

Net realisable value is determined based on estimated selling price, less further costs expected to be incurred for completion and disposal.

Inventories of 'Fuel Stock' mainly consist of coal which is used for generating power. On consumption, the cost is charged off to 'Power and Fuel' charges in the statement of profit and loss.

(K) Government grants

Grants and subsidies from the government are recognised when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognised as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate.

Where the grant relates to an asset, it is recognised as deferred income and released to income in equal amounts over the expected useful life of the related asset and presented within other income.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

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(L) Taxation

Tax expense represents the sum of current tax and deferred tax.

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the reporting date and includes any adjustment to tax payable in respect of previous years.

Subject to the exceptions below, deferred tax is provided, using the balance sheet method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes and on carry forward of unused tax credits and unused tax losses;

- deferred income tax is not recognised on initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit (tax loss); and
- deferred tax assets (including MAT credit entitlement) are recognised only to the extent that it is more likely than not that they will be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Tax relating to items recognized outside the statement of profit and loss is recognised outside the statement of profit and loss (either in other comprehensive income or equity).

The carrying amount of deferred tax assets (including MAT credit entitlement) is reviewed at each reporting date and is adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Further, management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

(M) Retirement benefit schemes

The Company operates or participates in a number of defined benefits and defined contribution schemes, the assets of which (where funded) are held in separately administered funds. For defined benefit schemes, the cost of providing benefits under the plans is determined by actuarial valuation each year separately for each plan using the projected unit credit method by third party qualified actuaries.

Remeasurement including, effects of asset ceiling and return on plan assets (excluding amounts included in interest on the net defined benefit liability) and actuarial gains and losses arising in the year are recognised in full in other comprehensive income and are not recycled to the statement of profit and loss.

Past service costs are recognised in profit or loss on the earlier of:

- the date of the plan amendment or curtailment, and
- the date that the Company recognises related restructuring costs

Net interest is calculated by applying a discount rate to the net defined benefit liability or asset at the beginning of the period. Defined benefit costs are split into current service cost, past service cost, net interest expense or income and remeasurement and gains and losses on curtailments and settlements. Current service cost and past service cost are recognised within employee benefit expense. Net interest expense or income is recognized within finance costs.

For defined contribution schemes, the amount charged to the statement of profit and loss in respect of pension costs and other post retirement benefits is the contributions payable in the year, recognised as and when the employee renders related services.

(N) Share-based payments

Certain employees (including executive directors) of the Company receive part of their remuneration in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares (‘equity-settled transactions’).

The cost of equity-settled transactions with employees is measured at fair value of share awards at the date at which they are granted. The fair value of share awards is determined with the assistance of an external valuer

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and the fair value at the grant date is expensed on a proportionate basis over the vesting period based on the Company's estimate of shares that will eventually vest. The estimate of the number of awards likely to vest is reviewed at each balance sheet date up to the vesting date at which point the estimate is adjusted to reflect the current expectations.

The resultant increase in equity is recorded in share based payment reserve.

In case of cash-settled transactions, a liability is recognised for the fair value of cash-settled transactions. The fair value is measured initially and at each reporting date up to and including the settlement date, with changes in fair value recognised in employee benefits expense. The fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The fair value is determined with the assistance of an external valuer.

(O) Provisions, contingent liabilities and contingent assets

The assessments undertaken in recognising provisions and contingencies have been made in accordance with the applicable Ind AS.

Provisions represent liabilities for which the amount or timing is uncertain. Provisions are recognized when the Company has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in the statement of profit and loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the Balance Sheet.

Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefit is probable.

The Company has significant capital commitments in relation to various capital projects which are not recognised in the balance sheet.

(P) Restoration, rehabilitation and environmental costs

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the development or ongoing production of a mine or oil fields. Such costs, discounted to net present value, are provided for and a corresponding amount is capitalised at the start of each project, as soon as the obligation to incur such costs arises. These costs are charged to the statement of profit and loss over the life of the operation through the depreciation of the asset and the unwinding of the discount on the provision. The cost estimates are reviewed periodically and are adjusted to reflect known developments which may have an impact on the cost estimates or life of operations. The cost of the related asset is adjusted for changes in the provision due to factors such as updated cost estimates, changes to lives of operations, new disturbance and revisions to discount rates. The adjusted cost of the asset is depreciated prospectively over the lives of the assets to which they relate. The unwinding of the discount is shown as finance cost in the statement of profit and loss.

Costs for the restoration of subsequent site damage, which is caused on an ongoing basis during production, are provided for at their net present value and charged to the statement of profit and loss as extraction progresses. Where the costs of site restoration are not anticipated to be material, they are expensed as incurred.

(Q) Accounting for foreign currency transactions

The functional currency of the Company is determined as the currency of the primary economic environment in which it operates. For all principal businesses of the Company, the functional currency is Indian rupee (₹) with an exception of oil and gas business operations which has a US dollar functional currency as that is the currency of the primary economic environment

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in which it operates. The financial statements are presented in Indian rupee (₹).

In the financial statements of the Company, transactions in currencies other than the functional currency are translated into the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in other currencies are translated into the functional currency at exchange rates prevailing on the reporting date. Non-monetary assets and liabilities denominated in other currencies and measured at historical cost or fair value are translated at the exchange rates prevailing on the dates on which such values were determined.

All exchange differences are included in the statement of profit and loss except those where the monetary item designated as an effective hedging instrument of the currency risk of designated forecasted sales or purchases, which are recognized in the other comprehensive income.

Exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings, are capitalized as part of borrowing costs in qualifying assets.

The statement of profit and loss of oil and gas business is translated into Indian Rupees (INR) at the average rates of exchange during the year / exchange rates as on the date of the transaction. The Balance Sheet is translated at the exchange rate as at the reporting date. Exchange difference arising on translation is recognised in other comprehensive income and would be recycled to the statement of profit and loss as and when these operations are disposed off.

The Company had applied paragraph 46A of AS 11 under Previous GAAP. Ind AS 101 gives an option, which has been exercised by the Company, whereby a first time adopter can continue its Indian GAAP policy for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the Indian GAAP financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period. Hence, foreign exchange gain/loss on long-term foreign currency monetary items recognized upto 31 March 2016 has been deferred/capitalized. Such exchange differences arising on translation/ settlement of long-term foreign currency monetary items and pertaining to the acquisition of a depreciable asset are amortised over the remaining useful lives of the assets.

Exchange differences arising on translation/ settlement of long-term foreign currency monetary items, acquired post 01 April 2016, pertaining to the acquisition of a depreciable asset are charged to the statement of profit and loss.

(R) Earnings per share

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

(S) Buyers' Credit/ Suppliers' Credit and vendor financing

The Company enters into arrangements whereby banks and financial institutions make direct payments to suppliers for raw materials and project materials. The banks and financial institutions are subsequently repaid by the Company at a later date providing working capital timing benefits. These are normally settled between twelve months (for raw materials) to thirty-six months (for project materials). Where these arrangements are with a maturity of up to twelve months, the economic substance of the transaction is determined to be operating in nature and these are recognised as operational buyers' credit/ suppliers' credit and disclosed on the face of the balance sheet. Where these arrangements are with a maturity beyond twelve months and up to thirty six months, the economic substance of the transaction is determined to be financing in nature, and these are presented within borrowings in the balance sheet. Interest expense on these are recognised in the finance cost. Payments made by banks and financial institutions to the operating vendors are treated as a non cash item and settlement of due to operational buyer's credit/ suppliers' credit by the Company is treated as an operating cash outflow reflecting the substance of the payment.

(T) Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

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An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle.
- it is held primarily for the purpose of being traded;
- it is expected to be realized within twelve months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within twelve months after the reporting date; or
- the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non current only.

(U) Borrowing costs

Borrowing cost includes interest expense as per effective interest rate ("EIR") and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly relating to the acquisition, construction or production of a qualifying capital project under construction are capitalised and added to the project cost during construction until such time that the assets are substantially ready for their intended use, i.e., when they are capable of commercial production.

Where funds are borrowed specifically to finance a qualifying capital project, the amount capitalised represents the actual borrowing costs incurred. Where surplus funds are available out of money borrowed specifically to finance a qualifying capital project, the income generated from such short-term investments is deducted from the total capitalized borrowing cost. If any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing then becomes part of general borrowing. Where the funds used to finance a project form part of general borrowings, the amount capitalised is calculated using a weighted average of rates applicable to relevant general borrowings of the Company during the year.

All other borrowing costs are recognised in the statement of profit and loss in the year in which they are incurred.

Capitalisation of interest on borrowings related to construction or development projects is ceased when substantially all the activities that are necessary to make the assets ready for their intended use are complete or when delays occur outside of the normal course of business.

EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial liability or a shorter period, where appropriate, to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options).

(V) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term money market deposits which have a maturity of three months or less from the date of acquisition, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

(W) Equity investment in subsidiaries, associates and joint ventures

Investments representing equity interest in subsidiaries, associates and joint ventures are carried at cost. A subsidiary is an entity that is controlled by the Company. Control is evidenced where the Company has the power over the investee or exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those

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returns through its power over the investee. Power is demonstrated through existing rights that give the ability to direct relevant activities, which significantly affect the entity returns. An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

Joint Arrangements

A Joint arrangement is an arrangement of which two or more parties have joint control. Joint control is considered when there is contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Investments in joint arrangements are classified as either joint operations or joint venture. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

Joint Operations

The Company has joint operations within its Oil and gas segment and participates in several unincorporated joint operations which involve the joint control of assets used in oil and gas exploration and producing activities. The Company accounts for its share of assets and income and expenditure of joint operations in which it holds an interest. Liabilities in unincorporated joint ventures, where the Company is the operator, is accounted for at gross values (including share of other partners) with a corresponding receivable from the venture partners. These have been included in the financial statements under the appropriate headings.

(X) Common Control transactions

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and the control is not transitory. The transactions between entities under common control are specifically covered by Ind AS 103. Such transactions are accounted for using the pooling-of-interest method. The assets and liabilities of the acquired entity are recognised at their carrying amounts recorded in the parent entity's consolidated financial statements with the exception of certain income tax and deferred tax assets. No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies. The components of equity of the acquired companies are added to the same components within the Company's equity. The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve. The Company's shares issued in consideration for the acquired companies are recognized from the moment the acquired companies are included in these financial statements and the financial statements of the commonly controlled entities are combined, retrospectively, as if the transaction had occurred at the beginning of the earliest reporting period presented. However, the prior year comparative information is only adjusted for periods during which entities were under common control.

(Y) Exceptional items

Exceptional items are those items that management considers, by virtue of their size or incidence (including but not limited to impairment charges and acquisition and restructuring related costs), should be disclosed separately to ensure that the financial information allows an understanding of the underlying performance of the business in the year, so as to facilitate comparison with prior periods. Also tax charges related to exceptional items and certain one-time tax effects are considered exceptional. Such items are material by nature or amount to the year's result and require separate disclosure in accordance with Ind AS.

The determination as to which items should be disclosed separately requires a degree of judgement. The details of exceptional items are set out in note 34.

3(b) Application of new and amended standards

(A) The Company has adopted, with effect from 01 April 2022, the following new and revised standards and interpretations. Their adoption has not had any significant impact on the amounts reported in the financial statements.

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1. Amendment to Ind AS 37 regarding costs that an entity needs to include when assessing whether a contract is onerous or loss-making.

2. Amendment to Ind AS 109 Financial Instrument regarding inclusion of fees in the '10 per cent' test for derecognition of financial liabilities.

3. Amendment to Ind AS 103 Business Combination, Reference to the Conceptual Framework for Financial Reporting.

(B) Standards notified but not yet effective

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023, effective from 01 April 2023, resulting in certain amendments as mentioned below:

1. Ind AS 1 Presentation of financial statements: The amendment requires disclosure of material accounting policies rather than significant accounting policies;

2. Ind AS 12 Income Taxes: The amendment clarifies application of initial recognition exemption to transactions such as leases and decommissioning obligations;

3. Ind AS 8 Accounting Policies, Change in Accounting Estimates and Errors: The amendment replaces definition of 'change in accounting estimates' with the definition of 'accounting estimates'

These amendments are not expected to have any impact in the financial statements of the Company.

3(c) Significant accounting estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. These judgments and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to previous experience, but actual results may differ materially from the amounts included in the financial statements.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

The information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are as given below:

(A) Significant Estimates

(i) Carrying value of exploration and evaluation assets

Exploration assets are assessed by comparing the carrying value to higher of fair value less cost of disposal or value in use if impairment indicators, as contained in Ind AS 106, exists. Change to the valuation of exploration assets is an area of judgement. Further details on the Company's accounting policies on this are set out in accounting policy above. The amounts for exploration and evaluation assets represent active exploration projects. These amounts will be written off to the statement of profit and loss as exploration costs unless commercial reserves are established or the determination process is not completed and there are no indications of impairment. The outcome of ongoing exploration, and therefore whether the carrying value of exploration and evaluation assets will ultimately be recovered, is inherently uncertain.

Details of carrying values are disclosed in note 5.

(ii) Recoverability of deferred tax and other income tax assets

The Company has carry forward tax losses, unabsorbed depreciation and MAT credit that are available for offset against future taxable profit. Deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the unused tax losses or tax credits can be utilized. This involves an assessment of when those assets are likely to reverse, and a judgement as to whether or not there will be sufficient taxable profits available to offset the assets. This requires assumptions regarding future profitability, which is inherently

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uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognised in respect of deferred tax assets and consequential impact in the statement of profit and loss.

The total deferred tax assets recognised in these financial statements (Refer note 35) includes MAT credit entitlements of ₹ 9,184 Crore (31 March 2022: ₹ 4,839 Crore), of which ₹ 2,689 Crore (31 March 2022: ₹ 208 Crore) is expected to be utilised in the fourteenth and fifteenth year, the maximum permissible time period to utilise the MAT credits.

(iii) Copper operations in Tamil Nadu, India

Tamil Nadu Pollution Control Board ("TNPCB") had issued a closure order of the Tuticorin Copper smelter, against which the Company had filed an appeal with the National Green Tribunal ("NGT"). NGT had, on 08 August 2013, ruled that the Copper smelter could continue its operations subject to implementation of recommendations of the Expert Committee appointed by the NGT. The TNPCB has filed an appeal against the order of the NGT before the Supreme Court of India.

In the meanwhile, the application for renewal of Consent to Operate ("CTO") for existing copper smelter was rejected by TNPCB in April 2018. The Company has filed an appeal before the TNPCB Appellate Authority challenging the Rejection Order. During the pendency of the appeal, the TNPCB vide its order dated 23 May 2018 ordered closure of existing copper smelter plant with immediate effect. Further, the Government of Tamil Nadu issued orders on the same date with a direction to seal the existing copper smelter plant permanently. The Company believes these actions were not taken in accordance with the procedure prescribed under applicable laws. Subsequently, the Directorate of Industrial Safety and Health passed orders dated 30 May 2018, directing the immediate suspension and revocation of the Factory License and the Registration Certificate for the existing smelter plant.

The Company appealed this before the NGT. NGT vide its order on 15 December 2018 has set aside the impugned orders and directed the TNPCB to pass fresh orders for renewal of consent and authorization to handle hazardous substances, subject to appropriate conditions for protection of environment in accordance with law.

The State of Tamil Nadu and TNPCB approached Supreme Court in Civil Appeals on 02 January 2019 challenging the judgement of NGT dated 15 December 2018 and the previously passed judgement of NGT dated 08 August 2013. The Supreme Court vide its judgement dated 18 February 2019 set aside the judgements of NGT dated 15 December 2018 and 08 August 2013 solely on the basis of maintainability and directed the Company to file an appeal in High court.

The Company has filed a writ petition before the Madras High Court challenging the various orders passed against the Company in FY 2018 and FY 2013. On 18 August 2020, the Madras High Court delivered the judgement wherein it dismissed all the Writ Petitions filed by the Company. Thereafter, the Company has approached the Supreme Court and challenged the said High Court order by way of a Special Leave Petition ("SLP").

The Interlocutory Applications filed by the Company seeking essential care and maintenance of the plant and removal of materials from the plant premises were heard on 10 April 2023 where the Supreme Court allowed certain activities such as gypsum evacuation, operation of secured landfill ("SLF") leachate sump pump, bund rectification of SLF and green-belt maintenance.

On 04 May 2023, Honourable Supreme Court further directed the State of Tamil Nadu to conclude on any further supplementary directions to be issued with regard to the care and maintenance of the plant by 01 June 2023. The SLP is now listed for hearing and final disposal at the top of the TNPCB on 22 August 2023 and 23 August 2023.

As per the Company's assessment, it is in compliance with the applicable regulations and expects to get the necessary approvals in relation to the existing operations and hence the Company does not expect any material adjustments to these financial statements as a consequence of above actions.

The Company has carried out an impairment analysis for existing plant assets during the year ended 31 March 2023 considering various scenarios and possibilities, and concluded on balance of probabilities that there exists no impairment.

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The carrying value of the assets as at 31 March 2023 is ₹ 1,913 Crore (31 March 2022: ₹ 1,982 Crore).

Expansion Project:

Separately, the Company has filed a fresh application for renewal of the Environmental Clearance for the proposed Copper Smelter Plant 2 ("Expansion Project") dated 12 March 2018 before the Expert Appraisal Committee of the Ministry of Environment, Forests and Climate Change ("the MoEFCC") wherein a sub-committee was directed to visit the Expansion Project site prior to prescribing the Terms of Reference.

In the meantime, the Madurai Bench of Madras High Court in a Public Interest Litigation held vide its order dated 23 May 2018 that the application for renewal of the Environmental Clearance for the Expansion Project shall be processed after a mandatory public hearing and in the interim, ordered the Company to cease construction and all other activities on site for the proposed Expansion Project with immediate effect. The MoEFCC has delisted the Expansion Project since the matter is sub-judice. Separately, SIPCOT vide its letter dated 29 May 2018, cancelled 342.22 acres of the land allotted for the proposed Expansion Project. Further, the TNPCB issued orders on 07 June 2018 directing the withdrawal of the Consent to Establish ("CTE") which was valid till 31 March 2023.

The Company has also appealed this action before the TNPCB Appellate Authority. The matter has been adjourned until the conclusion of special leave petition filed before the Supreme Court.

The Company has approached Madras High Court by way of writ petition challenging the cancellation of lease deeds by SIPCOT pursuant to which an interim stay has been granted. The Company has also appealed this action before the TNPCB Appellate Authority. The matter has been adjourned until the conclusion of special leave petition filed before the Supreme Court.

Considering the delay in existing plant matter and accordingly delay in getting the required approval for Expansion Project, management considered to make provision for impairment for Expansion Project basis fair value less cost of disposal. The net carrying value of ₹ 17 Crore as at 31 March 2023 (31 March 2022: ₹ 41 Crore) approximates its recoverable value.

Property, plant and equipment of ₹ 1,033 Crore (31 March 2022: ₹ 1,213 Crore) and inventories of ₹ 269 Crore (31 March 2022: ₹ 301 Crore), pertaining to existing and expansion plant, could not be physically verified, anytime during the year, as the access to the plant is presently restricted. However, any difference between book and physical quantities is unlikely to be material.

(iv) Oil and Gas reserves

Significant technical and commercial judgements are required to determine the Company's estimated oil and natural gas reserves. Reserves considered for computing depletion are proved reserves for acquisition costs and proved and developed reserves for successful exploratory wells, development wells, processing facilities, distribution assets, estimated future abandonment cost and all other related costs. Reserves for this purpose are considered on working interest basis which are reassessed at least annually. Details of such reserves are given in note 43. Changes in reserves as a result of change in management assumptions could impact the depreciation rates and the carrying value of assets (refer note 5).

(v) Carrying value of developing/producing oil and gas assets

Management performs impairment tests on the Company's developing/producing oil and gas assets where indicators of impairment are identified in accordance with Ind AS 36.

The impairment assessments are based on a range of estimates and assumptions, including:

Estimates/ assumptions	Basis
Future production	proved and probable reserves, production facilities, resource estimates and expansion projects
Commodity prices	management's best estimate benchmarked with external sources of information, to ensure they are within the range of available analyst forecast
Discount to price	management's best estimate based on historical prevailing discount and updated sales contracts
Period	for Rajasthan block, cash flows are considered based on economic life of the field
Discount rates	cost of capital risk-adjusted for the risk specific to the asset/ CGU

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Any subsequent changes to cash flows due to changes in the above mentioned factors could impact the carrying value of the assets.

Details of carrying values and impairment charge/ (reversal) and the assumptions used are disclosed in note 5 and 34 respectively.

(vi) Climate Change

The Company aims to achieve net carbon neutrality by 2050, has committed reduction in emission by 25% by 2030 from 2021 baseline, net water positivity by 2030 as part of its climate risk assessment and has outlined its climate risk assessment and opportunities in the ESG strategy. Climate change may have various impacts on the Company in the medium to long term. These impacts include the risks and opportunities related to the demand of products and services, impact due to transition to a low-carbon economy, disruption to the supply chain, risk of physical harm to the assets due to extreme weather conditions, regulatory changes etc. The accounting related measurement and disclosure items that are most impacted by our commitments, and climate change risk more generally, relate to those areas of the financial statements that are prepared under the historical cost convention and are subject to estimation uncertainties in the medium to long term.

The potential effects of climate change may be on assets and liabilities that are measured based on an estimate of future cash flows. The main ways in which potential climate change impacts have been considered in the preparation of the financial statements, pertain to (a) inclusion of capex in cash flow projections, (b) review of estimates of useful lives of property, plant and equipment, (c) recoverable amounts of existing assets, (d) assets and liabilities carried at fair value.

The Company's strategy consists of mitigation and adaptation measures. The Company is committed to reduce its carbon footprint by limiting its exposure to coal-based projects and reducing its GHG emissions through high impact initiatives such as investment in Renewable Energy (1,826 MW on a group captive basis), fuel switch, electrification of vehicles and mining fleet and energy efficiency opportunities. Renewable sources have limitations in supplying round the clock power, so existing power plants would support transition and fleet replacement is part of normal lifecycle renewal. The Company has also taken certain measures towards water management such as commissioning of sewage treatment plants, rainwater harvesting, and reducing fresh water consumption. These initiatives are aligned with the group's ESG strategy and no material changes were identified to the financial statements as a result.

As the Company's assessment of the potential impacts of climate change and the transition to a low-carbon economy continues to mature, any future changes in the Company's climate change strategy, changes in environmental laws and regulations and global decarbonisation measures may impact the Group's significant judgments and key estimates and result in changes to financial statements and carrying values of certain assets and liabilities in future reporting periods. However, as of the balance sheet date, the Group believes that there is no material impact on carrying values of its assets or liabilities.

(B) Significant Judgement

(i) Contingencies:

In the normal course of business, contingent liabilities may arise from litigation, taxation and other claims against the Company. A provision is recognised when the Company has a present obligation as a result of past events and it is probable that the Company will be required to settle that obligation.

Where it is management's assessment that the outcome cannot be reliably quantified or is uncertain, the claims are disclosed as contingent liabilities unless the likelihood of an adverse outcome is remote. Such liabilities are disclosed in the notes but are not provided for in the financial statements.

When considering the classification of legal or tax cases as probable, possible or remote, there is judgement involved. This pertains to the application of the legislation, which in certain cases is based upon management's interpretation of country specific applicable law, in particular India, and the likelihood of settlement. Management uses in-house and external legal professionals to make informed decision.

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Although there can be no assurance regarding the final outcome of the legal proceedings, the Company does not expect them to have a materially adverse impact on the Company's financial position or profitability. These are set out in Note 38.

For other significant litigations where the possibility of an outflow of resources embodying economic benefits is remote, refer note 44.

(ii) Revenue recognition and receivable recovery in relation to the power division:

In certain cases, the Company's power customers are disputing various contractual provisions of Power Purchase Agreements ("PPA"). Significant judgement is required in both assessing the tariff to be charged under the PPA in accordance with Ind AS 115 and to assess the recoverability of withheld revenue currently accounted for as receivables.

In assessing this critical judgment, management considered favourable external legal opinions that the Company has obtained in relation to the claims. In addition, the fact that the contracts are with government owned companies implies that the credit risk is low [refer note 7 (c)].

3(d) Business combinations/ Acquisitions/ Restructuring:

Athena Chhattisgarh Power Limited

On 21 July 2022, the Company acquired Athena Chhattisgarh Power Limited ("ACPL"), an unrelated party, under the liquidation proceedings of the Insolvency and Bankruptcy Code, 2016 for a consideration of ₹ 565 Crore, subject to National Company Law Tribunal ("NCLT") approval. ACPL is building a 1,200 MW (600 MW X 2) coal-based power plant located at Jhanjgir Champa district, Chhattisgarh. The plant is expected to fulfil the power requirements for the Company's aluminium business. The Company had filed its application with the NCLT in July 2022 and further amended the application in November 2022 praying for merger of ACPL with itself. The Company has requested various reliefs from the applicable legal and regulatory provisions as part of the above applications. The NCLT approval of the Company's resolution application is pending as on the balance sheet date.

Amalgamation of Facor Power Limited into Ferro Alloys Corporation Limited

During the current year, Hon'ble National Company Law Tribunal, Cuttack Bench vide its Order dated 15 November 2022 approved the Scheme of Amalgamation of Facor Power Limited ("FPL") into Ferro Alloys Corporation Limited ("FACOR"). FPL is a subsidiary of FACOR which in turn is a subsidiary of the Company. Post the amalgamation becoming effective on 21 November 2022, the Company directly holds 99.99% in FACOR.

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4 Segment Information

A) Description of segment and principal activities

The Company is a diversified natural resource company engaged in exploring, extracting and processing minerals and oil and gas. The Company produces oil and gas, aluminium, copper, iron ore and power. The Company has five reportable segments: oil and gas, aluminium, copper, iron ore and power. The management of the Company is organized by its main products: oil and gas, aluminium, copper, iron ore and power. Each of the reportable segments derives its revenues from these main products and hence these have been identified as reportable segments by the Company's Chief Operating Decision Maker ("CODM").

Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amount allocated on a reasonable basis. Unallocated expenditure consist of common expenditure incurred for all the segments and expenses incurred at corporate level. The assets and liabilities that cannot be allocated between the segments are shown as unallocated assets and unallocated liabilities respectively.

The accounting policies of the reportable segments are the same as the Company's accounting policies described in Note 3. Earnings before Interest, Tax and Depreciation & Amortisation (EBITDA) are evaluated regularly by the CODM, in deciding how to allocate resources and in assessing performance. The operating segments reported are the segments of the Company for which separate financial information is available. The Company's financing (including finance costs and finance income) and income taxes are reviewed on an overall basis and are not allocated to operating segments.

Pricing between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

The following table presents revenue and profit information and certain assets and liabilities information regarding the Company's business segments as at and for the year ended 31 March 2023 and 31 March 2022 respectively.

For the year ended 31 March 2023

(₹ in Crore)

Particulars	Business Segments						
	Oil and Gas	Aluminium	Copper	Iron Ore	Power	Eliminations	Total
Revenue							
External revenue	8,137	39,950	12,351	5,928	827	-	67,193
Inter segment revenue	-	-	-	-	-	-	-
Segment revenue	**8,137**	**39,950**	**12,351**	**5,928**	**827**	**-**	**67,193**
Results							
Segment Results (EBIDTA) [a]	**4,221**	**5,160**	**(9)**	**930**	**(297)**	**-**	**10,005**
Less: Depreciation, depletion and amortisation expense	1,491	1,751	176	114	129	-	3,661
Add: Other income, net of expenses [b,c]	(315)	61	2	7	11	-	(234)
Add: Other unallocable income, net of expenses							20,931
Less: Finance costs							4,384
Add: Net exceptional gain							4,353
Net profit before tax							**27,010**
Other information							
Segment Assets	**16,785**	**50,312**	**4,500**	**3,998**	**2,647**		**78,242**
Financial asset investments							64,845
Deferred tax assets (net)							5,295
Income tax assets (net of provisions)							1,501
Cash and cash equivalents (including other bank balances and bank deposits)							5,986

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(₹ in Crore)

Particulars	Business Segments						
	Oil and Gas	Aluminium	Copper	Iron Ore	Power	Eliminations	Total
Others							2,914
Total Assets							**1,58,783**
Segment Liabilities	**10,645**	**21,579**	**4,753**	**2,064**	**241**		**39,282**
Borrowings							42,023
Income tax liabilities (net)							1,025
Others							8,641
Total Liabilities							**90,971**
Capital Expenditure [d]	2,436	4,541	87	225	-	-	7,311
Net impairment reversal relating to assets [e]	18	-	-	-	-		5,525

a) EBITDA is a non-GAAP measure.

b) Oher income includes amortisation of duty benefits relating to assets recognised as government grant.

c) Includes cost of exploration wells written off.

d) Total capital expenditure includes capital expenditure of ₹ 22 Crore not allocable to any segment.

e) Total net impairment reversal includes impairment reversal on investments of ₹ 5,507 Crore, which is not allocable to any segment (Refer Note 34).

For the year ended 31 March 2022

(₹ in Crore)

Particulars	Business Segments						
	Oil and Gas	Aluminium	Copper	Iron Ore	Power	Eliminations	Total
Revenue							
External revenue	6,622	38,371	11,096	6,143	569	-	62,801
Inter segment revenue	-	-	-	-	218	(218)	-
Segment revenue	**6,622**	**38,371**	**11,096**	**6,143**	**787**	**(218)**	**62,801**
Results							
Segment Results (EBIDTA) [a]	**3,137**	**13,024**	**(150)**	**2,187**	**(172)**	**-**	**18,026**
Less: Depreciation, depletion and amortisation expense	936	1,591	188	101	129	-	2,945
Add: Other income [b]	-	58	2	7	11	-	78
Add: Other unallocable income, net of expenses							7,921
Less: Finance costs							3,146
Less: Net exceptional loss							318
Net profit before tax							**19,616**
Other information							
Segment Assets	**16,420**	**47,307**	**5,383**	**3,590**	**2,826**		**75,526**
Financial asset investments							61,466
Deferred tax asset							1,118
Income tax assets (net of provisions)							1,800
Cash and cash equivalents (including other bank balances and bank deposits)							7,209
Others							1,622
Total Assets							**1,48,741**

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(₹ in Crore)

Particulars	Business Segments						
	Oil and Gas	Aluminium	Copper	Iron Ore	Power	Eliminations	Total
Segment Liabilities	**10,178**	**15,630**	**4,638**	**2,321**	**152**		**32,919**
Borrowings							36,696
Income tax liabilities (net)							601
Others							876
Total Liabilities							**71,092**
Capital Expenditure [c]	1,378	2,731	4	80	-		4,213
Net (Impairment)/ reversal or write off/ (write back) relating to assets [d]	(42)	(125)	-	-	-		(191)

a) EBITDA is a non-GAAP measure.

b) Amortisation of duty benefits relating to assets recognised as government grant.

c) Total capital expenditure includes capital expenditure of ₹ 20 Crore not allocable to any segment.

d) Includes write off of ₹ 24 Crore which is not allocable to any segment.

B) Geographical segment analysis

The following table provides an analysis of the Company's sales by region in which the customer is located, irrespective of the origin of the goods.

(₹ in Crore)

Geographical Segment	Year ended 31 March 2023	Year ended 31 March 2022
Revenue by geographical segment		
India	33,714	28,142
Europe	11,631	14,847
Mexico	3,817	2,089
The United States of America	3,426	3,231
China	2,535	5,055
Others	12,070	9,437
Total	**67,193**	**62,801**

The following is an analysis of the carrying amount of non-current assets, excluding deferred tax assets and financial assets, analysed by the geographical area in which the assets are located:

(₹ in Crore)

Carrying Amount of Segment Assets	As at 31 March 2023	As at 31 March 2022
India	56,863	54,244
Total	**56,863**	**54,244**

C) Information about major customers

No single customer has accounted for more than 10% of the Company's revenue for the year ended 31 March 2023 and 31 March 2022.

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forming part of the financial statements as at and for the year ended 31 March 2023

D) Disaggregation of revenue

Below table summarises the disaggregated revenue from contract with customers:

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Oil	6,718	5,480
Gas	1,546	892
Aluminium products	39,189	37,696
Copper Cathode	11,950	10,267
Iron Ore	2,212	2,354
Metallurgical coke	447	314
Pig Iron	3,198	3,348
Power	827	570
Others	1,691	1,860
Revenue from contracts with customers*	**67,778**	**62,781**
(Loss)/ Gain from provisionally priced contracts under Ind AS 109	(585)	20
Total Revenue	**67,193**	**62,801**

*includes revenues from sale of services aggregating to ₹ 88 Crore (31 March 2022: ₹ 109 Crore) which is recorded over a period of time and the balance revenue is recognised at a point in time.

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forming part of the financial statements as at and for the year ended 31 March 2023

Property, Plant and equipment, Intangible assets, Capital work-in-progress and Exploration intangible assets under development

(₹ in Crore)

Particulars	Property, Plant and equipment											
	Freehold Land	Buildings	Plant and equipment	Oil & gas producing facilities	Furniture and fixtures	Vehicles	Office equipment	Right of Use assets (see note below)	Total	Capital Work in progress (CWIP)	Exploration intangible assets under development	Total including capital work in progress and exploration intangible assets under development
Gross Block												
As at 01 April 2021	841	7,074	45,297	48,166	221	313	443	667	1,03,022	24,896	3,144	1,31,062
Additions	3	65	863	132	4	10	25	12	1,114	2,257	833	4,204
Transfers/ Reclassifications*	11	60	2,584	332	9	2	2	(346)	2,654	(2,658)	-	(4)
Disposals/ Adjustments	(1)	(5)	(392)	-	(1)	(3)	(3)	(8)	(413)	(1)	-	(414)
Exploration costs written off (Refer note 34)	-	-	-	-	-	-	-	-	-	-	(1,412)	(1,412)
Exchange differences	5	40	253	1,512	4	-	8	7	1,829	500	89	2,418
As at 31 March 2022	**859**	**7,234**	**48,605**	**50,142**	**237**	**322**	**475**	**332**	**1,08,206**	**24,994**	**2,654**	**1,35,854**
Additions	13	36	1,482	-	4	11	50	50	1,646	3,832	1,090	6,568
Transfers/ Reclassifications*	2	129	1,371	1,413	4	1	(2)	-	2,918	(2,922)	-	(4)
Disposals/ Adjustments	-	(3)	(780)	(156)	(51)	(5)	(66)	-	(1,061)	-	-	(1,061)
Exploration costs written off (Refer note 33)	-	-	-	-	-	-	-	-	-	-	(315)	(315)
Exchange differences	15	125	827	4,610	(3)	-	(7)	3	5,570	959	248	6,777
As at 31 March 2023	**889**	**7,521**	**51,505**	**56,009**	**191**	**329**	**450**	**385**	**1,17,279**	**26,863**	**3,677**	**1,47,819**
Accumulated depreciation, depletion, amortisation and impairment												
As at 01 April 2021	146	2,970	14,181	46,685	152	113	404	149	64,800	15,800	1,539	82,139
Charge for the year	5	190	2,139	536	12	24	29	19	2,954	-	-	2,954
Disposals/ Adjustments	-	(1)	(316)	-	-	(2)	(3)	(8)	(330)	29	-	(301)
Capital work-in-progress written off/ Impairment charge/ (reversal) for the year (Refer Note 34)	-	-	-	(955)	-	-	-	-	(955)	24	(415)	(1,346)
Transfers/ Reclassifications*	-	-	490	117	-	-	-	(81)	526	(526)	-	-
Exchange differences	4	38	212	1,454	3	-	8	2	1,721	441	42	2,204
As at 31 March 2022	**155**	**3,197**	**16,706**	**47,837**	**167**	**135**	**438**	**81**	**68,716**	**15,768**	**1,166**	**85,650**
Charge for the year	5	270	2,361	958	11	25	36	18	3,684	-	-	3,684
Disposals/ Adjustments	-	(2)	(346)	-	(50)	(3)	(64)	-	(465)	-	-	(465)
Impairment charge/ (reversal) for the year (Refer Note (g))	-	-	(220)	(103)	-	-	-	-	(323)	-	305	(18)
Transfers/ Reclassifications*	-	-	76	157	3	-	(3)	-	233	(233)	-	-
Exchange differences	12	113	646	4,186	(7)	-	(6)	2	4,946	1,238	112	6,296
As at 31 March 2023	**172**	**3,578**	**19,223**	**53,035**	**124**	**157**	**401**	**101**	**76,791**	**16,773**	**1,583**	**95,147**
Net Book Value/Carrying amount												
As at 01 April 2021	695	4,104	31,116	1,481	69	200	39	518	38,222	9,096	1,605	48,923
As at 31 March 2022	704	4,037	31,899	2,305	70	187	37	251	39,490	9,226	1,488	50,204
As at 31 March 2023	**717**	**3,943**	**32,282**	**2,974**	**67**	**172**	**49**	**284**	**40,488**	**10,090**	**2,094**	**52,672**

*Transfers/reclassification majorly includes capitalisation of CWIP to respective class of assets

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forming part of the financial statements as at and for the year ended 31 March 2023

5 Property, Plant and equipment, Intangible assets, Capital work-in-progress and Exploration intangible assets under development

Right of Use (ROU) assets

(₹ in Crore)

Particulars	ROU Land	ROU Building	ROU Plant and Equipment	Total
Gross Block				
As at 01 April 2021	284	42	341	667
Additions	12	-	-	12
Transfers/ Reclassifications	-	-	(346)	(346)
Disposals/ Adjustments	(8)	-	-	(8)
Exchange differences	-	1	6	7
As at 31 March 2022	**288**	**43**	**1**	**332**
Additions	50	-	-	50
Exchange differences	-	3	-	3
As at 31 March 2023	**338**	**46**	**1**	**385**
Accumulated depreciation and impairment				
As at 01 April 2021	54	15	80	149
Charge for the year	10	9	-	19
Transfers/ Reclassifications	-	-	(81)	(81)
Disposals/ Adjustments	(8)	-	-	(8)
Exchange differences	-	-	2	2
As at 31 March 2022	**56**	**24**	**1**	**81**
Charge for the year	10	8	-	18
Exchange differences	-	2	-	2
As at 31 March 2023	**66**	**34**	**1**	**101**
Net Book Value/Carrying amount				
As at 01 April 2021	230	27	261	518
As at 31 March 2022	232	19	-	251
As at 31 March 2023	**272**	**12**	**-**	**284**

Intangible Assets

(₹ in Crore)

Particulars	Software License	Mining Rights	Total
Gross Block			
As at 01 April 2021	298	227	525
Additions	10	-	10
Transfers/ Reclassifications	4	-	4
Exchange differences	7	-	7
As at 31 March 2022	**319**	**227**	**546**
Additions	7	815	822
Transfers/ Reclassifications	4	-	4
Disposals/ Adjustments	(154)	-	(154)
Exchange differences	(66)	-	(66)
As at 31 March 2023	**110**	**1,042**	**1,152**

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forming part of the financial statements as at and for the year ended 31 March 2023

(₹ in Crore)

Particulars	Software License	Mining Rights	Total
Accumulated amortisation and impairment			
As at 01 April 2021	279	219	498
Charge for the year	15	-	15
Exchange differences	7	-	7
As at 31 March 2022	**301**	**219**	**520**
Charge for the year	14	5	19
Disposals/ Adjustments	(154)	-	(154)
Exchange differences	(67)	-	(67)
As at 31 March 2023	**94**	**224**	**318**
Net Book Value/Carrying amount			
As at 01 April 2021	19	8	27
As at 31 March 2022	18	8	26
As at 31 March 2023	**16**	**818**	**834**

Capital Work-In-Progress (CWIP) Ageing Schedule

(₹ in Crore)

CWIP	As at 31 March 2023			As at 31 March 2022		
	Projects in progress	Projects temporarily suspended	Total	Projects in progress	Projects temporarily suspended	Total
Less than 1 year	3,620	3	3,623	2,358	2	2,360
1-2 years	1,167	3	1,170	464	6	470
2-3 years	250	5	255	1,098	33	1,131
More than 3 years	4,399	643	5,042	4,645	620	5,265
Total	**9,436**	**654**	**10,090**	**8,565**	**661**	**9,226**

CWIP completion schedule for projects whose completion is overdue or has exceeded its cost compared to its original plan:

(₹ in Crore)

CWIP	As at 31 March 2023				As at 31 March 2022			
	To be completed in				To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in Progress								
Jharsuguda 1.25 MTPA aluminium smelter Project	457	-	-	-	545	234	-	-
Lanjigarh alumina 2-5 MTPA expansion Project	6,666	21	-	-	4,146	863	-	-
RDG gas Project	336	-	-	-	58	155	-	-
Oil & Gas development CWIP	226	121	-	-	1,032	286	-	-
Projects temporarily suspended								
Lanjigarh alumina 5-6 MTPA expansion Project	-	-	-	371	-	-	-	371
Other iron ore business Projects	11	-	-	-	11	-	-	-
Copper 4LTPA expansion Project	*	*	*	*	*	*	*	*

* Excludes ageing for Copper 4 LTPA Expansion project which is on hold due to restrictions imposed by the State government. Refer Note 3(c)(A)(iii)

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forming part of the financial statements as at and for the year ended 31 March 2023

Exploration intangible assets under development Ageing Schedule

(₹ in Crore)

Intangible assets under development	As at 31 March 2023 Projects in progress	As at 31 March 2022 Projects in progress
Less than 1 year	610	547
1-2 years	565	533
2-3 years	535	340
More than 3 years	384	68
Total	**2,094**	**1,488**

Title deeds of immovable properties not held in the name of Company

(₹ in Crore)

Relevant line item in the Balance sheet	Description of item of property	Gross block as at 31 March 2023	Gross block as at 31 March 2022	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director	Property held since which date	Reason for not being held in the name of the company
Property, Plant and Equipment	Land & Building	1,749	1,533	Oil and Natural Gas Corporation Limited (ONGC) and Cairn India Limited (now a division of the Company)	No	10 April 2009	The title deeds of Oil & Gas exploration blocks jointly owned by the JV partners are in the name of ONGC, being the licensee of these exploration blocks.
	Land	53	53	Erstwhile company Sterlite Industries (India) Limited, that merged with the Company	No	1965-2012*	The title deeds are in the names of erstwhile companies that merged with the Company under Section 391 to 394 of the erstwhile Companies Act, 1956 pursuant to Schemes of Amalgamation and Arrangement as approved by the Honourable High Courts.
	ROU Land	50	50		No	1993-2009*	
	Land	20	20	Erstwhile company Vedanta Aluminium Limited, that merged with the Company	No	2008-2012*	

* Multiple dates of acquisitions during the period disclosed.

Notes

a) Plant and equipment include refineries, smelters, power plants, railway sidings, ships, river fleet and related facilities.

b) During the year ended 31 March 2023, interest capitalised was ₹ 331 Crore (31 March 2022: ₹ 267 Crore).

c) Certain property, plant and equipment are pledged as security against borrowings, the details related to which have been described in Note 17 on "Borrowings".

d) In accordance with the exemption given under Ind AS 101, which has been exercised by the Company, a first time adopter can continue its previous GAAP policy for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the previous GAAP financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period, i.e., 01 April 2016.

Accordingly, foreign currency exchange differences arising on translation/settlement of long-term foreign currency monetary items acquired before 01 April 2016 pertaining to the acquisition of a depreciable asset amounting to ₹ 11 Crore loss (31 March 2022: ₹ 16 Crore loss) is adjusted to the cost of respective item of property, plant and equipment.

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forming part of the financial statements as at and for the year ended 31 March 2023

e) Property, Plant and Equipment, Capital work-in-progress and exploration and evaluation assets net block includes share of jointly owned assets with the joint venture partners ₹ 5,776 Crore (31 March 2022: ₹ 5,801 Crore).

f) Reconciliation of depreciation, depletion and amortisation expense

(₹ in crore)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation/Depletion/Amortisation expense on:		
Property, Plant and Equipment (Including ROU assets)	3,684	2,954
Intangible assets	19	15
As per Property, Plant and Equipment and Intangible assets schedule	**3,703**	**2,969**
Less: Cost allocated to joint ventures and other adjustments	(42)	(24)
As per Statement of Profit and Loss	**3,661**	**2,945**

g) (i) During the year ended 31 March 2023, the Company has recognised a net impairment reversal of ₹ 323 Crore (after considering impairment reversal of ₹ 618 Crore on account of ONGC partial arbitration award (Refer note (ii) for details)) on its assets in the oil and gas producing facilities and impairment charge of ₹ 305 Crore on its assets in the oil and gas exploration intangible assets under development mainly due to revision of Reserve and Capex estimates. The recoverable amount of the Company's share in Rajasthan Oil and Gas cash generating unit "RJ CGU" was determined to be ₹ 5,324 Crore (US$ 648 million) as at 31 March 2023. The recoverable amount of the RJ CGU was determined based on the fair value less costs of disposal approach, a level-3 valuation technique in the fair value hierarchy, as it more accurately reflects the recoverable amount based on the Company's view of the assumptions that would be used by a market participant. This is based on the cash flows expected to be generated by the projected oil and natural gas production profiles up to 2040, the expected dates of cessation of production sharing contract ("PSC")/ cessation of production from each producing field based on the current estimates of reserves and risked resources. Reserves assumptions for fair value less costs of disposal tests consider all reserves that a market participant would consider when valuing the asset, which are usually broader in scope than the reserves used in a value-in-use test. Discounted cash flow analysis used to calculate fair value less costs of disposal uses assumption for short-term oil price of US$ 84 per barrel for the next one year and tapers down to long-term nominal price of US$ 73 per barrel three years thereafter derived from a consensus of various analyst recommendations. Thereafter, these have been escalated at a rate of 2.4% per annum. The cash flows are discounted using the post-tax nominal discount rate of 10.99% derived from the post-tax weighted average cost of capital after factoring in the risks ascribed to PSC extension including successful implementation of key growth projects. Based on the sensitivities carried out by the Company, change in crude price assumptions by US $ 1/bbl and changes to discount rate by 1% would lead to a change in recoverable value by ₹ 41 Crore (US$5 million) and ₹ 205 Crore (US$ 25 million) respectively.

(ii) In the Oil and Gas business, the Company operates the Rajasthan Block under a joint venture model with ONGC. As the operator of the block, the Company raises cash calls to ensure the smooth functioning of the petroleum operations.

During the current year ended 31 March 2023, the Company received a favourable partial arbitration award on cash call claims made from ONGC, pursuant to which, reversal of previously recorded impairment of ₹ 618 Crore (US$ 78 million) has been recognised against capitalised development costs. The Company had a liability towards ONGC of ₹ 750 Crore (US$ 99 million) as of 31 March 2022 on account of revenue received in excess of entitlement. Based on the partial arbitration award, the Company has adjusted the claims received in the favour of the Company against the liability towards ONGC and the net payable as of 31 March 2023 amounts to ₹ 135 Crore (US$ 16 million).

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forming part of the financial statements as at and for the year ended 31 March 2023

6 Financial Assets : Investments

A) Non Current Investments

Particulars	As at 31 March 2023			As at 31 March 2022		
	No.		Amount (₹ in Crore)	No.		Amount (₹ in Crore)
(a) Investment in equity shares - at cost/ deemed cost[a] (fully paid up unless otherwise stated)						
Subsidiary companies						
Quoted						
- Hindustan Zinc Limited, of ₹ 2/-each[b] (Refer Note 17)	2,74,31,54,310		44,398	2,74,31,54,310		44,398
Unquoted						
- Bharat Aluminium Company Limited, of ₹ 10/- each (including 5 shares held jointly with nominees)[b]	11,25,18,495		553	11,25,18,495		553
- Monte Cello BV, The Netherlands, of Euro 453.78 each	40	204		40	204	
Less: Reduction pursuant to merger [c]		(204)	-		(204)	-
- Cairn India Holdings Limited (CIHL) of GBP 1 each (Refer Note 34)	31,83,40,911	25,512		42,08,10,062	28,873	
Less: Reduction pursuant to merger [c]		(15,067)	10,445		(15,067)	13,806
- Vizag General Cargo Berth Private Limited, of ₹ 10 each (including 6 shares held jointly with nominees)	4,71,08,000		182	4,71,08,000		182
- Talwandi Sabo Power Limited, of ₹ 10 each (including 6 shares held jointly with nominees)	3,20,66,09,692		3,207	3,20,66,09,692		3,207
- Sesa Resources Limited, of ₹ 10 each (including 6 shares held jointly with nominees)	12,50,000		757	12,50,000		757
- Bloom Fountain Limited, of US$ 1 each	2,20,10,00,001	14,734		2,20,10,00,001	14,734	
Less: Reduction pursuant to merger [c]		(14,320)	414		(14,320)	414
- MALCO Energy Limited, of ₹ 2 each (including 6 shares held jointly with nominees)	2,33,66,406	116		2,33,66,406	116	
Less: Reduction pursuant to merger [c]		(23)	93		(23)	93
- THL Zinc Ventures Limited, of 1 ordinary share of US$ 1 and 1,00,000 Ordinary Shares of US$ 100 each	1,00,001	46		1,00,001	46	
Less: Reduction pursuant to merger [c]		(46)	-		(46)	-
- THL Zinc Holdings BV, of EURO 1 each	37,38,000	23		37,38,000	23	
Less: Reduction pursuant to merger [c]		(23)	-		(23)	-
- ESL Steel Limited, of ₹ 10 each (including 6 shares held jointly with nominees)	1,76,55,53,040		1,770	1,76,55,53,040		1,770
- Ferro Alloys Corporation Limited, of ₹ 1 each (including 6 shares held jointly with nominees) (Refer Note 3(d))	34,00,00,000		37	34,00,00,000		37

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forming part of the financial statements as at and for the year ended 31 March 2023

Particulars	As at 31 March 2023			As at 31 March 2022		
	No.		Amount (₹ in Crore)	No.		Amount (₹ in Crore)
Associate companies - unquoted						
- Gaurav Overseas Private Limited, of ₹ 10 each	14,23,000		1	4,23,000		0
Investment in equity shares at fair value through other comprehensive income						
Quoted						
- Sterlite Technologies Limited, of ₹ 2 each	47,64,295		70	47,64,295		107
Unquoted						
- Sterlite Power Transmission Limited, of ₹ 2 each	19,05,718		11	9,52,859		11
- Goa Shipyard Limited of ₹ 5 each	2,50,828		0	2,50,828		0
(b) Investment in preference shares of subsidiary companies - at cost						
Unquoted						
- Bloom Fountain Limited, 0.25% Optionally Convertible Redeemable Preference shares of US$ 1 each	18,59,900		907	18,59,900		907
- Bloom Fountain Limited, 0.25% Optionally Convertible Redeemable Preference shares of US$ 100 each	3,60,500		215	3,60,500		215
- THL Zinc Ventures Limited, 0.25% Optionally Convertible Redeemable Preference shares of US$ 1 each (Refer Note 34)	-	-		70,00,000	3,187	
Less: Reduction pursuant to merger [c]		-	-		(3,187)	-
- THL Zinc Holdings BV, 0.25% Optionally Convertible Redeemable Preference shares of EURO 1 each	55,00,000	2,495		55,00,000	2,495	
Less: Reduction pursuant to merger [c]		(2,495)	-		(2,495)	-
(c) Investment in Preference shares - Unquoted at fair value through profit and loss						
- Serentica Renewables Power Companies, Optionally Convertible Redeemable Preference shares of ₹ 10 each (Refer Note 38 and 39)	6,90,00,000		69	-		-
(d) Investment in Government or Trust securities at cost / amortised cost						
- 7 Years National Savings Certificates (31 March 2023: ₹ 35,450; 31 March 2022: ₹ 35,450) (Deposit with Sales Tax Authority)	NA		0	NA		0
- UTI Master gain of ₹ 10 each (31 March 2023: ₹ 4,072; 31 March 2022: ₹ 4,072)	100		0	100		0
- Vedanta Limited ESOS Trust (31 March 2023: ₹ 5,000; 31 March 2022: ₹ 5,000)	NA		0	NA		0
(e) Investments in debentures of subsidiary companies at cost / amortised cost						
- MALCO Energy Limited, compulsorily convertible debentures of ₹ 1,000 each	6,13,54,483	6,136		6,13,54,483	6,136	
Less: Reduction pursuant to merger [c]		(6,118)	18		(6,118)	18

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forming part of the financial statements as at and for the year ended 31 March 2023

Particulars	As at 31 March 2023			As at 31 March 2022	
	No.		Amount (₹ in Crore)	No.	Amount (₹ in Crore)
(f) Investments in Co-operative societies at fair value through profit and loss					
- Sesa Ghor Premises Holders Maintenance Society Limited, of ₹ 200 each (31 March 2023: ₹ 8,000; 31 March 2022: ₹ 8,000)	40		0	40	0
- Sesa Goa Sirsaim Employees Consumers Co- operative Society Limited, of ₹ 10 each (31 March 2023: ₹ 2,000; 31 March 2022: ₹ 2,000)	200		0	200	0
- Sesa Goa Sanquelim Employees Consumers Co- operative Society Limited, of ₹ 10 each (31 March 2023: ₹ 2,300; 31 March 2022: ₹ 2,300)	230		0	230	0
- Sesa Goa Sonshi Employees Consumers Co- operative Society Limited, of ₹ 10 each (31 March 2023: ₹ 4,680; 31 March 2022: ₹ 4,680)	468		0	468	0
- Sesa Goa Codli Employees Consumers Co- operative Society Limited, of ₹ 10 each (31 March 2023: ₹ 4,500; 31 March 2022: ₹ 4,500)	450		0	450	0
- Sesa Goa Shipyard Employees Consumers Co-operative Society Limited, of ₹ 10 each (31 March 2023: ₹ 5,000; 31 March 2022: ₹ 5,000)	500		0	500	0
- The Mapusa Urban Cooperative Bank Limited, of ₹ 25 each (31 March 2023: ₹ 1,000; 31 March 2022: ₹ 1,000)	40		0	40	0
(g) Investment in Bonds/ Debentures - Unquoted at fair value through profit and loss					
- Infrastructure Leasing & Financial Services Limited			30		30
Less: Provision for diminution in value of investments in:					
Bloom Fountain Limited (Refer Note 34)			(756)		(1,536)
Sesa Resources Limited			(750)		(750)
Cairn India Holdings Limited (Refer Note 34)			(1,799)		(3,339)
Total			**59,872**		**60,881**
Aggregate amount of impairment			(3,305)		(5,625)
Aggregate amount of quoted investments			44,468		44,505
Market value of quoted investments			80,554		85,062
Aggregate carrying amount of unquoted investments			15,404		16,376

NOTES

forming part of the financial statements as at and for the year ended 31 March 2023

a. Carrying value of investment in equity shares of Hindustan Zinc Limited ("HZL") is at deemed cost and for all other subsidiaries, it is at the cost of acquisition.

b. Pursuant to the Government of India's policy of disinvestment, the Company in April 2002 acquired 26% equity interest in HZL from the Government of India. Under the terms of the Shareholder's Agreement ('SHA'), the Company had two call options to purchase all of the Government of India's shares in HZL at fair market value. The Company also acquired an additional 20% of the equity capital in HZL through an open offer. The Company exercised the first call option on 29 August 2003 and acquired an additional 18.9% of HZL's issued share capital, increasing its shareholding to 64.9%. The second call option provides the Company the right to acquire the Government of India's remaining 29.5% share in HZL. This call option is subject to the right of the Government of India to sell 3.5% of HZL shares to HZL employees. The Company exercised the second call option on 21 July 2009. The Government of India disputed the validity of the call option and has refused to act upon the second call option. Consequently, the Company invoked arbitration. The Government of India without prejudice to the position on the Put / Call option issue has received approval from the Cabinet for divestment and the Government is looking to divest through the auction route. Meanwhile, the Supreme Court has, in January 2016, directed status quo pertaining to disinvestment of Government of India's residual shareholding while hearing the public interest petition filed.

   On 13 August 2020, the Supreme Court passed an order partially removing the status quo order in place and has allowed the arbitration proceedings to continue via its order passed on 18 November 2021, the Supreme Court of India allowed the GOI's proposal to divest its entire stake in HZL in the open market in accordance with the rules and regulations of SEBI and also directed the Central Bureau of India to register a regular case in relation to the process followed for the disinvestment of HZL in the year 2002 by the GOI. In line with the said order, the Company has withdrawn its arbitration proceedings.

   Pursuant to the Government of India's policy of divestment, the Company in March 2001 acquired 51% equity interest in BALCO from the Government of India. Under the terms of the SHA, the Company has a call option to purchase the Government of India's remaining ownership interest in BALCO at any point from 02 March 2004. The Company exercised this option on 19 March 2004. However, the Government of India has contested the valuation and validity of the option and contended that the clauses of the SHA violate the (Indian) Companies Act, 1956 by restricting the rights of the Government of India to transfer its shares and that as a result such provisions of the SHA were null and void. In the arbitration filed by the Company, the arbitral tribunal by a majority award rejected the claims of the Company on the grounds that the clauses relating to the call option, the right of first refusal, the "tag-along" rights and the restriction on the transfer of shares violate the erstwhile Companies Act, 1956 and are not enforceable. The Company has challenged the validity of the majority award in the Hon'ble High Court of Delhi and sought for setting aside the arbitration award to the extent that it holds these clauses ineffective and inoperative. The Government of India also filed an application before the High Court of Delhi to partially set aside the arbitral award in respect of certain matters involving valuation. The matter is currently scheduled for hearing by the Delhi High Court. Meanwhile, the Government of India without prejudice to its position on the Put / Call option issue has received approval from the Cabinet for divestment and the Government is looking to divest through the auction route.

   On 09 January 2012, the Company offered to acquire the Government of India's interests in HZL and BALCO for ₹ 15,492 Crore and ₹ 1,782 Crore respectively. This offer was separate from the contested exercise of the call options, and Company proposed to withdraw the ongoing litigations in relation to the contested exercise of the options should the offer be accepted. To date, the offer has not been accepted by the Government of India and therefore, there is no certainty that the acquisition will proceed.

   In view of the lack of resolution on the options, the non-response to the exercise and valuation request from the Government of India, the resultant uncertainty surrounding the potential transaction and the valuation of the consideration payable, the Company considers the strike price of the options to be at the fair value, which is effectively nil, and hence the call options have not been recognised in the financial statements.

c. Reduction pursuant to merger of Cairn India Limited with Vedanta Limited accounted for in the year ended 31 March 2017.

d. The Company has not recognised any deferred tax asset on impairment of investments, including amount reduced pursuant to merger (refer note c above) as the realisation of the same is not reasonably certain.

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forming part of the financial statements as at and for the year ended 31 March 2023

B) Current Investment

(₹ in Crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Investment in preference shares of subsidiary companies - at cost		
THL Zinc Ventures Limited, 70,00,000 - 0.25% Optionally Convertible Redeemable Preference shares of US$ 1 each (Refer Note 34)	3,187	-
Investments carried at fair value through profit and loss		
Investment in mutual funds- unquoted	1,786	585
Investment in India Grid Trust - quoted	-	0
Total	**4,973**	**585**
Aggregate amount of quoted investments, and market value thereof	-	0
Aggregate amount of unquoted investments	4,973	585

7 Financial assets - Trade receivables

(₹ in Crore)

Particulars	As at 31 March 2023			As at 31 March 2022		
	Non-current	Current	Total	Non-current	Current	Total
Secured, Undisputed						
Unbilled dues	-	-	-	-	-	-
Not due	-	143	143	-	121	121
Less than 6 months	-	162	162	-	53	53
6 months -1 year	-	6	6	-	-	-
1-2 Years	-	-	-	-	0	0
2-3 years	-	-	-	-	-	-
More than 3 years	-	3	3	-	3	3
sub-total	**-**	**314**	**314**	**-**	**177**	**177**
Unsecured, disputed						
Unbilled dues	-	-	-	9	-	9
Not due	-	-	-	-	-	-
Less than 6 months	58	14	72	123	-	123
6 months -1 year	78	-	78	67	-	67
1-2 Years	190	-	190	106	-	106
2-3 years	106	-	106	153	-	153
More than 3 years	1,754	6	1,760	1,601	8	1,609
sub-total	**2,186**	**20**	**2,206**	**2,059**	**8**	**2,067**
Unsecured, Undisputed						
Unbilled dues	-	98	98	-	-	-
Not due	-	472	472	-	571	571
Less than 6 months	-	672	672	-	1,560	1,560
6 months -1 year	-	120	120	-	17	17
1-2 Years	-	10	10	-	3	3
2-3 years	-	-	-	-	-	-
More than 3 years	-	5	5	-	9	9
sub-total	**-**	**1,377**	**1,377**	**-**	**2,160**	**2,160**
Less: Provision for expected credit loss	(1,339)	(17)	(1,356)	(984)	(17)	(1,001)
Total	**847**	**1,694**	**2,541**	**1,075**	**2,328**	**3,403**

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forming part of the financial statements as at and for the year ended 31 March 2023

(a) The credit period given to customers ranges from zero to 90 days. Also refer note 22(C)(d).

(b) For amounts due and terms and conditions relating to related party receivables, see note 39.

(c) Trade receivables includes ₹ 878 Crore (net of Provision for expected credit loss ("ECL") of ₹ 157 Crore recognised during the year on account of time value of money) as at 31 March 2023 (31 March 2022: ₹ 1,097 Crore) withheld by GRIDCO Limited ("GRIDCO") primarily on account of reconciliation and disputes relating to computation of power tariffs and alleged short-supply of power by the Company under the terms of long term power supply agreement.

Out of the above, ₹ 374 Crore (net of ECL of ₹ 74 Crore recognised during the year on account of time value of money) relates to the amounts withheld by GRIDCO due to tariff adjustments on account of transmission line constraints in respect of which GRIDCO's appeal against order of APTEL is pending before the Hon'ble Supreme Court of India and ₹ 234 crores (net of ECL of ₹ 47 Crore) relates to alleged short supply of power for which the Company's appeal on certain grounds are pending before APTEL.

(d) The total trade receivables as at 01 April 2021 were ₹ 2,241 Crore (net of provision for expected credit loss).

8 Financial assets - Loans

(₹ in Crore)

Particulars	As at 31 March 2023			As at 31 March 2022		
	Non-current	Current	Total	Non-current	Current	Total
Unsecured, considered good						
Loans to related parties (Refer note 39 and 41(c))	126	504	630	154	364	518
Loans and advances to employees	-	3	3	-	1	1
Unsecured, considered credit impaired						
Loans to related parties (Refer note 39)	-	5	5	-	5	5
Less: Provision for expected credit loss	-	(5)	(5)	-	(5)	(5)
Total	**126**	**507**	**633**	**154**	**365**	**519**

9 Financial assets - Others

(₹ in Crore)

Particulars	As at 31 March 2023			As at 31 March 2022		
	Non-current	Current	Total	Non-current	Current	Total
Bank deposits [a, b]	521	-	521	298	-	298
Site restoration asset [b]	701	-	701	589	-	589
Unsecured, considered good						
Security deposits	144	11	155	74	18	92
Advance recoverable (Oil and Gas Business)	-	6,658	6,658	-	7,068	7,068
Others [c]	748	70	818	716	82	798
Long term advance to related party (Refer note 3(d) and 39)	565	-	565	-	-	-
Receivable from related parties (Refer note 39)	-	501	501	-	226	226
Unsecured, considered credit impaired						
Security deposits	15	1	16	15	1	16
Others [c]	467	199	666	458	273	731
Less: Provision for expected credit loss	(482)	(200)	(682)	(473)	(274)	(747)
Total	**2,679**	**7,240**	**9,919**	**1,677**	**7,394**	**9,071**

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forming part of the financial statements as at and for the year ended 31 March 2023

(a) Bank deposits includes fixed deposits with maturity more than 12 months of ₹ 107 Crore (31 March 2022: ₹ Nil Crore) under lien with bank, ₹ 208 Crore (31 March 2022: ₹ 81 Crore) held as reserve created against principal payment on loans from banks, ₹ 146 Crore (31 March 2022: ₹ 156 Crore) held as interest reserve created against interest payment on loans from banks, ₹ 58 Crore (31 March 2022: ₹ 61 Crore) held as margin money created against bank guarantee and ₹ 2 Crore (31 March 2022: ₹ Nil Crore) held as fixed deposit for closure cost.

(b) Bank deposits and site restoration asset earns interest at fixed rate based on respective deposit rate.

(c) Government of India (GoI) vide Office Memorandum ("OM") No. O-19025/10/2005-ONG-DV dated 01 February 2013 allowed for Exploration in the Mining Lease Area after expiry of Exploration period and prescribed the mechanism for recovery of such Exploration Cost incurred. Vide another Memorandum dated 24 October 2019, GoI clarified that all approved Exploration costs incurred on Exploration activities, both successful and unsuccessful, are recoverable in the manner as prescribed in the OM and as per the provisions of PSC. Accordingly, the Company has started recognizing revenue, for past exploration costs, through increased share in the joint operations revenue as the Company believes that cost recovery mechanism prescribed under OM for profit petroleum payable to GoI is not applicable to its Joint operation partner, a view which is also supported by an independent legal opinion. At year end, an amount of ₹ 859 Crore (US$ 105 million) (31 March 2022: ₹ 790 Crore (US$ 105 million)) is receivable from its joint operation partner on account of this. However, the Joint operation partner carries a different understanding and the matter is pending resolution.

10 Other assets

(₹ in Crore)

Particulars	As at 31 March 2023			As at 31 March 2022		
	Non-current	Current	Total	Non-current	Current	Total
Capital advances	687	-	687	766	-	766
Advances for related party supplies (Refer note 39)	25	1,569	1,594	61	84	145
Advances for supplies	-	1,480	1,480	-	1,658	1,658
Others						
Balance with government authorities [a]	631	1,006	1,637	607	619	1,226
Loan to employee benefit trust	53	-	53	178	-	178
Others [b]	650	662	1,312	602	836	1,438
Unsecured, considered doubtful						
Capital advances	176	-	176	173	-	173
Balance with government authorities	3	106	109	3	9	12
Advance for supplies	-	58	58	-	58	58
Others [b]	380	4	384	366	4	370
Less : Provision for doubtful advances	(559)	(168)	(727)	(542)	(71)	(613)
Total	**2,046**	**4,717**	**6,763**	**2,214**	**3,197**	**5,411**

(a) Includes ₹ 34 Crore (31 March 2022: ₹ 30 Crore), being Company's share of gross amount of ₹ 97 Crore (31 March 2022: ₹ 86 Crore) paid under protest on account of Education Cess and Secondary Higher Education Cess for the financial year 2013-14.

(b) Others include claim receivables, advance recoverable (oil and gas business), prepaid expenses and export incentive receivables.

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forming part of the financial statements as at and for the year ended 31 March 2023

11 Inventories

(₹ in Crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Raw Materials	1,706	1,908
Goods-in transit	1,816	1,208
Work-in-progress	2,503	3,018
Finished goods	336	385
Fuel Stock	1,151	1,084
Goods-in transit	32	357
Stores and Spares	671	600
Goods-in transit	2	3
Total	**8,217**	**8,563**

(a) For method of valuation for each class of inventories, refer note 3(a)(J).

(b) Inventory held at net realisable value amounted to ₹ 1,824 Crore (31 March 2022: ₹ 2,632 Crore).

(c) Write down of inventories amounting to ₹ 43 Crore has been charged to the Statement of Profit and Loss during the year (31 March 2022: ₹ 42 Crore).

12 Current financial assets - Cash and cash equivalents

(₹ in Crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Balances with banks [a]	5,088	3,817
Deposits with original maturity of less than 3 months (including interest accrued thereon) [b]	59	1,701
Cash on hand	0	0
Total	**5,147**	**5,518**

(a) Including foreign inward remittances aggregating ₹ 223 Crore (US$ 27 million) (31 March 2022: ₹ 3,319 Crore (US$ 439 million)) held by banks in their nostro accounts on behalf of the Company.

(b) Bank deposits earn interest at fixed rate based on respective deposit rates.

13 Current financial assets - Other bank balances

(₹ in Crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Bank deposits with original maturity of more than 3 months but less than 12 months (including interest accrued thereon) [a, b, d]	202	934
Bank deposits with original maturity of more than 12 months (including interest accrued thereon) [c, d]	0	18
Earmarked unpaid dividend accounts [e]	114	439
Earmarked escrow account [f]	2	2
Total	**318**	**1,393**

(a) Includes ₹ 66 Crore (31 March 2022: ₹ 439 Crore) on lien with banks and margin money of ₹ 41 Crore (31 March 2022: ₹ 40 Crore).

(b) Restricted funds of ₹ 22 Crore (31 March 2022: ₹ 7 Crore) on lien with others and ₹ 64 Crore (31 March 2022: ₹ 57 Crore) held as margin money created against bank guarantee.

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forming part of the financial statements as at and for the year ended 31 March 2023

(c) Includes ₹ 0 Crore (31 March 2022: ₹ 3 Crore) of margin money with banks and fixed deposit under lien with others of ₹ 0 Crore (31 March 2022: ₹ 15 Crore).

(d) Bank deposits earn interest at fixed rate based on respective deposit rates.

(e) Earmarked unpaid dividend accounts are restricted in use as it relates to unclaimed or unpaid dividend, as per the provisions of the Act.

(f) Earmarked escrow account is restricted in use as it relates to unclaimed redeemable preference shares.

14 Share capital

Particulars		As at 31 March 2023		As at 31 March 2022	
		Number (in Crore)	Amount (₹ in Crore)	Number (in Crore)	Amount (₹ in Crore)
A.	**Authorised equity share capital**				
	Opening and Closing balance [equity shares of ₹ 1/- each with voting rights]	4,402	4,402	4,402	4,402
	Authorised preference share capital				
	Opening and Closing balance [preference shares of ₹ 10/- each]	301	3,010	301	3,010
B.	**Issued, subscribed and paid up**				
	Equity shares of ₹ 1/- each with voting rights [a, b]	372	372	372	372
		372	**372**	**372**	**372**

(a) Includes 3,05,832 (31 March 2022: 3,05,832) equity shares kept in abeyance. These shares are not part of listed equity capital and pending allotment as they are sub-judice.

(b) Includes 40,05,075 (31 March 2022: 86,93,406) equity shares held by Vedanta Limited ESOS Trust (Refer note 27).

C. Shares held by the Ultimate holding company and its subsidiaries*

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number of Shares held (in Crore)	% of holding	Number of Shares held (in Crore)	% of holding
Twin Star Holdings Limited	172.48	46.40	172.48	46.40
Finsider International Company Limited	16.35	4.40	16.35	4.40
Welter Trading Limited	3.82	1.03	3.82	1.03
Vedanta Holdings Mauritius Limited	10.73	2.89	10.73	2.89
Vedanta Netherland Investment BV	0.50	0.13	6.35	1.71
Vedanta Holdings Mauritius II Limited	49.28	13.26	49.28	13.26
Total	**253.16**	**68.11**	**259.01**	**69.69**

* The % of holding has been calculated on the issued and subscribed share capital as at the respective balance sheet dates.

All the above entities are subsidiaries of Volcan Investments Limited, the ultimate holding Company.

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forming part of the financial statements as at and for the year ended 31 March 2023

D. Details of shareholders holding more than 5% shares in the Company *

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number of Shares held (in Crore)	% of holding	Number of Shares held (in Crore)	% of holding
Twin Star Holdings Limited	172.48	46.40	172.48	46.40
Vedanta Holdings Mauritius II Limited	49.28	13.26	49.28	13.26
Life Insurance Corporation of India	33.54	9.02	32.11	8.64

* The % of holding has been calculated on the issued and subscribed share capital as at the respective balance sheet dates.

As per the records of the Company, including its register of shareholders/ members, the above shareholding represents legal ownership of shares.

E. Disclosure of Shareholding of Promoters and Promoter Group

Promoter name	As at 31 March 2023			As at 31 March 2022	
	Number of Shares held (in Crore)	% of holding	% Change during the year	Number of Shares held (in Crore)	% of holding
Twin Star Holdings Limited	172.48	46.40	-	172.48	46.40
Finsider International Company Limited	16.35	4.40	-	16.35	4.40
Welter Trading Limited	3.82	1.03	-	3.82	1.03
Vedanta Holdings Mauritius II Limited	49.28	13.26	-	49.28	13.26
Vedanta Holdings Mauritius Limited	10.73	2.89	-	10.73	2.89
Vedanta Netherland Investment BV	0.50	0.13	(1.58)	6.35	1.71
Mr. Pravin Agarwal	0.00	0.00	-	0.00	0.00
Ms. Suman Didwania	0.01	0.00	-	0.01	0.00
Mr. Ankit Agarwal	0.00	0.00	-	0.00	0.00
Ms. Sakshi Mody	0.00	0.00	-	0.00	0.00
Total	**253.17**	**68.11**	**(1.58)**	**259.02**	**69.69**

F. Other disclosures

(i) The Company has one class of equity shares having a par value of ₹ 1 per share. Each shareholder is eligible for one vote per share held and dividend as and when declared by the Company. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend which is paid as and when declared by the Board of Directors. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

(ii) In terms of Scheme of Arrangement as approved by the Hon'ble High Court of Judicature at Mumbai, vide its order dated 19 April 2002, the erstwhile Sterlite Industries (India) Limited (merged with the Company during FY 2013-14) during FY 2002-2003 reduced its paid up share capital by ₹ 10 Crore. There are 2,00,038 equity shares (31 March 2022: 1,99,373 equity shares) of ₹ 1 each pending clearance from NSDL. The Company has filed an application in Hon'ble High Court of Mumbai to cancel these shares, the final decision on which is pending. Hon'ble High Court of Judicature at Mumbai, vide its interim order dated 06 September 2002 restrained any transaction with respect to subject shares.

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15 Other equity (Refer statement of changes in equity)

a) **General reserve:** Under the erstwhile Companies Act, 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable reserves for that year. Consequent to introduction of Companies Act, 2013 ("Act"), the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn.

The Board of Directors of the Company, on 29 October 2021, approved the Scheme of Arrangement between the Company and its shareholders under Section 230 and other applicable provisions of the Act ("Scheme"). The Scheme provides for capital reorganisation of the Company, inter alia, providing for transfer of amounts standing to the credit of the General Reserves to the Retained Earnings of the Company with effect from the Appointed Date.

Post the requisite approvals obtained from Stock Exchanges and pursuant to the National Company Law Tribunal ("NCLT"), Mumbai Bench Order dated 26 August 2022 ("NCLT Order"), the proposed scheme was approved by the shareholders with requisite majority on 11 October 2022.

The Company is in the process of complying with the further requirements specified in the NCLT Order.

b) **Debenture redemption reserve:** As per the earlier provisions under the Act, companies that issue debentures were required to create debenture redemption reserve from annual profits until such debentures are redeemed. Companies are required to maintain 25% as a reserve of outstanding redeemable debentures. The amounts credited to the debenture redemption reserve may be utilized only to redeem debentures. The MCA vide its Notification dated 16 August 2019, had amended the Companies (Share Capital and Debenture) Rules, 2014, wherein the requirement of creation of debenture redemption reserve has been exempted for certain class of companies. Accordingly, the Company is now not required to create debenture redemption reserve.

c) **Preference share redemption reserve:** The Act provides that companies that issue preference shares may redeem those shares from profits of the Company which otherwise would be available for dividends, or from proceeds of a new issue of shares made for the purpose of redemption of the preference shares. If there is a premium payable on redemption, the premium must be provided for, either by reducing the additional paid in capital (securities premium account) or net income, before the shares are redeemed. If profits are used to redeem preference shares, the value of the nominal amount of shares redeemed should be transferred from profits (retained earnings) to the preference share redemption reserve. This amount should then be utilised for the purpose of redemption of redeemable preference shares. This reserve can be used to issue fully paid-up bonus shares to the shareholders of the Company.

d) **Capital reserve:** The balance in capital reserve has mainly arisen consequent to merger of Cairn India Limited with the Company.

16 Capital management

The Company's objectives when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth. The Company's overall strategy remains unchanged from previous year.

The Company sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments.

The funding requirements are met through a mixture of equity, internal fund generation and borrowings. The Company's policy is to use current and non-current borrowings to meet anticipated funding requirements.

The Company monitors capital on the basis of the gearing ratio which is net debt divided by total capital (equity plus net debt). The Company is not subject to any externally imposed capital requirements.

Net debt are non-current and current debts as reduced by cash and cash equivalents, other bank balances and short term investments. Equity comprises all components including other comprehensive income.

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forming part of the financial statements as at and for the year ended 31 March 2023

The following table summarizes the capital of the Company:

(₹ in crore, except otherwise stated)

Particulars	As at 31 March 2023	As at 31 March 2022
Cash and cash equivalents (Refer note 12)	5,147	5,518
Other bank balances [a] (Refer note 13)	116	873
Non-current bank deposits [a] (Refer note 9)	315	81
Short term investments (Refer note 6B)	1,786	585
Total cash (a)	**7,364**	**7,057**
Non-current borrowings (Refer note 17A)	32,606	23,421
Current borrowings (Refer note 17B)	9,417	13,275
Total borrowings (b)	**42,023**	**36,696**
Net debt c=(b-a)	**34,659**	**29,639**
Total equity	**67,812**	**77,649**
Total capital (equity + net debt) (d)	**1,02,471**	**1,07,288**
Gearing ratio (times) (c/d)	**0.34**	**0.28**

(a) The constituents of 'total cash' for the purpose of capital management disclosure include only those amounts of restricted funds that are corresponding to liabilities (e.g. margin money deposits). Consequently, restricted funds amounting to ₹ 408 Crore (31 March 2022: ₹ 737 Crore) have been excluded from 'total cash' in the capital management disclosures.

17 Financial liabilities - Borrowings

A) Non- current borrowings

(₹ in Crore)

Particulars	As at 31 March 2023	As at 31 March 2022
At amortised cost		
Secured		
Non-convertible debentures	7,087	5,016
Term loans from banks		
- Rupee term loans	25,126	22,557
- Foreign currency term loans	-	623
External commercial borrowings	3,261	1,119
Unsecured		
Non-convertible debentures	800	-
Deferred sales tax liability	28	54
Rupee term loans from banks	1,295	500
Loan from Related parties (Refer Note 39)	1,109	-
Redeemable preference shares	2	2
Non current borrowings	**38,708**	**29,871**
Less: Current maturities of long term borrowings [a]	(6,102)	(6,450)
Total Non current borrowings (Net) (A)	**32,606**	**23,421**
Current borrowings (Refer note 17B) (B)	**9,417**	**13,275**
Total borrowings (A+B)	**42,023**	**36,696**

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forming part of the financial statements as at and for the year ended 31 March 2023

B) Current borrowings

(₹ in Crore)

Particulars	As at 31 March 2023	As at 31 March 2022
At amortised cost		
Secured		
Working Capital Loan	70	-
Current maturities of long term borrowings [a]	4,213	5,921
Unsecured		
Loans repayable on demand from banks	2,256	1,000
Commercial paper	489	4,986
Rupee term loans from banks	500	700
Amounts due on factoring	-	139
Current maturities of long term borrowings [a]	1,889	529
Total	**9,417**	**13,275**

(a) Current Maturities of long term borrowings consists of:

(₹ in Crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Secured		
Non-convertible debentures	-	2,018
Term loans from banks		
- Rupee term loans	3,828	3,280
- Foreign currency term loans	-	623
External commercial borrowings	385	-
Unsecured		
Deferred sales tax liability	18	27
Redeemable preference shares	2	2
Non-convertible debentures	800	-
Rupee term loans from banks	1,069	500
Total	**6,102**	**6,450**

b) Details of Non-convertible debentures issued by the Company have been provided below (Carrying Value):

(₹ in Crore)

Particulars	As at 31 March 2023	As at 31 March 2022
8.74% due June 2032	4,089	-
9.20% due February 2030	2,000	2,000
7.68% due December 2024	998	997
3m T-bill rate + 240 bp due March 2024 *	800	-
9.20% due December 2022	-	749
8.75% due June 2022	-	1,270
Total	**7,887**	**5,016**

* 3 month treasury bill rate as at 31 March 2023 is 6.34%.

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c) The Company has taken borrowings towards funding of its acquisitions, capital expenditure and working capital requirements. The borrowings comprise funding arrangements from various banks and financial institutions. The details of security provided by the Company to various lenders on the assets of the Company are as follows:

(₹ in Crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Secured non-current borrowings	31,261	23,394
Secured current borrowings	4,283	5,921
Total secured borrowings	**35,544**	**29,315**

(in Crore)

Facility Category	Security details	As at 31 March 2023	As at 31 March 2022
Working capital loans	First Pari passu charge by way of mortgage/hypothecation over the specified immovable and movable fixed assets of the Company with a minimum fixed asset cover of 1.1 times of the outstanding term loan during the period of the facility. Security comprise of assets of the aluminium and power division of the Company, comprising: (i) 1.6 MTPA aluminium smelter along with 1,215 MW Captive power plant ("CPP") at Jharsuguda and, (ii) 1 MTPA alumina refinery along with 90 MW CPP at Lanjigarh, Odisha.	70	-
External Commercial Borrowings	A first pari passu charge by way of hypothecation on the specified movable fixed assets of the Company pertaining to its manufacturing facilities comprising: (i) alumina refinery having output of 6 MTPA along with co-generation captive power plant with an aggregate capacity of 90 MW at Lanjigarh, Odisha and (ii) aluminium smelter having output of 1.6 MTPA along with a 1,215 (9*135) MW CPP at Jharsuguda, Odisha.	2,037	1,119
	First pari passu charge by way of hypothecation on all present and future movable assets of the Company with a minimum fixed asset cover of 1.10 times of the outstanding facility during the period of the facility comprising: (i) 1.6 MTPA (proposed capacity of 1.8 MTPA) aluminium smelter along with 1,215 MW CPP at Jharsuguda; (ii) 1 MTPA (proposed capacity of 6 MTPA) alumina refinery along with 90 MW CPP at Lanjigarh, Odisha (iii) 2,400 MW Power plant (1,800 MW CPP and 600 MW Independent Power Plant ("IPP")) located at Jharsuguda, Odisha and (iv) Oil and Gas division comprising RJ-ON-90/1 Oil and Gas Block (Rajasthan), Cambay oil fields, Ravva Oil and Gas fields (under PKGM-1 block) and OALP blocks.	1,224	-
Non-Convertible Debentures	Secured by way of first pari passu charge on whole of the movable fixed assets of: (i) alumina refinery having output of 1 MTPA along with co-generation captive power plant with an aggregate capacity of 90 MW at Lanjigarh, Odisha; and (ii) aluminum smelter having output of 1.6 MTPA along with a 1,215 (9*135) MW CPP at Jharsuguda, Odisha. Additionally, secured by way of mortgage on the freehold land comprising 18.92 acres situated at Jharsuguda, Odisha.	2,000	2,000

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(in Crore)

Facility Category	Security details	As at 31 March 2023	As at 31 March 2022
Non-Convertible Debentures	First ranking pari passu charge by way of mortgage over 18.92 acres freehold land in Jharsuguda, Odisha together with the building and structures/ erections constructed/ to be constructed thereon and all the plant and machinery and other furniture and fixtures erected/ installed or to be erected/installed thereon and hypothecation over movable fixed assets excluding capital work in progress in relation to the aluminium division comprising 6 MTPA alumina refinery along with 90 MW co-generation captive power plant in Lanjigarh, Odisha; and 1.6 MTPA aluminium smelter plant along with 1,215 MW (9*135 MW) power plant and 2400 MW power plant in Jharsuguda, Odisha including its movable plant and machinery, machinery spares, tools and accessories and other movable fixed assets.	4,089	-
	Secured by way of first pari-passu charge on the specific movable fixed assets. The whole of the movable fixed assets both present and future, of the Company in relation to the aluminium division, comprising the following facilities: (i) 1 MTPA alumina refinery along with 90 MW co-generation captive power plant in Lanjigarh, Odisha; and (ii) 1.6 MTPA aluminium smelter plant along with 1,215 MW (9x135 MW) power plant in Jharsuguda, Odisha including its movable plant and machinery, capital work in progress, machinery spares, tools and accessories, and other movable fixed assets.	998	997
	Other secured non-convertible debentures	-	2,019
Term loans from banks (includes rupee term loans and foreign currency term loans)	Secured by a pari passu charge by way of hypothecation of all the movable fixed assets of the Company pertaining to its aluminium division project consisting: (i) alumina refinery having output of 1 MTPA (Refinery) along with co-generation captive power plant with an aggregate capacity of 90 MW at Lanjigarh, Orissa (Power Plant); and (ii) aluminium smelter having output of 1.6 MTPA along with a 1,215 (9x135) MW CPP at Jharsuguda, Orissa (Smelter) (the Refinery, Power Plant and Smelter). Also, a first pari passu charge by way of equitable mortgage on the land pertaining to the mentioned project of aluminium division.	1,605	1,776
	Secured by a pari passu charge by way of hypothecation on the movable fixed assets of the Lanjigarh Refinery Expansion Project including 210 MW Power Project. Lanjigarh Refinery Expansion Project shall specifically exclude the 1 MTPA alumina refinery of the Company along with 90 MW power plant in Lanjigarh and all its related expansions.	359	402
	Secured by a pari passu charge by way of hypothecation on the movable fixed assets of the the Company pertaining to its aluminium division comprising 1 MTPA alumina refinery plant with 90 MW captive power plant at Lanjigarh, Odisha and 1.6 MTPA aluminium smelter plant with 1,215 MW captive power plant at Jharsuguda, Odisha.	3,394	3,434
	Secured by a pari passu charge by way of hypothecation/ equitable mortgage of the movable/ immovable fixed assets of the Company pertaining to its aluminium division comprising 1 MTPA alumina refinery plant with 90 MW captive power plant at Lanjigarh, Odisha and 1.6 MTPA aluminium smelter plant with 1,215 MW captive power plant at Jharsuguda, Odisha.	5,873	6,623
	First pari passu charge by way of hypothecation/ equitable mortgage on the movable/ immovable assets of the aluminium Division of the Company comprising alumina refinery having output of 1 MTPA along with co-generation captive power plant with an aggregate capacity of 90 MW at Lanjigarh, Orissa; aluminium smelter having output of 1.6 MTPA along with a 1,215 (9x135) MW CPP at Jharsuguda, Orissa and additional charge on Lanjigarh Expansion project, both present and future.	780	999

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(in Crore)

Facility Category	Security details	As at 31 March 2023	As at 31 March 2022
Term loans from banks (includes rupee term loans and foreign currency term loans)	Secured by a first pari passu charge on the identified fixed assets of the Company both present and future, pertaining to its aluminium business (Jharsuguda Plant, Lanjigarh Plant), 2,400 MW power plant assets at Jharsuguda, copper plant assets at Silvassa, iron ore business in the states of Karnataka and Goa, dividends receivable from Hindustan Zinc Limited ("HZL"), a subsidiary of the Company, and the debt service reserve account to be opened for the facility along with the amount lying to the credit thereof [h].	7,221	7,821
	A first pari passu first charge by way of hypothecation on the Specified movable fixed assets of the Company pertaining to its Manufacturing facilities comprising: (i) alumina refinery having output of 1 MTPA along with co- generation captive power plant with an aggregate capacity of 90 MW at Lanjigarh, Orissa (ii) aluminium smelter having output of 1.6 MTPA along with a 1,215 (9x135) MW CPP at Jharsuguda, Orissa.	1,137	-
	A first pari passu charged by way of hypothecation on the specified movable fixed assets (present and future) including movable plant and machinery, machinery spares, tools and accessories, furniture and fixtures, vehicle, capital work-in progress, etc of the Company pertaining to aluminium business (Jharsuguda, Lanjigarh) and 2,400 MW power plant at Jharsuguda as more particulary described as below : (i) alumina refinery upto 6 MTPA along with cogeneration captive power plant with aggregate capacity of 90 MW located in Lanjigarh, Odisha (ii) alumina smelter output of 1.6 MTPA aluminium smelter including 1,215 (9x135) MW power plant in Jharsuguda, Odisha (iii) 2,400 MW power plant (1,800 MW CPP and 600 MW IPP) located at Jharsuguda, Odisha.	473	-
	A first pari passu charge by way of mortgage/ hypothecation over the specified movable fixed assets of the Company. Security shall comprise of assets of the aluminum and power division of the Company, comprising: (i) 1.6 MTPA aluminium smelter along with 1,215 MW CPP at Jharsuguda and (ii) 1 MTPA alumina refinery along with 90 MW CPP at Lanjigarh, Odisha.	1,191	-
	Secured by first pari passu charge by way of movable fixed assets of the aluminium division of the Company comprising: (i) 6 MTPA aluminium refinery along with 90 MW Co-generation captive power plant in Lanjigarh, Orissa; (ii) 1.6 MTPA aluminium smelter along with 1,215 MW CPP at Jharsuguda, (iii) 2,400 MW power plant (1,800 MW CPP and 600 MW IPP) located at Jharsuguda, Odisha and (iv) Oil and gas division comprising RJ-ON-90/91 Oil and Gas Block (Rajasthan), Cambay Oil Fields, Ravva Oil and gas Fields under (PKMGH-1 block) and OALP blocks	743	-
	A first pari passu first charge by way of hypothecation on the specified movable fixed assets of the Company pertaining to its Manufacturing facilities comprising: (i) 1.6 MTPA aluminium smelter along with 1,215 MW CPP at Jharsuguda and (ii) 1 MTPA alumina refinery along with CPP of 90 MW at Lanjigarh, Odisha	490	-
	A first pari passu charge by way of mortgage/ hypothecation over the specified immovable and movable fixed assets of the Company. Security shall comprise of assets of the aluminum and power division of the Company, comprising: (i) 1.6 MTPA Aluminium Smelter along with 1,215 MW CPP at Jharsuguda and (ii) 1 MTPA Alumina refinery along with CPP of 90 MW CPP at Lanjigarh, Odisha	927	

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(in Crore)

Facility Category	Security details	As at 31 March 2023	As at 31 March 2022
Term loans from banks (includes rupee term loans and foreign currency term loans)	A first pari passu charge by way of hypothecation on all present and future movable Fixed Assets including movable plant and machinery, machinery spares, tools and accessories, furniture and fixtures, vehicles, Capital Work-in-Progress etc of the Company with a minimum fixed asset cover of 1.10 times as more particularly described as below: (i) alumina refinery upto 6 MTPA along with co-generation CPP with an aggregate capacity of 90 MW located at Lanjigarh, Orissa; (ii) aluminium smelter having output of 1.6 MTPA along with a 1,215 (9x135) MW CPP located at Jharsuguda, Orissa. (iii) 2,400 MW Power Plant (1,800 MW CPP and 600 MW IPP) located at Jharsuguda, Odisha; and (iv) Oil and Gas division comprising of RJ-ON-90/1 Oil and Gas Block (Rajasthan), Cambay Oil Fields and Ravva Oil and Gas Fields (under PKGM-1 block)	250	-
	First pari passu charge by way of hypothecation on all present and future movable fixed assets of the Company including but not limited to plant and machinery, spares, tools and accessories of 1.6 MTPA aluminium smelter along with 1,215 MW CPP at Jharsuguda, Odisha and 1 MTPA alumina refinery along with 90 MW CPP at Lanjigarh, Odisha	683	880
	Other Secured term loans	-	1,245
Total		**35,544**	**29,315**

d) The loan facilities are subject to certain financial and non-financial covenants. The primary covenants which must be complied with include interest service coverage ratio, current ratio, debt service coverage ratio, total outside liabilities to total net worth, fixed assets coverage ratio, ratio of total term liabilities to net worth and debt/EBITDA. The Company has complied with the covenants as per the terms of the loan agreement.

Further, in case of borrowings having current assets as security, the quarterly statements of current assets filed by the Company with its lenders are in agreement with the books of accounts.

e) Terms of repayment of total borrowings outstanding as at 31 March 2023 are provided below -

(₹ in Crore)

Borrowings	Weighted average interest rate as at 31 March 2023	Total carrying value	<1 year	1-3 years	3-5 years	>5 years	Remarks
Rupee term loan	8.39%	26,921	5,436	10,589	9,832	1,168	Repayable in 466 quarterly payments 2 half yearly payments
Commercial paper	7.80%	489	489	-	-	-	Repayable in 1 bullet payment
Non-convertible debentures	8.77%	7,887	800	1,000	-	6,089	Repayable in 4 bullet payments
Working capital loan	7.58%	2,326	2,326	-	-	-	This includes loans repayable on demand from banks for ₹ 2,256 Crore.
Deferred sales tax liability	NA	28	18	10	0	-	Repayable in 43 monthly installments
External commercial borrowing	7.42%	3,261	394	1,923	970	-	Repayable in 35 half yearly payments
Redeemable preference shares	NA	2	2	-	-	-	The redemption and dividend paid to the preference shares unclaimed if any, is payable on claim.
Loan from Related party	8.90%	1,109	-	-	-	1,109	Repayable in 1 bullet payment
Total		**42,023**	**9,465**	**13,522**	**10,802**	**8,366**	

The above maturity is based on the total principal outstanding gross of issue expenses and discounting impact of deferred sales tax liability.

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f) Terms of repayment of total borrowings outstanding as at 31 March 2022 are provided below -

(₹ in Crore)

Borrowings	Weighted average interest rate as at 31 March 2022	Total carrying value	<1 year	1-3 years	3-5 years	>5 years	Remarks
Foreign currency term loan	3.92%	623	623	-	-	-	Repayable in 7 quarterly installments and 1 monthly installment
Rupee term loan	7.80%	23,757	4,504	7,033	8,336	3,969	Repayable in 671 quarterly installments
Commercial paper	5.90%	4,986	4,986	-	-	-	Repayable in 12 bullet payments
Non convertible debentures	8.78%	5,016	2,020	1,000	-	2,000	Repayable in 4 bullet payments
Working capital loan*	4.98%	1,000	1,000	-	-	-	Export packing credit, working capital loan and loan repayable on demand are repayable within one year from the date of drawl
Amounts due on factoring	1.23%	139	139	-	-	-	Repayable within one month
Deferred sales tax liability	NA	54	27	27	0	-	Repayable in 55 monthly installments
External commercial borrowing	3.50%	1,119	-	680	454	-	Repayable in 5 half yearly payments
Redeemable preference shares	NA	2	2	-	-	-	The redemption and dividend paid to the preference shares unclaimed if any, is payable on claim.
Total		**36,696**	**13,301**	**8,740**	**8,790**	**5,969**	

The above maturity is based on the total principal outstanding gross of issue expenses and discounting impact of deferred sales tax liability.

* Includes loans repayable on demand from banks for ₹ 1,000 Crore.

g) Movement in borrowings during the year is provided below-

(₹ in Crore)

Particulars	Short-term borrowings	Long-term borrowings*	Total debt
Opening balance at 01 April 2021	1,140	31,026	32,166
Cash flow	5,618	(1,308)	4,310
Other non-cash changes	67	153	220
As at 31 March 2022	**6,825**	**29,871**	**36,696**
Opening balance at 01 April 2022	**6,825**	**29,871**	**36,696**
Cash flow	(3,565)	8,740	5,175
Other non cash changes	55	97	152
As at 31 March 2023	**3,315**	**38,708**	**42,023**

*including Current maturities of Long term borrowings.

Other non-cash changes comprised of amortisation of borrowing costs and foreign exchange difference on borrowings.

h) In December 2021, the Company executed a ₹ 8,000 Crore facility agreement with Union Bank of India Limited to take over a long term syndicated facility of ₹ 10,000 Crore. This loan is secured by the way of pledge over the shares held by the Company in Hindustan Zinc Limited ("HZL") equal to minimum 1x outstanding loan value (calculated quarterly at Value Weighted Average Price), currently representing 6.77% (31 March 2022: 5.77%) of the paid-up shares of HZL. Further, the Company has also signed a Non-Disposal Undertaking ("NDU") in respect of its shareholding in HZL to the extent of 50.10% of the paid-up share capital of HZL. As at 31 March 2023, the outstanding loan amount under the facility is ₹ 7,240 Crore (31 March 2022: ₹ 7,840 Crore).

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18 Financial liabilities - Trade payables

(₹ in Crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Undisputed dues – MSME		
Not due	82	70
Less than 1 year	130	115
1-2 years	4	4
2-3 years	2	2
More than 3 years	-	4
Sub-total	**218**	**195**
Undisputed dues - Others		
Unbilled dues	1,316	1,173
Not due	2,893	2,817
Less than 1 year	1,056	1,193
1-2 Years	90	23
2-3 years	23	72
More than 3 years	57	50
Sub-total	**5,435**	**5,328**
Disputed dues - Others		
1-2 Years	-	1
More than 3 years	1	-
Sub-total	**1**	**1**
Total	**5,654**	**5,524**

(a) Trade payables are non-interest bearing and are normally settled upto 180 days terms.

(b) For amount due and terms and conditions relating to related party payables. Refer note 39.

19 Operational Buyers'/ Suppliers' Credit is availed in foreign currency from offshore branches of Indian banks or foreign banks at an interest rate ranging from 0.69% to 7.38% (31 March 2022: 0.29% to 3.16%) per annum and in rupee from domestic banks at interest rate ranging from 4.35% to 8.80% (31 March 2022: 4.00% to 6.65%) per annum. These trade credits are largely repayable within 180 days from the date of draw down. Operational Buyers' credit availed in foreign currency is backed by Standby Letter of Credit issued under working capital facilities sanctioned by domestic banks. Part of these facilities are secured by first pari passu charge over the present and future current assets of the Company.

20 Financial liabilities - Others

(₹ in Crore)

Particulars	As at 31 March 2023			As at 31 March 2022		
	Non-current	Current	Total	Non-current	Current	Total
Liability for capital expenditure	-	7,082	7,082	192	6,427	6,619
Security deposits and retentions	-	39	39	-	29	29
Interest accrued but not due	-	445	445	-	180	180
Unpaid/unclaimed dividend [a]	-	114	114	-	96	96
Dividend payable	-	7,613	7,613	-	-	-
Unpaid matured deposits and interest accrued thereon [b]	-	0	0	-	0	0
Profit petroleum payable	-	1,849	1,849	-	1,413	1,413
Dues to related parties (Refer note 39)	-	287	287	-	155	155
Other liabilities [c]	-	996	996	-	1,502	1,502
Total	**-**	**18,425**	**18,425**	**192**	**9,802**	**9,994**

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(a) Does not include any amounts, due and outstanding, to be credited to Investor Education and Protection Fund except ₹ 0.23 Crore (31 March 2022: ₹ 0.13 Crore) which is held in abeyance due to a pending legal case.

(b) Matured deposits of ₹ 0.01 Crore (31 March 2022: ₹ 0.01 Crore) due for transfer to Investor Education and Protection Fund have not been transferred in view of pending litigation between the beneficiaries.

(c) Includes revenue received in excess of entitlement interest of ₹ 239 Crore (31 March 2022: ₹ 750 Crore) of which ₹ 135 Crore is payable to ONGC, reimbursement of expenses, provision for expenses, liabilities related to compensation/ claim etc.

21 The movement in lease liabilities is as follows :

	(₹ in Crore)
At 01 April 2021	**133**
Additions during the year	12
Interest on lease liabilities	7
Payments made	(64)
FCTR and other adjustments	(6)
At 01 April 2022	**82**
Additions during the year	29
Interest on lease liabilities	6
Payments made	(22)
FCTR and other adjustments	2
At 31 March 2023	**97**

22 Financial instruments

A. Financial assets and liabilities:

The accounting classification of each category of financial instruments, and their carrying amounts, are set out below:

As at 31 March 2023

(₹ in Crore)

Financial Assets	Fair value through profit or loss	Fair value through other comprehensive income	Derivatives designated as hedging instruments	Amortised cost	Total carrying value	Total fair value
Investments*	1,885	81	-	-	1,966	1,966
Trade receivables	171	-	-	2,370	2,541	2,541
Cash and cash equivalents	-	-	-	5,147	5,147	5,147
Other bank balances	-	-	-	318	318	318
Loans	-	-	-	633	633	633
Derivatives	19	-	79	-	98	98
Other financial assets	-	-	-	9,919	9,919	9,919
Total	**2,075**	**81**	**79**	**18,387**	**20,622**	**20,622**

(₹ in Crore)

Financial Liabilities	Fair value through profit or loss	Derivatives designated as hedging instruments	Amortised cost	Total carrying value	Total fair value
Borrowings	-	-	42,023	42,023	41,974
Trade payables	899	-	4,755	5,654	5,654
Operational buyers' credit / suppliers' credit	-	-	10,485	10,485	10,485
Derivatives	67	104	-	171	171
Other financial liabilities**	-	-	18,522	18,522	18,522
Total	**966**	**104**	**75,785**	**76,855**	**76,806**

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As at 31 March 2022

(₹ in Crore)

Financial Assets	Fair value through profit or loss	Fair value through other comprehensive income	Derivatives designated as hedging instruments	Amortised cost	Total carrying value	Total fair value
Investments*	615	118	-	-	733	733
Trade receivables	248	-	-	3,155	3,403	3,403
Cash and cash equivalents	-	-	-	5,518	5,518	5,518
Other bank balances	-	-	-	1,393	1,393	1,393
Loans	-	-	-	519	519	519
Derivatives	3	-	246	-	249	249
Other financial assets	-	-	-	9,071	9,071	9,071
Total	**866**	**118**	**246**	**19,656**	**20,886**	**20,886**

(₹ in Crore)

Financial Liabilities	Fair value through profit or loss	Derivatives designated as hedging instruments	Amortised cost	Total carrying value	Total fair value
Borrowings	-	-	36,696	36,696	36,789
Trade payables	990	-	4,534	5,524	5,524
Operational buyers' credit / suppliers' credit	-	-	9,261	9,261	9,261
Derivatives	67	216	-	283	283
Other financial liabilities**	-	-	10,076	10,076	10,076
Total	**1,057**	**216**	**60,567**	**61,840**	**61,933**

* Excludes investments (in equity shares, preference shares and debentures) in subsidiaries, associates and joint ventures which are carried at cost and hence are not required to be disclosed as per Ind AS 107 "Financial Instruments Disclosures".

**Includes lease liabilities of ₹ 97 Crore (31 March 2022: ₹ 82 Crore).

B. Fair value hierarchy

The Company uses the following hierarchy for determining and/or disclosing the fair value of financial instruments by valuation techniques:

(i) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

(ii) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e., derived from prices).

(iii) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The below table summarises the categories of financial assets and liabilities as at 31 March 2023 and 31 March 2022 measured at fair value:

As at 31 March 2023

(₹ in Crore)

Financial Assets	Level 1	Level 2	Level 3
At fair value through profit or loss			
- Investments	1,786	-	99
- Derivative financial assets*	-	19	-
- Trade receivables	-	171	-
At fair value through other comprehensive income			
- Investments	70	-	11
Derivatives designated as hedging instruments			
- Derivative financial assets*	-	79	-
Total	**1,856**	**269**	**110**

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(₹ in Crore)

Financial liabilities	Level 1	Level 2	Level 3
At fair value through profit or loss			
- Derivative financial liabilities*	-	67	-
- Trade payables	-	899	-
Derivatives designated as hedging instruments			
- Derivative financial liabilities*	-	104	-
Total	**-**	**1,070**	**-**

As at 31 March 2022

(₹ in Crore)

Financial Assets	Level 1	Level 2	Level 3
At fair value through profit or loss			
- Investments	585	-	30
- Derivative financial assets*	-	3	-
- Trade receivables	-	248	-
At fair value through other comprehensive income			
- Investments	107	-	11
Derivatives designated as hedging instruments			
- Derivative financial assets*	-	246	-
Total	**692**	**497**	**41**

(₹ in Crore)

Financial liabilities	Level 1	Level 2	Level 3
At fair value through profit or loss			
- Derivative financial liabilities*	-	67	-
- Trade payables	-	990	-
Derivatives designated as hedging instruments			
- Derivative financial liabilities*	-	216	-
Total	**-**	**1,273**	**-**

* Refer "D" below.

The below table summarises the fair value of borrowings which are carried at amortised cost as at 31 March 2023 and 31 March 2022:

As at 31 March 2023

(₹ in Crore)

Financial Liabilities	Level 1	Level 2	Level 3
Borrowings	-	41,974	-
Total	**-**	**41,974**	**-**

As at 31 March 2022

(₹ in Crore)

Financial Liabilities	Level 1	Level 2	Level 3
Borrowings	-	36,789	-
Total	**-**	**36,789**	**-**

The fair value of the financial assets and liabilities are at the amount that would be received to sell an asset and paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate the fair values:

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Investments traded in active markets are determined by reference to quotes from the financial institutions; for example: Net asset value (NAV) for investments in mutual funds declared by mutual fund house. For other listed securities traded in markets which are not active, the quoted price is used wherever the pricing mechanism is same as for other marketable securities traded in active markets. Other current investments are valued on the basis of market trades, poll and primary issuances for securities issued by the same or similar issuer and for similar maturities or based on the applicable spread movement for the security derived based on the aforementioned factor(s).

Trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, current borrowings, trade payables and other current financial liabilities: Fair values approximate their carrying amounts largely due to the short-term maturities of these instruments.

Other non-current financial assets and liabilities: Fair value is calculated using a discounted cash flow model with market assumptions, unless the carrying value is considered to approximate to fair value.

Non-current fixed-rate and variable-rate borrowings: Fair value has been determined by the Company based on parameters such as interest rates, specific country risk factors, and the risk characteristics of the financed project.

Derivative financial assets/ liabilities: The Company executes derivative financial instruments with various counterparties. Interest rate swaps, foreign exchange forward contracts and commodity forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include the forward pricing and swap models, using present value calculations. The models incorporate various inputs including foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying commodity. Commodity contracts are valued using the forward LME rates of commodities actively traded on the listed metal exchange, i.e., London Metal Exchange, United Kingdom (U.K.).

For all other financial instruments, the carrying amount is either the fair value, or approximates the fair value.

The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationship and the value of other financial instruments recognised at fair value.

The estimated fair value amounts as at 31 March 2023 and 31 March 2022 have been measured as at that date. As such, the fair values of these financial instruments subsequent to reporting date may be different than the amounts reported at each year-end.

There were no significant transfers between Level 1, Level 2 and Level 3 during the year.

C. Risk management framework

The Company's businesses are subject to several risks and uncertainties including financial risks.

The Company's documented risk management policies act as an effective tool in mitigating the various financial risks to which the businesses are exposed in the course of their daily operations. The risk management policies cover areas such as liquidity risk, commodity price risk, foreign exchange risk, interest rate risk, counterparty credit risk and capital management. Risks are identified at both the corporate and individual subsidiary level with active involvement of senior management. Each operating subsidiary in the Company has in place risk management processes which are in line with the Company's policy. Each significant risk has a designated 'owner' within the Company at an appropriate senior level. The potential financial impact of the risk and its likelihood of a negative outcome are regularly updated.

The risk management process is coordinated by the Management Assurance function and is regularly reviewed by the Company's Audit and Risk Management Committee ("ARC"). The ARC is aided by the other Committees of the Board including the Risk Management Committee, which meets regularly to review risks as well as the progress against the planned actions. Key business decisions are discussed at the periodic meetings of the Executive Committee. The overall internal control environment and risk management programme including financial risk management is reviewed by the Audit Committee on behalf of the Board.

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The risk management framework aims to:

- improve financial risk awareness and risk transparency
- identify, control and monitor key risks
- identify risk accumulations
- provide management with reliable information on the Company's risk situation
- improve financial returns

Treasury management

Treasury management focuses on liability management, capital protection, liquidity maintenance and yield maximisation. The treasury policies are approved by the Committee of the Board. Daily treasury operations of the business units are managed by their respective finance teams within the framework of the overall Group treasury policies. Long-term fund raising including strategic treasury initiatives are managed jointly by the business treasury team and the central team at corporate treasury while short-term funding for routine working capital requirements is delegated to business units. A monthly reporting system exists to inform senior management of the Company's investments and debt position, exposure to currency, commodity and interest rate risk and their mitigants including the derivative position. The Company has a strong system of internal control which enables effective monitoring of adherence to Company's policies. The internal control measures are effectively supplemented by regular internal audits.

The Company uses derivative instruments to manage the exposure in foreign currency exchange rates, interest rates and commodity prices. The Company does not acquire or issue derivative financial instruments for trading or speculative purposes. The Company does not enter into complex derivative transactions to manage the treasury and commodity risks. Both treasury and commodities derivative transactions are normally in the form of forward contracts, interest rate and currency swaps and these are in line with the Company's policies.

Commodity price risk

The Company is exposed to the movement of base metal commodity prices on the London Metal Exchange. Any decline in the prices of the base metals that the Company produces and sells will have an immediate and direct impact on the profitability of the businesses. As a general policy, the Company aims to sell the products at prevailing market prices. The commodity price risk in imported input commodity such as of alumina, anodes, etc., for our aluminium and copper business respectively, is hedged on back-to-back basis ensuring no price risk for the business. Hedging is used primarily as a risk management tool and, in some cases, to secure future cash flows in cases of high volatility by entering into forward contracts or similar instruments. The hedging activities are subject to strict limits set out by the Board and to a strictly defined internal control and monitoring mechanism. Decisions relating to hedging of commodities are taken at the Executive Committee level, basis clearly laid down guidelines.

Whilst the Company aims to achieve average LME prices for a month or a year, average realised prices may not necessarily reflect the LME price movements because of a variety of reasons such as uneven sales during the year and timing of shipments.

The Company is also exposed to the movement of international crude oil price and the discount in the price of Rajasthan crude oil to Brent price.

Financial instruments with commodity price risk are entered into in relation to following activities:

- economic hedging of prices realised on commodity contracts
- cash flow hedging of revenues, forecasted highly probable transactions

Aluminium

The requirement of the primary raw material, alumina, is partly met from own sources and the rest is purchased primarily on negotiated price terms. Sales prices are linked to the LME prices. At present, the Company, on selective

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basis hedges the aluminium content in outsourced alumina to protect its margins. The Company also executes hedging arrangements for its aluminium sales to realise average month of sale LME prices.

Copper

The Company's custom refining copper operations at Silvassa is benefitted by a natural hedge except to the extent of a possible mismatch in quotational periods between the purchase of anodes / blisters and the sale of finished copper. The Company's policy on custom smelting is to generate margins from Refining Charges or "RC", improving operational efficiencies, minimising conversion cost, generating a premium over LME on sale of finished copper, sale of by-products and from achieving import parity on domestic sales. Hence, mismatches in quotational periods are managed to ensure that the gains or losses are minimised. The Company hedges this variability of LME prices through forward contracts and tries to make the LME price a pass-through cost between purchases of anodes/ blisters and sales of finished products, both of which are linked to the LME price.

RCs are a major source of income for the Indian copper refining operations. Fluctuations in RCs are influenced by factors including demand and supply conditions prevailing in the market for smelters output. The Company's copper business has a strategy of securing a majority of its anodes/ blisters feed requirement under long-term contracts with smelters/ traders.

Iron ore

The Company sells its Iron Ore production from Goa on the prevailing market prices and from Karnataka through e-auction route as mandated by State Government of Karnataka in India.

Oil and Gas

The prices of various crude oils are based upon the price of the key physical benchmark crude oil such as Dated Brent, West Texas Intermediate, and Dubai/ Oman etc. The crude oil prices move based upon market factors like supply and demand. The regional producers price their crude basis these benchmark crude with a premium or discount over the benchmark based upon quality differential and competitiveness of various grades. The Company also hedges variability of crude price through forward contracts on selective basis.

Natural gas markets are evolving differently in important geographical markets. There is no single global market for natural gas. This could be owing to difficulties in large-scale transportation over long distances as compared to crude oil. Globally, there are three main regional hubs for pricing of natural gas, which are USA (Henry Hub Prices), UK (NBP Price) and Japan (imported gas price, mostly linked to crude oil).

Provisionally priced financial instruments

On 31 March 2023, the value of net financial liabilities linked to commodities (excluding derivatives) accounted for on provisional prices was ₹ 728 Crore (31 March 2022: liabilities of ₹ 742 Crore). These instruments are subject to price movements at the time of final settlement and the final price of these instruments will be determined in the financial year beginning 01 April 2023.

Set out below is the impact of 10% increase in LME prices on pre-tax profit/ (loss) for the year and pre-tax total equity as a result of changes in value of the Company's commodity financial instruments:

For the year ended 31 March 2023

(₹ in Crore)

	Total Exposure	Effect on profit/ (loss) of a 10% increase in the LME	Effect on total equity of a 10% increase in the LME
Copper	(967)	(97)	-

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For the year ended 31 March 2022

(₹ in Crore)

	Total Exposure	Effect on profit/ (loss) of a 10% increase in the LME	Effect on total equity of a 10% increase in the LME
Copper	(891)	(89)	-

The above sensitivities are based on volumes, costs, exchange rates and other variables and provide the estimated impact of a change in LME prices on profit and equity assuming that all other variables remain constant. A 10% decrease in LME prices would have an equal and opposite effect on the Company's financial statements.

The impact on pre-tax profit/ (loss) mentioned above includes the impact of a 10% increase in closing copper LME for provisionally priced copper concentrate purchased at Copper division custom smelting operations in India of ₹ 129 Crore loss (31 March 2022: ₹ 122 Crore loss), which is pass through in nature and as such will not have any impact on the profitability.

Financial risk

The Company's Board approved financial risk policies include monitoring, measuring and mitigating the liquidity, currency, interest rate and counterparty risk. The Company does not engage in speculative treasury activity but seeks to manage risk and optimize interest and commodity pricing through proven financial instruments.

(a) Liquidity

The Company requires funds both for short-term operational needs as well as for long-term investment programmes mainly in growth projects. The Company generates sufficient cash flows from the current operations which together with the available cash and cash equivalents and short-term investments provide liquidity both in the short-term as well as in the long-term. The Company has been rated by CRISIL Limited (CRISIL) and India Ratings and Research Private Limited (India Rating) for its capital market issuance in the form of CPs and NCDs and for its banking facilities in line with Basel II norms.

CRISIL ratings on the long-term bank facilities and debt instruments of the Company was maintained at 'CRISIL AA' during FY 2023 after upgrade to 'CRISIL AA' from 'CRISIL AA-' in February 2022. However, Outlook has been revised to negative in March 2023.

The short-term rating on bank facilities and commercial paper has been reaffirmed at 'CRISIL A1+'
India Ratings, after upgrading the Company's long-term issuer ratings to "IND AA" from "IND AA-" with stable outlook in March 2022, reaffirmed its ratings at "IND AA" with stable outlook in May 2022. Outlook was revised to "negative" in March 2023.

The ratings affirmation factors in robust operating profitability significantly higher than pre-pandemic levels. Further, consolidated EBITDA is expected to increase driven by healthy commodity prices that are expected to remain stable around current levels, robust operating rates across key businesses, increased volume growth in Aluminium business supported by commissioning of new capacity during fiscal 2024 along with expected reduction in cost of production for Aluminium business on the back of alumina refinery expansion and commissioning of captive coal mines. The revision in outlook reflects possibility of higher-than-expected financial leverage and lower financial flexibility.

Anticipated future cash flows, together with undrawn fund based committed facilities of ₹ 579 Crore, and cash, bank and short term investments of ₹ 7,364 Crore as at 31 March 2023, are expected to be sufficient to meet the liquidity requirement of the Company in the near future.

The Company remains committed to maintaining a healthy liquidity, a low gearing ratio, deleveraging and strengthening its balance sheet. The maturity profile of the Company's financial liabilities based on the remaining

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period from the date of balance sheet to the contractual maturity date is given in the table below. The figures reflect the contractual undiscounted cash obligation of the Company.

As at 31 March 2023

(₹ in Crore)

Payments due by year	<1 year	1-3 years	3-5 years	>5 years	Total
Borrowings *	12,955	17,650	13,063	10,690	54,358
Derivative financial liabilities	151	20	-	-	171
Lease liabilities	46	19	3	29	97
Trade Payables and other financial liabilities **	34,266	-	-	-	34,266
Total	**47,418**	**17,689**	**13,066**	**10,719**	**88,892**

As at 31 March 2022

(₹ in Crore)

Payments due by year	<1 year	1-3 years	3-5 years	>5 years	Total
Borrowings *	15,502	11,897	10,457	6,773	44,629
Derivative financial liabilities	277	6	-	-	283
Lease liabilities	25	27	3	27	82
Trade Payables and other financial liabilities **	24,478	192	-	-	24,670
Total	**40,282**	**12,122**	**10,460**	**6,800**	**69,664**

*Includes Non-current borrowings, current borrowings, committed interest payments on borrowings and interest accrued on borrowings.

**Includes both Non-current and current financial liabilities and committed interest payment, as applicable. Excludes interest accrued on borrowings.

The Company had access to following funding facilities :

As at 31 March 2023

(₹ in Crore)

Funding facilities	Total Facility	Drawn	Undrawn
Fund/non-fund based	58,039	52,754	5,285

As at 31 March 2022

(₹ in Crore)

Funding facilities	Total Facility	Drawn	Undrawn
Fund/non-fund based	46,341	44,183	2,158

(b) **Foreign exchange risk**

Fluctuations in foreign currency exchange rates may have an impact on the statement of profit and loss, the statement of changes in equity, where any transaction references more than one currency or where assets/ liabilities are denominated in a currency other than the functional currency of the Company.

Exposures on foreign currency loans are managed through the Company wide hedging policy, which is reviewed periodically to ensure that the results from fluctuating currency exchange rates are appropriately managed. The Company strives to achieve asset liability offset of foreign currency exposures and only the net position is hedged.

The Company's presentation currency is the Indian Rupee (INR). The assets are located in India and the Indian Rupee is the functional currency except for Oil and Gas business operations which have a dual functional currency. Natural hedges available in the business are identified at each entity level and hedges are placed only for the net exposure. Short-term net exposures are hedged progressively based on their maturity. A more conservative approach has been adopted for project expenditures to avoid budget overruns, where cost of the project is

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calculated taking into account the hedge cost. The hedge mechanisms are reviewed periodically to ensure that the risk from fluctuating currency exchange rates is appropriately managed.

The following analysis is based on the gross exposure as at the reporting date which could affect the statement of profit and loss. The exposure is mitigated by some of the derivative contracts entered into by the Company as disclosed under the section on "Derivative financial instruments".

The carrying amount of the Company's financial assets and liabilities in different currencies are as follows:

(₹ in Crore)

Currency	As at 31 March 2023		As at 31 March 2022	
	Financial Assets	Financial liabilities	Financial Assets	Financial liabilities
INR	16,304	53,560	12,975	43,582
USD	4,033	22,876	7,656	17,882
Others	285	419	255	376
Total	**20,622**	**76,855**	**20,886**	**61,840**

The Company's exposure to foreign currency arises where an entity holds monetary assets and liabilities denominated in a currency different to the functional currency of the respective business, with US dollar being the major non-functional currency.

The foreign exchange rate sensitivity is calculated by the aggregation of the net foreign exchange rate exposure with a simultaneous parallel foreign exchange rates shift in the foreign currencies by 10% against the functional currency of the respective businesses.

Set out below is the impact of a 10% strengthening in the functional currencies of the respective businesses on pre-tax profit/ (loss) and pre-tax equity arising as a result of the revaluation of the Company's foreign currency monetary financial assets/ liabilities:

For the year ended 31 March 2023

(₹ in Crore)

	Effect of 10% strengthening of functional currency on pre-tax profit/ (loss)	Effect of 10% strengthening of foreign currency on equity
USD	1,438	-
INR	(456)	-

For the year ended 31 March 2022

(₹ in Crore)

	Effect of 10% strengthening of functional currency on pre-tax profit/ (loss)	Effect of 10% strengthening of foreign currency on equity
USD	666	-
INR	(384)	-

A 10% weakening of functional currencies of the respective businesses would have an equal and opposite effect on the Company's financial statements.

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(c) **Interest rate risk**

At 31 March 2023, the Company's net debt of ₹ 34,659 Crore (31 March 2022: ₹ 29,639 Crore) comprises debt of ₹ 42,023 Crore (31 March 2022: ₹ 36,696 Crore) offset by cash, bank and short term investments of ₹ 7,364 Crore (31 March 2022: ₹ 7,057 Crore).

The Company is exposed to interest rate risk on short-term and long-term floating rate instruments and on the refinancing of fixed rate debt. The Company's policy is to maintain a balance of fixed and floating interest rate borrowings and the proportion of fixed and floating rate debt is determined by current market interest rates. The borrowings of the Company are principally denominated in Indian Rupees and US dollars with mix of fixed and floating rates of interest. The USD floating rate debt is linked to US dollar LIBOR and INR Floating rate debt to Bank's base rate. The Company has a policy of selectively using interest rate swaps, option contracts and other derivative instruments to manage its exposure to interest rate movements. These exposures are reviewed by appropriate levels of management on a monthly basis. The Company invests cash and liquid investments in short-term deposits and debt mutual funds, some of which generate a tax-free return, to achieve the Company's goal of maintaining liquidity, carrying manageable risk and achieving satisfactory returns.

Floating rate financial assets are largely mutual fund investments which have debt securities as underlying assets. The returns from these financial assets are linked to market interest rate movements; however the counterparty invests in the agreed securities with known maturity tenure and return and hence has manageable risk.

The exposure of the Company's financial assets as at 31 March 2023 to interest rate risk is as follows:

(₹ in Crore)

As at 31 March 2023	Total	Floating rate Financial assets	Fixed rate financial assets	Non-interest bearing financial assets
Financial Assets	20,622	1,786	2,317	16,519

The exposure of the Company's financial liabilities as at 31 March 2023 to interest rate risk is as follows:

(₹ in Crore)

As at 31 March 2023	Total	Floating rate Financial liabilities	Fixed rate financial liabilities	Non-interest bearing financial liabilities
Financial Liabilities	76,855	30,982	21,568	24,305

The exposure of the Company's financial assets as at 31 March 2022 to interest rate risk is as follows:

(₹ in Crore)

As at 31 March 2022	Total	Floating rate Financial assets	Fixed rate financial assets	Non-interest bearing financial assets
Financial Assets	20,886	585	4,314	15,987

The exposure of the Company's financial liabilities as at 31 March 2022 to interest rate risk is as follows:

(₹ in Crore)

As at 31 March 2022	Total	Floating rate Financial liabilities	Fixed rate financial liabilities	Non-interest bearing financial liabilities
Financial Liabilities	61,840	24,876	21,628	15,336

Considering the net debt position as at 31 March 2023 and the investment in bank deposits, corporate bonds and debt mutual funds, any increase in interest rates would result in a net loss and any decrease in interest rates would result in a net gain. The sensitivity analysis below has been determined based on the exposure to interest rates for financial instruments at the balance sheet date.

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The table below illustrates the impact of a 0.5% to 2.0% movement in interest rates on floating rate financial assets/ liabilities (net) on profit/ (loss) and equity assuming that the changes occur at the reporting date and has been calculated based on risk exposure outstanding as of that date. The year-end balances are not necessarily representative of the average debt outstanding during the year. This analysis also assumes that all other variables, in particular foreign currency rates, remain constant.

(₹ in Crore)

Increase in interest rates	Effect on pre-tax profit/(loss) during the year ended 31 March 2023	Effect on pre-tax profit/(loss) during the year ended 31 March 2022
0.50%	(146)	(121)
1.00%	(292)	(243)
2.00%	(584)	(486)

An equivalent reduction in interest rates would have an equal and opposite effect on the Company's financial statements.

(d) Counterparty and concentration of credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Company is exposed to credit risk from trade receivables, contract assets, investments, loans, other financial assets, and derivative financial instruments.

Credit risk on receivables is limited as almost all credit sales are against letters of credit and guarantees of banks of national standing.

Moreover, given the diverse nature of the Company's businesses trade receivables are spread over a number of customers with no significant concentration of credit risk. The history of trade receivables shows a negligible provision for bad and doubtful debts. Therefore, the Company does not expect any material risk on account of non-performance by any of the Company's counterparties.

The Company has clearly defined policies to mitigate counterparty risks. For current investments, counterparty limits are in place to limit the amount of credit exposure to any one counterparty. This, therefore, results in diversification of credit risk for our mutual fund and bond investments. For derivative and financial instruments, the Company attempts to limit the credit risk by only dealing with reputable banks and financial institutions.

The carrying value of the financial assets represents the maximum credit exposure. The Company's maximum exposure to credit risk is ₹ 20,622 Crore and ₹ 20,886 Crore as at 31 March 2023 and 31 March 2022 respectively.

The maximum credit exposure on financial guarantees given by the Company for various financial facilities is described in Note 38 on "Commitments, contingencies, and guarantees".

None of the Company's cash equivalents, including time deposits with banks, are past due or impaired. Regarding trade receivables, loans and other financial assets (both current and non-current), there were no indications as at the year end, that defaults in payment obligations will occur except as described in Notes 7 and 9 on allowance for impairment of trade receivables and other financial assets.

Of the year end trade receivables, loans and other financial assets (excluding bank deposits, site restoration fund and derivatives) balance the following, though overdue, are expected to be realised in the normal course of business and hence, are not considered impaired as at 31 March 2023 and 31 March 2022:

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(₹ in Crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Neither impaired nor past due	8,847	8,134
Past due but not impaired		
- Less than 1 month	627	1,692
- Between 1–3 months	135	66
- Between 3–12 months	80	121
- Greater than 12 months	2,182	2,093
Total	**11,871**	**12,106**

Receivables are deemed to be past due or impaired with reference to the Company's normal terms and conditions of business. These terms and conditions are determined on a case to case basis with reference to the customer's credit quality and prevailing market conditions. Receivables that are classified as 'past due' in the above tables are those that have not been settled within the terms and conditions that have been agreed with that customer. The Company based on past experiences does not expect any material loss on its receivables.

The credit quality of the Company's customers is monitored on an ongoing basis. Where receivables have been impaired, the Company actively seeks to recover the amounts in question and enforce compliance with credit terms.

Movement in allowances for Financial Assets (Trade receivables and financial assets - others)

The changes in the allowance for financial assets (current and non-current) is as follows:

(₹ in Crore)

Particulars	Trade receivables	Financial assets - others	Financial assets - loans
As at 01 April 2021	**803**	**730**	**5**
Allowance made during the year	198	7	-
Exchange differences	-	10	-
As at 31 March 2022	**1,001**	**747**	**5**
Allowance made during the year	355	-	-
Reversals/ write-off during the year	-	(95)	
Exchange differences	-	30	-
As at 31 March 2023	**1,356**	**682**	**5**

D. Derivative financial instruments

The Company uses derivative instruments as part of its management of exposure to fluctuations in foreign currency exchange rates, interest rates and commodity prices. The Company does not acquire or issue derivative financial instruments for trading or speculative purposes. The Company does not enter into complex derivative transactions to manage the treasury and commodity risks. Both treasury and commodities derivative transactions are normally in the form of forward contracts and these are subject to the Company guidelines and policies.

The fair values of all derivatives are separately recorded in the balance sheet within current and non-current assets and liabilities. Derivatives that are designated as hedges are classified as current or non-current depending on the maturity of the derivative.

The use of derivatives can give rise to credit and market risk. The Company tries to control credit risk as far as possible by only entering into contracts with reputable banks and financial institutions. The use of derivative instruments is subject to limits, authorities and regular monitoring by appropriate levels of management. The limits, authorities and monitoring systems are periodically reviewed by management and the Board. The market risk on derivatives is mitigated by changes in the valuation of the underlying assets, liabilities or transactions, as derivatives are used only for risk management purposes.

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(i) Cash flow hedges

The Company enters into forward exchange and commodity price contracts for hedging highly probable forecast transaction and account for them as cash flow hedges and states them at fair value. Subsequent changes in fair value are recognized in equity through OCI until the hedged transaction occurs, at which time, the respective gain or losses are reclassified to profit or loss. These hedges have been effective for the year ended 31 March 2023.

The Company uses foreign exchange contracts from time to time to optimize currency risk exposure on its foreign currency transactions. The Company hedged part of its foreign currency exposure on capital commitments during the year ended 2022. Fair value changes on such forward contracts are recognized in other comprehensive income.

The majority of cash flow hedges taken out by the Company during the year comprise non-derivative hedging instruments for hedging the foreign exchange rate of highly probable forecast transactions and commodity price contracts for hedging the commodity price risk of highly probable forecast transactions.

The cash flows related to above are expected to occur during the year ended 31 March 2024 and consequently may impact profit or loss for that year depending upon the change in the commodity prices and foreign exchange rates movements. For cash flow hedges regarded as basis adjustments to initial carrying value of the property, plant and equipment, the depreciation on the basis adjustments made is expected to affect profit or loss over the expected useful life of the property, plant and equipment.

(ii) Fair value hedge

The fair value hedges relate to forward covers taken to hedge currency exposure and commodity price risks.

The Company's sales are on a quotational period basis, generally one month to three months after the date of delivery at a customer's facility. The Company enters into forward contracts for the respective quotational period to hedge its commodity price risk based on average LME prices. Gains and losses on these hedge transactions are substantially offset by the amount of gains or losses on the underlying sales. Net gains and losses are recognized in the statement of profit and loss.

The Company uses foreign exchange contracts from time to time to optimize currency risk exposure on its foreign currency transactions. Fair value changes on such forward contracts are recognized in the statement of profit and loss.

(iii) Non- designated economic hedge

The Company enters into derivative contracts which are not designated as hedges for accounting purposes, but provide an economic hedge of a particular transaction risk or a risk component of a transaction. Hedging instruments include copper, aluminium future contracts on the LME and certain other derivative instruments. Fair value changes on such derivative instruments are recognized in the statement of profit and loss.

The fair value of the Company's derivative positions recorded under derivative financial assets and derivative financial liabilities are as follows:

(₹ in Crore)

Derivative Financial Instruments	As at 31 March 2023		As at 31 March 2022	
	Assets	Liabilities	Assets	Liabilities
Current				
Cash flow hedge*				
- Commodity contracts	30	-	231	62
- Interest rate swap	-	-	1	-
Fair Value hedge				
- Commodity contracts	45	69	10	57
- Forward foreign currency contracts	4	15	4	91
Non - qualifying hedges/economic hedge				
- Forward foreign currency contracts	19	67	3	67
Sub-total (A)	**98**	**151**	**249**	**277**

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(₹ in Crore)

Derivative Financial Instruments	As at 31 March 2023		As at 31 March 2022	
	Assets	Liabilities	Assets	Liabilities
Non-current				
Fair value hedge				
- Forward foreign currency contracts	-	20	-	6
Sub-total (B)	**-**	**20**	**-**	**6**
Total (A+B)	**98**	**171**	**249**	**283**

* Refer statement of profit and loss and statement of changes in equity for the changes in the fair value of cash flow hedges.

E. Derivative contracts executed by the Company and outstanding as at Balance Sheet date :

(i) To hedge currency risks and interest related risks, the Company has executed various derivatives contracts. The category wise break up of amount outstanding as at Balance Sheet date is given below :

(₹ in Crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Forex forward cover (buy)	9,679	12,558
Forex forward cover (sell)	0	161
Interest rate swap	3,261	1,735
Total	**12,940**	**14,454**

(ii) For hedging commodity related risks :- Category wise break up is given below.

Particulars	As at 31 March 2023		As at 31 March 2022	
	Purchases	Sales	Purchases	Sales
Forwards/ Futures				
Crude (BBL)	-	-	-	1,680,000
Copper (MT)	5,550	11,775	7,425	24,800
Gold (Oz)	-	16,940	-	17,625
Silver (Oz)	13,987	68,455	16,091	66,770
Aluminium (MT)	63,100	2,750	12,750	78,425

23 Other liabilities

(₹ in Crore)

Particulars	As at 31 March 2023			As at 31 March 2022		
	Non-current	Current	Total	Non-current	Current	Total
Amount payable to owned post-employment benefit trust	-	14	14	-	14	14
Other statutory liabilities [a]	-	931	931	-	1,097	1,097
Deferred government grant [b]	2,364	83	2,447	2,346	80	2,426
Advance from customers [c]	-	8,074	8,074	404	3,159	3,563
Advance from related party (Refer note 39) [c]	-	3	3	-	2	2
Other liabilities	-	120	120	1	122	123
Total	**2,364**	**9,225**	**11,589**	**2,751**	**4,474**	**7,225**

(a) Other statutory liabilities mainly include payable for PF, ESIC, withholding taxes, goods and service tax, VAT, etc.

(b) Represents government assistance in the form of the duty benefit availed under Export Promotion Capital Goods (EPCG) Scheme and Special Economic Zone (SEZ) scheme on purchase of property, plant and equipment accounted for as government grant and being amortised over the useful life of such assets.

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(c) Advance from customers are contract liabilities to be settled through delivery of goods. The amount of such balances as on 01 April 2021 was ₹ 4,496 Crore. During the current year, the Company has recognised revenue of ₹ 3,511 Crore (31 March 2022: ₹ 4,481 Crore) out of opening balances. All other changes are either due to receipt of fresh advances or exchange differences.

24 Provisions

(₹ in Crore)

Particulars	As at 31 March 2023			As at 31 March 2022		
	Non-current	Current	Total	Non-current	Current	Total
Provision for employee benefits (Refer note 25) [a]						
- Retirement Benefit	61	32	93	-	77	77
- Others	-	93	93	-	79	79
Provision for restoration, rehabilitation and environmental costs [b,c]	1,312	4	1,316	1,268	2	1,270
Total	**1,373**	**129**	**1,502**	**1,268**	**158**	**1,426**

a) Provision for employee benefits includes gratuity, compensated absences, deferred cash bonus, etc.

b) The movement in provisions for restoration, rehabilitation and environmental costs is as follows [Refer note 3(a)(P)]:

(₹ in Crore)

Particulars	Restoration, rehabilitation and environmental costs (Refer c)
At 01 April 2021	1,169
Unwinding of discount (Refer note 32)	24
Revision in estimates	40
Exchange differences	37
At 31 March 2022	**1,270**
Additions	41
Amounts used	(1)
Unwinding of discount (Refer note 32)	30
Revision in estimates	(131)
Exchange differences	107
At 31 March 2023	**1,316**

c) Restoration, rehabilitation and environmental costs

The provisions for restoration, rehabilitation and environmental liabilities represent the management's best estimate of the costs which will be incurred in the future to meet the Company's obligations under existing Indian law and the terms of the Company's exploration and other licences and contractual arrangements.

The principal restoration and rehabilitation provisions are recorded within oil and gas business where a legal obligation exists relating to the oil and gas fields, where costs are expected to be incurred in restoring the site of production facilities at the end of the producing life of an oil field. The Company recognises the full cost of site restoration as a liability when the obligation to rectify environmental damage arises.

These amounts are calculated by considering discount rates within the range of 2% to 3%, and become payable at the end of the producing life of an oil field and are expected to be incurred over a period of twenty one years.

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the development or ongoing production from a producing field.

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25 Employee Benefit Plans

The Company participates in defined contribution and benefit plans, the assets of which are held (where funded) in separately administered funds.

For defined contribution plans, the amount charged to the statement of profit and loss is the total amount of contributions payable in the year.

For defined benefit plans, the cost of providing benefits under the plans is determined by actuarial valuation separately each year for each plan using the projected unit credit method by independent qualified actuaries as at the year end. Remeasurement gains and losses arising in the year are recognised in full in other comprehensive income for the year.

i) Defined contribution plans

The Company contributed a total of ₹ 66 Crore for the year ended 31 March 2023 and ₹ 60 Crore for the year ended 31 March 2022 to the following defined contribution plans.

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Employer's contribution to recognised provident fund and family pension fund	49	40
Employer's contribution to superannuation	13	17
Employer's contribution to National Pension Scheme (NPS)	4	3
Total	**66**	**60**

Central recognised provident fund

In accordance with the 'The Employee's Provident Funds and Miscellaneous Provisions Act ,1952', employees are entitled to receive benefits under the Provident Fund. Both the employee and the employer make monthly contributions to the plan at a predetermined rate (12% for the year ended 31 March 2023 and 12% for the year ended 31 March 2022) of an employee's basic salary, and includes contribution made to Family Pension fund as explained below. All employees have an option to make additional voluntary contributions. These contributions are made to the fund administered and managed by the Government of India (GOI) or to independently managed and approved funds. The Company has no further obligations under the fund managed by the GOI beyond its monthly contributions which are charged to the statement of profit and loss in the year they are incurred.

Family pension fund

The Pension Fund was established in 1995 and is managed by the Government of India. The employee makes no contribution to this fund but the employer makes a contribution of 8.33% of salary each month subject to a specified ceiling per employee (included in the 12% rate specified above). This is provided for every permanent employee on the payroll.

At the age of superannuation, contributions ceases and the individual receives a monthly payment based on the level of contributions through the years, and on their salary scale at the time they retire, subject to a maximum ceiling of salary level. The Government funds these payments, thus the Company has no additional liability beyond the contributions that it makes, regardless of whether the central fund is in surplus or deficit.

Superannuation

Superannuation, another pension scheme applicable in India, is applicable only to senior executives. The Company holds a policy with Life Insurance Corporation of India ("LIC"), to which it contributes a fixed amount relating to superannuation and the pension annuity is met by LIC as required, taking into consideration the contributions made. The Company has no further obligations under the scheme beyond its monthly contributions which are charged to the statement of profit and loss in the year they are incurred.

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National Pension Scheme

National Pension Scheme is a retirement savings account for social security and welfare applicable for executives covered under the superannuation benefit of Vedanta Limited, on a choice basis. It was introduced to enable employees to select the treatment of superannuation component of their fixed salaries and avail the benefits offered by National Pension Scheme launched by Government of India. Vedanta Limited holds a corporate account with one of the pension fund managers authorized by the Government of India to which the Company contributes a fixed amount relating to superannuation and the pension annuity will be met by the fund manager as per rules of National Pension Scheme. The Company has no further obligations under the scheme beyond its monthly contributions which are charged to the statement of profit and loss in the year they are incurred.

ii) Defined benefit plans

(a) Contribution to provident fund trust (the "trust")

The provident fund of the Iron Ore division is exempted under Section 17 of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952. Conditions for grant of exemption stipulates that the employer shall make good deficiency, if any, between the return guaranteed by the statute and actual earning of the Fund. Based on actuarial valuation in accordance with Ind AS 19 and the Guidance note issued by the Institute of Actuaries of India for interest rate guarantee of exempted provident fund liability of employees, there is no interest shortfall in the funds managed by the trust as at 31 March 2023 and 31 March 2022. Having regard to the assets of the Fund and the return on the investments, the Company does not expect any deficiencies in the foreseeable future.

The Company contributed a total of ₹ 8 Crore for the year ended 31 March 2023 and ₹ 7 Crore for the year ended 31 March 2022. The present value of obligation and the fair value of plan assets of the trust are summarized below.

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Fair value of plan assets	283	262
Present value of defined benefit obligations	(282)	(257)
Net liability arising from defined benefit obligation of trust	**Nil**	**Nil**

Percentage allocation of plan assets of trust

Assets by category	Year ended 31 March 2023	Year ended 31 March 2022
Government Securities	53%	43%
Debentures/ bonds	41%	45%
Equity	6%	12%
Fixed deposits	0%	0%

(b) Gratuity plan

In accordance with the Payment of Gratuity Act, 1972, the Company contributes to a defined benefit plan (the "Gratuity Plan") covering certain categories of employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, disability or termination of employment being an amount based on the respective employee's last drawn salary and the number of years of employment with the Company. The Gratuity plan is a funded plan and the Company makes contribution to recognised funds in India.

Based on actuarial valuations conducted as at year end using the projected unit credit method, a provision is recognised in full for the benefit obligation over and above the funds held in the Gratuity Plan.

The iron ore and oil & gas division of the Company have constituted a trust recognised by Indian Income Tax Authorities for gratuity to employees, contributions to the trust are funded with the Life Insurance Corporation of India (LIC) and ICICI Prudential Life Insurance Company Limited (ICICI).

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Principal actuarial assumptions

Principal actuarial assumptions used to determine the present value of the Gratuity plan obligation are as follows:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Discount rate	7.39%	7.16%
Expected rate of increase in compensation level of covered employees	2%-10%	2%-10%
In service mortality	IALM (2012-14)	IALM (2012-14)
Post retirement mortality	LIC(1996-98) Ultimate	LIC(1996-98) Ultimate

Amount recognised in the balance sheet consists of:

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Fair value of plan assets	159	151
Present value of defined benefit obligations	(252)	(228)
Net liability arising from defined benefit obligation	**(93)**	**(77)**

Amount recognised in the statement of profit and loss in respect of the Gratuity plan are as follows:

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Current service cost	23	21
Net interest cost	5	3
Components of defined benefit costs recognised in profit or loss	**28**	**24**

Amount recognised in the other comprehensive income in respect of the Gratuity plan are as follows:

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Re-measurement of the net defined benefit obligation:-		
Actuarial losses arising from demographic adjustments	0	1
Actuarial losses/ (gains) arising from experience adjustments	15	(1)
Actuarial (gains)/ losses arising from changes in financial assumptions	(2)	22
Losses on plan assets	2	1
Components of defined benefit costs recognised in other comprehensive income	**15**	**23**

Movement in present value of the Gratuity plan:

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Opening balance	228	188
Current service cost	21	21
Benefits paid	(29)	(16)
Interest cost	16	13
Actuarial losses/ (gains) arising from changes in assumptions	16	22
Closing balance	**252**	**228**

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Movement in the fair value of Gratuity plan assets is as follows:

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Opening balance	151	146
Contributions received	24	12
Benefits paid	(25)	(16)
Re-measurement loss arising from return on plan assets	(2)	(1)
Interest income	11	10
Closing balance	**159**	**151**

The above plan assets have been invested in the qualified insurance policies.

The actual return on plan assets was ₹ 9 Crore for the year ended 31 March 2023 and ₹ 9 Crore for the year ended 31 March 2022.

The weighted average duration of the defined benefit obligation is 14.03 years and 15.67 years as at 31 March 2023 and 31 March 2022 respectively.

The Company expects to contribute ₹ 17 Crore to the funded defined benefit plans in during the year ended 31 March 2024.

Sensitivity analysis

Below is the sensitivity analysis determined for significant actuarial assumptions for the determination of defined benefit obligations and based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period while holding all other assumptions constant.

(₹ in Crore)

Increase/ (Decrease) in defined benefit obligation	Year ended 31 March 2023	Year ended 31 March 2022
Discount rate		
Increase by 0.50%	(13)	(11)
Decrease by 0.50%	13	11
Expected rate of increase in compensation level of covered employees		
Increase by 0.50%	13	11
Decrease by 0.50%	(13)	(11)

The above sensitivity analysis may not be representative of the actual benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

In presenting the above sensitivity analysis, the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the balance sheet.

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Risk analysis

The Company is exposed to a number of risks in the defined benefit plans. Most significant risks pertaining to defined benefit plans and management's estimation of the impact of these risks are as follows:

Investment risk

The Gratuity plan is funded with the LIC and ICICI. The Company does not have any liberty to manage the fund provided to LIC and ICICI.

The present value of the defined benefit plan obligation is calculated using a discount rate determined by reference to Government of India bonds. If the return on plan asset is below this rate, it will create a plan deficit.

Interest risk

A decrease in the interest rate on plan assets will increase the net plan obligation.

Longevity risk / Life expectancy

The present value of the defined benefit plan obligation is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan obligation.

Salary growth risk

The present value of the defined benefit plan obligation is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan obligation.

Code on Social Security, 2020

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

26 Employee benefits expense [a, b]

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Salaries and Wages	1,244	1,216
Share based payments (Refer note 27)	48	29
Contributions to provident and other funds (Refer Note 25)	97	88
Staff welfare expenses	106	90
Less: Cost allocated/ directly booked in Joint ventures	(569)	(556)
Total	**926**	**867**

a. Net of recoveries of ₹ 49 Crore (31 March 2022: ₹ 52 Crore) from subsidiaries.

b. Net of capitalisation of ₹ 34 Crore (31 March 2022: ₹ 35 Crore).

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27 Share based payments

The Company offers equity based and cash based option plans to its employees, officers and directors through the Company's stock option plan introduced in 2016 and Cairn India's stock option plan now administered by the Company pursuant to its merger with the Company.

The Vedanta Limited Employee Stock Option Scheme (ESOS) 2016

The Company introduced an Employee Stock Option Scheme 2016 ("ESOS"), which was approved by the Vedanta Limited shareholders to provide equity settled incentive to all employees of the Company including subsidiary companies. The ESOS scheme includes tenure based, business performance based and market performance based stock options. The maximum value of options that can be awarded to members of the wider management group is calculated by reference to the grade average cost-to-company ("CTC") and individual grade of the employee. The performance conditions attached to the option is measured by comparing Company's performance in terms of Total Shareholder Return ("TSR") over the performance period with the performance of two group of comparator companies (i.e. Indian and global comparator companies) defined in the scheme. The extent to which an option vests will depend on the Company's TSR rank against a group or groups of peer companies at the end of the performance period and as moderated by the Remuneration Committee. The ESOS schemes are administered through VESOS trust and have underlying Vedanta Limited equity shares.

Options granted during the year ended 31 March 2023 and year ended 31 March 2022 includes business performance based, sustained individual performance based, management discretion and fatality multiplier based stock options. Business performances will be measured using Volume, Cost, Net Sales Realisation, EBITDA, Free Cash Flows, ESG and Carbon footprint or a combination of these for the respective business/ SBU entities.

The exercise price of the options is ₹ 1 per share and the performance period is three years, with no re-testing being allowed.

The details of share options for the year ended 31 March 2023 is presented below:

Financial Year of Grant	Exercise Period	Options outstanding 01 April 2022	Options granted during the year	Options transferred (to)/ from Parent/ fellow subsidiaries	Options forfeited/ lapsed during the year	Options exercised during the year	Options outstanding 31 March 2023	Options exercisable 31 March 2023
2018-19	01 November 2021 - 30 April 2022	3,23,015	-	-	-	2,81,565	41,450	41,450*
2019-20	29 November 2022 - 28 May 2023	1,14,81,718	-	-	61,53,328	41,76,303	11,52,087	11,52,087
2019-20	Cash settled	18,350	-	-	9,740	8,610	-	-
2020-21	06 November 2023 - 05 May 2024	1,08,07,521	-	-	24,81,770	-	83,25,751	-
2020-21	Cash settled	19,164	-	-	19,164	-	-	-
2021-22	01 November 2024 - 30 April 2025	1,13,04,599	-	-	17,83,209	-	95,21,390	-
2021-22	Cash settled	16,907	-	-	16,907	-	-	-
2022-23	01 November 2025 - 30 April 2026	-	1,44,37,268	-	9,10,824	-	1,35,26,444	-
2022-23	Cash settled	-	24,888	-	-	-	24,888	-
		3,39,71,274	**1,44,62,156**	**-**	**1,13,74,942**	**44,66,478**	**3,25,92,010**	**11,93,537**

*Options for some employees could not be exercised within exercise period due to technical issues.

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The details of share options for the year ended 31 March 2022 is presented below:

Financial Year of Grant	Exercise Period	Options outstanding 01 April 2021	Options granted during the year	Options transferred (to)/ from Parent/ fellow subsidiaries	Options forfeited/ lapsed during the year	Options exercised during the year	Options outstanding 31 March 2022	Options exercisable 31 March 2022
2017-18	01 September 2020 - 28 February 2021	3,76,940	-	-	23,457	3,53,483	-	-
2018-19	01 November 2021 - 30 April 2022	99,12,240	-	-	69,06,444	26,82,781	3,23,015	3,23,015
2018-19	Cash settled	99,086	-	-	-	99,086	-	-
2019-20	29 November 2022 - 28 May 2023	1,35,72,278	-	-	20,90,560	-	1,14,81,718	-
2019-20	Cash settled	80,050	-	-	61,700	-	18,350	-
2020-21	06 November 2023 - 05 May 2024	1,27,11,112	-	-	19,03,591	-	1,08,07,521	-
2020-21	Cash settled	87,609	-	-	68,445	-	19,164	-
2021-22	01 November 2024 - 30 April 2025	-	1,20,83,636	-	7,79,037	-	1,13,04,599	-
2021-22	Cash settled	-	16,907	-	-	-	16,907	-
		3,68,39,315	**1,21,00,543**	**-**	**1,18,33,234**	**31,35,350**	**3,39,71,274**	**3,23,015**

The fair value of all options has been determined at the date of grant of the option allowing for the effect of any market-based performance conditions. This fair value, adjusted by the Group's estimate of the number of options that will eventually vest as a result of non-market conditions, is expensed over the vesting period.

Business Performance-Based and Sustained Individual Performance-Based Options:

The fair values of stock options following these types of vesting conditions have been estimating using the Black-Scholes-Merton Option Pricing model. The value arrived at under this model has been then multiplied by the expected % vesting based on business performance conditions (only for business performance-based options) and the expected multiplier on account of sustained individual performance (for both type of options). The inputs used in the Black-Scholes-Merton Option Pricing model include the share price considered as of the valuation date, exercise price as per the scheme/ plan of the options, expected dividend yield (estimated based on actual/ expected dividend trend of the company), expected tenure (estimated as the remaining vesting period of the options), the risk-free rate (considered as the zero coupon yield as of the valuation date for a term commensurate with the expected tenure of the options) and expected volatility (estimated based on the historical volatility of the return in company's share prices for a term commensurate with the expected tenure of the options). The exercise period of 6 months post vesting period has not been considered as the options are expected to be exercised immediately post the completion of the vesting period.

Total Shareholder Returns-Based Options:

The fair values of stock options following this type of vesting condition has been estimated using the Monte Carlo Simulation method. This method has been used to simulate the expected share prices for Vedanta Limited and the companies of the comparator group over the vesting period of the options. Based on the simulated prices, the expected pay-off at the end of the vesting period has been estimated and present valued to the valuation date. Further, based on the simulated share prices and expected dividends the relative rank of Vedanta Limited's share price return has been estimated vis-à-vis the Indian and Global Group of the comparator group. This rank has been used to estimate expected % vesting of the options under this type of vesting condition. The inputs to the monte carlo simulation method include expected tenure (estimated as the remaining vesting period of the options), the risk-free rate (considered as the zero coupon yield as of the valuation date for a term commensurate with the expected tenure of the options), expected dividend yield (estimated based on the actual dividend trend of the companies), expected volatility (estimated based on the historical volatility of the return in the company's share prices for a term commensurate with the expected tenure of the options). The exercise period of 6 months post the vesting period has not been considered as the options are expected to be exercised immediately post the completion of the vesting period.

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The assumptions used in the calculations of the charge in respect of the ESOS options granted during the year ended 31 March 2023 and 31 March 2022 are set out below:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
	ESOS 2022	ESOS 2021
Number of Options	Cash settled - 24,888 Equity settled - 1,44,37,268	Cash settled - 16,907 Equity settled - 1,20,83,636
Exercise Price	₹ 1	₹ 1
Share Price at the date of grant	₹ 286.90	₹ 302.15
Contractual Life	3 years	3 years
Expected Volatility	50.95%	49.67%
Expected option life	3 years	3 years
Expected dividends	7.11%	6.80%
Risk free interest rate	7.07%	5.02%
Expected annual forfeitures	10% p.a	10% p.a
Fair value per option granted (Non-market performance based)	₹ 182.46	₹ 193.97

Weighted average share price at the date of exercise of stock options was ₹ 303.80 (31 March 2022: ₹ 339.32)

The weighted average remaining contractual life for the share options outstanding was 1.76 years (31 March 2022: 1.62 years).

The Company recognised total expenses of ₹ 85 Crore (31 March 2022: ₹ 43 Crore) related to equity settled share based payment transactions for the year ended 31 March 2023 out of which ₹ 33 Crore (31 March 2022: ₹ 15 Crore) was recovered from group companies. The total (reversal)/ charge recognised on account of cash settled share based plan during the year ended 31 March 2023 is ₹ (2) Crore (31 March 2022: ₹ 2 Crore) and the carrying value of cash settled share based compensation liability as at 31 March 2023 is ₹ 2 Crore (31 March 2022: ₹ 4 Crore).

Employee stock option plans of erstwhile Cairn India Limited:

The Company has provided CIESOP share based payment scheme to its employees.

CIESOP plan

There are no specific vesting conditions under CIESOP plan other than completion of the minimum service period of 3 years from the date of grant. Phantom options are exercisable proportionate to the period of service rendered by the employee subject to completion of one year. The exercise period is 7 years from the vesting date.

Details of employees stock option plans is presented below

CIESOP Plan	Year ended 31 March 2023		Year ended 31 March 2022	
	Number of options	Weighted average exercise price in ₹	Number of options	Weighted average exercise price in ₹
Outstanding at the beginning of the year	10,37,641	286.85	33,15,174	287.31
Granted during the year	Nil	NA	Nil	NA
Expired during the year	Nil	NA	Nil	NA
Exercised during the year	2,66,914	286.85	4,83,085	286.85
Forfeited/ cancelled during the year	7,70,727	286.85	17,94,448	287.70
Outstanding at the end of the year	-	-	10,37,641	286.85
Exercisable at the end of the year	-	-	10,37,641	286.85

Weighted average share price at the date of exercise of stock options was ₹ 411.80 (31 March 2022: ₹ 375.89)

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Scheme	Range of exercise price in ₹	Weighted average remaining contractual life of options (in years)	Weighted average exercise price in ₹
The details of exercise price for stock options outstanding as at 31 March 2023 are:			
CIESOP Plan	286.85	-	286.85
The details of exercise price for stock options outstanding as at 31 March 2022 are:			
CIESOP Plan	286.85	0.31	286.85

Out of the total expense of ₹ 50 Crore (31 March 2022: ₹ 30 Crore) pertaining to above options for the year ended 31 March 2023, the Company has capitalised ₹ 2 Crore (31 March 2022: ₹ 1 Crore) expense for the year ended 31 March 2023.

28 Revenue from operations

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Sale of products	67,105	62,692
Sale of services	88	109
Total	**67,193**	**62,801**

a) Revenue from sale of products and from sale of services for the year ended 31 March 2023 includes revenue from contracts with customers of ₹ 67,778 Crore (31 March 2022: ₹ 62,781 Crore) and a net loss on mark-to-market of ₹ 585 Crore (31 March 2022: gain of ₹ 20 Crore) on account of gains/ losses relating to sales that were provisionally priced as at the beginning of the year with the final price settled in the current year, gains/ losses relating to sales fully priced during the year, and marked to market gains/ losses relating to sales that were provisionally priced as at the end of the year.

b) Majority of the Company's sales are against advance or are against letters of credit/ cash against documents/ guarantees of banks of national standing. Where sales are made on credit, the amount of consideration does not contain any significant financing component as payment terms are within three months.
As per the terms of the contract with its customers, either all performance obligations are to be completed within one year from the date of such contracts or the Company has a right to receive consideration from its customers for all completed performance obligations. Accordingly, the Company has availed the practical expedient available under paragraph 121 of Ind AS 115 and dispensed with the additional disclosures with respect to performance obligations that remained unsatisfied (or partially unsatisfied) at the balance sheet date. Further, since the terms of the contracts directly identify the transaction price for each of the completed performance obligations there are no elements of transaction price which have not been included in the revenue recognised in the financial statements. Further, there is no material difference between the contract price and the revenue from contract with customers.

29 Other operating income

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Export incentives	194	244
Scrap sales	182	130
Miscellaneous income (Refer Note 39(M))	511	102
Total	**887**	**476**

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30 Other Income

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Net gain on investments measured at FVTPL	44	1
Net gain on sale of long term investments (Refer Note 39)	-	16
Interest income from financial assets at amortised cost		
- Bank deposits	103	78
- Loans	64	73
- Others	140	69
Interest on income tax refund	42	-
Dividend income from		
- financial assets at FVOCI	0	1
- investment in subsidiaries	20,711	7,828
Profit on sale of assets	-	129
Deferred government grant income	81	78
Miscellaneous income	77	74
Total	**21,262**	**8,347**

31 Changes in inventories of finished goods and work-in-progress

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Opening Stock:		
Finished Goods	385	548
Work in progress	3,018	1,681
Total	**3,403**	**2,229**
Add: Foreign exchange translation	17	2
Less: Closing Stock		
Finished Goods	336	385
Work in progress	2,503	3,018
Total	**2,839**	**3,403**
Changes in Inventory	**581**	**(1,172)**

32 Finance Cost

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Interest expense on financial liabilities at amortised cost [a]	4,405	3,123
Other finance costs	276	265
Net interest on defined benefit arrangement	5	3
Unwinding of discount on provisions (Refer note 23)	30	24
Less: Allocated to Joint venture	(1)	(2)
Less: Capitalisation of finance costs [b] (Refer note 5)	(331)	(267)
Total	**4,384**	**3,146**

a) Includes interest expense on lease liabilities for the year ended 31 March 2023 is ₹ 6 Crore (31 March 2022: ₹ 7 Crore).

b) Interest rate of 6.75% (31 March 2022: 7.39%) was used to determine the amount of general borrowing costs eligible for capitalization in respect of qualifying asset for the year ended 31 March 2023.

c) Interest expense on income taxes is ₹ 48 Crore (31 March 2022: ₹ NIL Crore).

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33 Other Expenses *

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Cess on crude oil	1,675	1,568
Royalty	335	375
Consumption of stores and spare parts	1,032	908
Repairs to plant and equipment	597	512
Carriage	1,342	1,359
Mine expenses	231	257
Net loss on foreign currency transactions and translations	352	134
Repairs to building	90	67
Insurance	110	98
Repairs others	93	88
Loss on sale/ discard of property, plant and equipment (net)	21	-
Rent [d]	18	17
Rates and taxes	13	8
Exploration costs written off (Refer note 5)	315	-
Directors sitting fees and commission	3	4
Remuneration to auditors [a]	9	11
Provision for doubtful advances/ expected credit loss	435	233
Bad debts written off	1	6
Share of expenses in producing oil & gas	1,884	1,472
Donation [b]	160	130
Miscellaneous expenses [c]	4,024	3,135
Less: Cost allocated/directly booked in Joint ventures	(418)	(331)
Total	**12,322**	**10,051**

* Net of recoveries of ₹ 66 Crore (31 March 2022: ₹ 79 Crore) from subsidiaries

(a) Remuneration to auditors comprises:

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Payment to auditors		
For statutory audit (including quarterly reviews)	7	6
For overseas reporting	1	4
For certification and other attest services	0	0
For other services	1	1
For reimbursement of expenses	0	0
Total	**9**	**11**

(b) Includes contributions through electoral bonds of ₹ 155 Crore (31 March 2022: ₹ 123 Crore).

(c) Includes Corporate social responsibility expenses of ₹ 112 Crore (31 March 2022: ₹ 37 Crore) as detailed in note 41(a).

(d) Rent represents expense on short term/ low value leases.

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34 Exceptional Items

(₹ in Crore)

Particulars	Year ended 31 March 2023			Year ended 31 March 2022		
	Exceptional Items	Tax effect of exceptional items	Exceptional items after tax	Exceptional Items	Tax effect of exceptional items	Exceptional items after tax
Property, plant and equipment, exploration intangible assets under development, capital work-in-progress and other assets (impaired)/ reversal or (written off)/ written back in:						
- Oil and Gas						
1) Exploration wells written off [a]	-	-	-	(1,412)	493	(919)
2) Reversal of previously recorded impairment [b,c]	910	-	910	1,370	(479)	891
- Aluminium [d]	-	-	-	(125)	44	(81)
- Unallocated						
1) Reversal of previously recorded impairment on investments in BFL [e]	780	-	780	-	-	-
2) Capital work-in-progress written off [f]	-	-	-	(24)	8	(16)
3) Impairment reversal on investments in OCRPS [g]	3,187		3,187	-	-	-
SAED on Oil and Gas sector [h]	(524)	103	(421)	-	-	-
Provision for legal disputes (including change in law), force majeure and similar incidences in:						-
- Copper [i]	-	-	-	(54)	19	(35)
- Aluminium [j]	-	-	-	(73)	26	(47)
Total	**4,353**	**103**	**4,456**	**(318)**	**111**	**(207)**

a. During the year ended 31 March 2022, based on the outcome of exploration and appraisal activities in its PSC block RJON-90/1 block and RSC blocks awarded under OALP (Open Acreage Licensing Policy), an amount of ₹ 1,412 Crore towards unsuccessful exploration cost had been charged off to the statement of profit and loss during the previous year, as these had proven to be either technically or commercially unviable.

b. During the year ended 31 March 2023, the Board of Cairn India Holdings Limited ("CIHL"), a wholly owned subsidiary of the Company, approved the scheme of buyback upto US$ 500 mn @ approximately US$ 3.3 per share. Pursuant to the same, CIHL has bought back 10,24,69,151 shares for ₹ 2,665 Crore (US$ 332 mn). Consequently, the Company has recorded a net gain of ₹ 910 Crore, on account of:

   i. Realised loss of ₹ 630 Crore on account of buy back of investment set off by reversal of previously recorded impairment of ₹ 813 Crore on investment bought back.

   ii. An earlier impairment charge of ₹ 727 Crore has been reversed during the year on remaining investment in CIHL.

c. During the year ended 31 March 2022, the Company had recognized an impairment reversal of ₹ 1,370 Crore on its assets in the oil and gas segment comprising:

   i) Impairment reversal of ₹ 1,254 Crore relating to Rajasthan oil and gas block ("CGU") mainly due to increase in crude price forecast. Of this reversal, ₹ 850 Crore impairment reversal had been recorded against oil and gas producing facilities and ₹ 404 Crore impairment charge had been recorded against exploration intangible assets under development.

   The recoverable amount of the Company's share in Rajasthan Oil and Gas cash generating unit "RJ CGU" was determined to be ₹ 5,406 Crore (US$ 715 million) as at 31 March 2022.

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The recoverable amount of the RJ CGU was determined based on the fair value less costs of disposal approach, a level-3 valuation technique in the fair value hierarchy, as it more accurately reflects the recoverable amount based on the Company's view of the assumptions that would be used by a market participant. This was based on the cash flows expected to be generated by the projected oil and natural gas production profiles up to the expected dates of cessation of production sharing contract (PSC)/cessation of production from each producing field based on the current estimates of reserves and risked resources. Reserves assumptions for fair value less costs of disposal tests consider all reserves that a market participant would consider when valuing the asset, which are usually broader in scope than the reserves used in a value-in-use test. Discounted cash flow analysis used to calculate fair value less costs of disposal uses assumption for short-term oil price of US$ 86 per barrel for the next one year (and tapers down to long-term nominal price of US$ 68 per barrel three years thereafter derived from a consensus of various analyst recommendations. Thereafter, these have been escalated at a rate of 2% per annum. The cash flows are discounted using the post-tax nominal discount rate of 9.88% derived from the post-tax weighted average cost of capital after factoring in the risks ascribed to PSC extension including successful implementation of key growth projects. Based on the sensitivities carried out by the Company, change in crude price assumptions by US$ 1/bbl and changes to discount rate by 1% would lead to a change in recoverable value by ₹ 102 Crore (US$ 13 million) and ₹ 159 Crore (US$ 21 million) respectively.

ii. Impairment reversal of ₹ 116 Crore relating to KG-ONN-2003/1 CGU mainly due to increase in crude price forecast and increase in recoverable reserves.

The recoverable amount of the Company's share in this CGU was determined to be ₹ 208 Crore (US$ 27 million) based on fair value less cost of disposal approach as described in above paragraph. Discounted cash flow analysis used to calculate fair value less costs of disposal uses assumption for short-term oil price of US$ 86 per barrel for the next one year and tapers down to long-term nominal price of US$ 68 per barrel three years thereafter derived from a consensus of various analyst recommendations. Thereafter, these have been escalated at a rate of 2% per annum. The cash flows are discounted using the post-tax nominal discount rate of 10.63%. The sensitivities around change in crude price assumptions and discount rate are not material to the financial statements.

d. In relation to a mine in aluminium business of the Company, the Company had deposited ₹ 125 Crore with the Government of India. Thereafter, the MoEF&CC and the Supreme Court declared the mining project inoperable on environmental grounds. Later, in 2017, the mining license lapsed. Accordingly, the deposit was fully provided for during the previous year.

e. During the year, the Company has recognised an impairment reversal of ₹ 780 Crore on its investments in Bloom Fountain Limited ("BFL"), a wholly owned subsidiary of the Company, mainly due to restart of commercial mining operations at Western Cluster Limited, Liberia ("WCL"), a wholly owned subsidiary of BFL.

During the current year, WCL has signed a Memorandum of Understanding with the Government of Liberia to restart its mining operations and commenced commercial production at its Bomi Mines from July 2022.

Consequently, the net recoverable value of assets and liabilities of WCL has been assessed at ₹ 891 Crore based on the value-in-use approach, using the Discounted Cash Flow Method, a level 3 valuation technique in the fair value hierarchy as it more accurately reflects the recoverable amount. The impairment assessment is based on a range of estimates and assumptions, including long-term selling price as per the consensus report, volumes based on the mine planning and concentrate plant setup and a post-tax nominal discount rate of 14.45%. Any subsequent changes to cash flows due to changes in the above-mentioned factors could impact the carrying value of the assets.

Based on the sensitivities carried out by the Company, a decrease in the long-term selling price by 1% would lead to a decrease in the recoverable value by ₹ 50 Crore and an increase in the discount rate by 1% would lead to a decrease in the recoverable value by ₹ 74 Crore.

f. During the previous year ended 31 March 2022, the Company had recognised a loss of ₹ 24 Crore relating to certain items of capital work-in-progress at one of its closed unit in Gujarat, which were no longer expected to be used.

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g. During the current year ended 31 March 2023, the Company has recognised an impairment reversal of ₹ 3,187 Crore on the investments in OCRPS ("Optionally Convertible Redeemable Preference Shares") of THL Zinc Ventures Limited ("THLZVL"), a wholly owned subsidiary of the Company.

   Recoverable amount of the OCRPS has been determined based on the valuation of Zinc International business ("VZI") which is an indirect subsidiary of THLZVL. The recoverable amount of VZI has been determined based on the fair value less cost of disposal approach, using the discounted cash flow method ("DCF method"), a level 3 valuation technique in the fair value hierarchy. This is based on the cash generated by the extraction and sale of proved and probable reserves/ natural estimated resources which are yet to be exploited during the estimated predetermined life of mine ("LOM") after deducting costs of closure and rehabilitation after expiry of LOM. The cash flows are discounted using the post tax weighted average cost of capital ranging 8.40% to 10.44%. Based on the sensitivities carried out by the Company using the risk adjustment factor of 5%, the recoverable amount is higher than the carrying value, resulting in impairment reversal.

   These investments has been reclassified from Non-current investments to current investments during the current year (Refer Note 6).

h. The Government of India ("GoI") vide its notification dated 30 June 2022 levied Special Additional Excise Duty ("SAED") on production of crude oil, i.e., cess on windfall gain triggered by increase in crude oil prices which is effective from 01 July 2022. The consequential net impact of the said duty has been presented as an exceptional item.

i. A provisional liquidator ('PL') was appointed to manage the affairs of Konkola Copper Mines plc (KCM) on 21 May 2019, after ZCCM Investments Holdings Plc (ZCCM-IH), an entity majority owned by the Government of Zambia and a 20.6% shareholder in KCM, filed a winding up petition against KCM. KCM's majority shareholder, Vedanta Resources Holdings Limited (VRHL), and its parent company, Vedanta Resources Limited (VRL), are contesting the winding up petition in the Zambian courts and have also commenced arbitration against ZCCM-IH, consistent with their position that arbitration is the agreed dispute resolution process, together with an application to the South African courts to stay the winding up proceedings consistent with the agreement to arbitrate.

   Meanwhile, KCM has not been supplying goods to the Company and/ or its subsidiaries, which it was supposed to as per the terms of the advance. During the previous year, the Company recognised provisions for expected credit losses of ₹ 54 Crore. As of 31 March 2023, the Company carries provisions of ₹ 105 Crore (31 March 2022: ₹ 105 Crore). Consequently, receivables from KCM as at 31 March 2023 is ₹ Nil Crore (31 March 2022: ₹ Nil Crore).

j. In December 2021, MoEF&CC notified guidelines for thermal power plants for disposal of fly ash and bottom ash produced during power generation process. Effective 01 April 2022, the notification introduced a three-year cycle to achieve average ash utilisation of 100 per cent. The first three-year cycle is extendable by another one year or two years where ash utilisation percentage is in the range of 60-80 per cent or less than 60 per cent, respectively. Further, unutilised accumulated ash, i.e., legacy fly ash stored with such power plants prior to the date of this notification is required to be utilized fully over a ten year period with minimum twenty percent, thirty percent and fifty percent utilisation of annual ash generation in year 1, year 2 and years 3-10 respectively. Such provisions are not applicable where ash pond or dyke has stabilised and the reclamation has taken place with greenbelt or plantation. The Company had performed detailed evaluations for its obligations under this notification and had recorded ₹ 73 Crore as an exceptional item for the year ended 31 March 2022, towards estimated costs of legacy fly ash utilization including reclamation costs.

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35 Tax expense

(a) Tax (benefit)/ charge recognised in profit or loss (including on exceptional items)

(₹ in Crore)

	Year ended 31 March 2023	Year ended 31 March 2022
Current tax:		
Current tax expense on profit for the year	3,790	3,505
Current tax benefit - exceptional items (Refer Note 34)	(50)	(281)
Total Current Tax (a)	**3,740**	**3,224**
Deferred tax:		
Origination and reversal of temporary differences	(4,033)	(1,023)
(Benefit)/ Charge in respect of exceptional items (Refer Note 34)	(53)	170
Total Deferred Tax (b)	**(4,086)**	**(853)**
Net tax (benefit)/ charge (a+b)	**(346)**	**2,371**
Profit before tax	**27,010**	**19,616**
Effective income tax rate (%)	**(1%)**	**12%**

Tax expense

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Tax benefit on exceptional items	(103)	(111)
Tax (benefit)/ expense - others	(243)	2,482
Net tax (benefit)/ charge	**(346)**	**2,371**

(b) A reconciliation of income tax (benefit)/ expense applicable to profit before tax at the Indian statutory income tax rate to recognised income tax (benefit)/ expense for the year indicated are as follows:

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Profit before tax	**27,010**	**19,616**
Indian statutory income tax rate	34.944%	34.944%
Tax at statutory income tax rate	**9,438**	**6,855**
Non-taxable income	-	(4)
Deduction u/s 80M	(7,254)	(2,736)
Tax holidays	(355)	(1,702)
Unrecognised tax assets in respect of earlier years (net)	(1,707)	-
Change in deferred tax balances due to change in tax law	16	(71)
Capital gains/ Other income subject to lower tax rate*	(505)	-
Other permanent differences	21	29
Total	**(346)**	**2,371**

*On account of dividend received from foreign subsidiary taxable at lower rate of 17.472%.

Certain businesses of the Company are eligible for specified tax incentives which are included in the table above as tax holidays and similar exemptions. These are briefly described as under:

Sectoral Benefit - Power Plants

To encourage the establishment of certain power plants, provided certain conditions are met, tax incentives exist to exempt 100% of profits and gains for any ten consecutive years within the 15 years period following commencement of

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the power plant's operation subject to certain conditions under section 80IA of the Income tax Act, 1961. However, such undertakings generating power would continue to be subject to the MAT provisions.

The Company has set up 80IA operations at aluminium division and iron ore division where such benefit has been drawn.

(c) Deferred tax assets/ liabilities

The Company has accrued significant amounts of deferred tax. The majority of the deferred tax assets represents unused tax credit in the form of MAT credits carried forward, net of deferred tax liability representing accelerated tax relief for the depreciation of property, plant and equipment. Significant components of deferred tax (assets) and liabilities recognised in the balance sheet are as follows :

For the year ended 31 March 2023

(₹ in Crore)

Significant components of Deferred tax (assets) and liabilities	Opening balance as at 01 April 2022	Charged/ (credited) to statement of profit and loss	Charged/ (credited) to other comprehensive income	Exchange difference transferred to translation of foreign operation	Charged/ (credited) to equity	Closing balance as at 31 March 2023
Property, Plant and Equipment	4,327	410	-	(9)	-	4,728
Voluntary retirement scheme	1	-	-	-	-	1
Employee benefits	8	(4)	(6)	-	7	5
Fair valuation of derivative asset/ liability	(23)	-	(52)	-	-	(75)
Fair valuation of other asset/ liability	(36)	-	-	-	-	(36)
MAT credit entitlement	(4,839)	(4,345)	-	-	-	(9,184)
Other temporary differences	(556)	(147)	(31)	-	-	(734)
Total	**(1,118)**	**(4,086)**	**(89)**	**(9)**	**7**	**(5,295)**

For the year ended 31 March 2022

(₹ in Crore)

Significant components of Deferred tax (assets) and liabilities	Opening balance as at 01 April 2021	Charged/ (credited) to statement of profit and loss	Charged/ (credited) to other comprehensive income	Exchange difference transferred to translation of foreign operation	Charged/ (credited) to equity	Closing balance as at 31 March 2022
Property, Plant and Equipment	3,848	471	-	8	-	4,327
Voluntary retirement scheme	-	1	-	-	-	1
Employee benefits	15	(9)	(8)	-	10	8
Fair valuation of derivative asset/liability	(23)	-	0	-	-	(23)
Fair valuation of other asset/liability	(36)	(0)	-	-	-	(36)
MAT credit entitlement	(3,701)	(1,122)	-	-	(16)	(4,839)
Other temporary differences	(436)	(194)	74	-	-	(556)
Total	**(333)**	**(853)**	**66**	**8**	**(6)**	**(1,118)**

Recognition of deferred tax assets on MAT credit entitlement is based on the Company's present estimates and business plans as per which the same is expected to be utilised within the stipulated fifteen year period from the date of origination. (Refer Note 3(c)(A)(ii))

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(d) Non- current tax assets

Non- current tax assets of ₹ 1,311 Crore (31 March 2022: ₹ 1,800 Crore) mainly represents income tax receivable from Indian tax authorities by the Company relating to the refund arising consequent to the Scheme of Amalgamation & Arrangement made effective in August 2013 pursuant to approval by the jurisdiction High Court and receivables relating to matters in tax disputes including tax holiday claim.

36 Earnings per equity share (EPS)

(₹ in Crore, except otherwise stated)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Profit after tax attributable to equity share holders for Basic and Diluted EPS	27,356	17,245
Weighted Average no. of equity shares outstanding during the year for Basic and Dilutive EPS (in Crore)	372	372
Basic and Diluted Earnings per share (in ₹)	73.54	46.36
Nominal value per share (in ₹)	1.00	1.00

37 Dividends

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Amounts recognised as distributions to equity shareholders:		
Interim dividends: ₹101.50/- per share (31 March 2022: ₹ 45/- per share)	37,658	16,689
Refund of Dividend distribution tax	(86)	-
Total	**37,572**	**16,689**

38 Commitments, contingencies and guarantees

A) Commitments

The Company has a number of continuing operational and financial commitments in the normal course of business including:

- Exploratory mining commitments;
- Oil & gas commitments;
- Mining commitments arising under production sharing agreements; and
- Completion of the construction of certain assets.

Estimated amount of contracts remaining to be executed on capital accounts and not provided for:

(₹ in Crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Oil and Gas sector		
Cairn	750	1,211
Aluminium sector		
Lanjigarh Refinery (Phase II)	2,439	2,861
Jharsuguda 1.25 MTPA smelter	1,266	1,577
Copper sector		
Tuticorin Smelter 400 KTPA*	3,066	3,051
Others	721	929
Total	**8,242**	**9,629**

*currently contracts are under suspension under the force majeure clause as per the contract

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Committed work programme (Other than capital commitment)

(₹ in Crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Oil and Gas sector		
Cairn (OALP - New Oil and Gas blocks)	5,184	5,615

Other Commitments

(i) The Power division of the Company has signed a long term power purchase agreement (PPA) with GRIDCO Limited for supply of 25% of power generated from the power station with additional right to purchase power (5%/7%) at variable cost as per the conditions referred to in PPA. The PPA has a tenure of twenty five years, expiring in FY 2037. The Company received favourable order from OERC dated 05 October 2021 for conversion of Independent Power Plant ("IPP") to Captive Power Plant ("CPP") w.e.f from 01 January 2022 subject to certain terms and conditions. However, OERC vide order dated 19 February 2022 directed the Company to supply power to GRIDCO from 19 February 2022 onwards. Thereafter, the Company has resumed supplying power to GRIDCO from 01 April 2022 as per GRIDCO's requisition. The OERC vide its order dated 03 May 2023 has reviewed its previous order dated 05 October 2021 and directed the Company to operate Unit 2 as an IPP. The Company is in process of filing an appeal against the said order.

(ii) During the current year ended 31 March 2023, the Company has executed new Power Delivery Agreements ("PDA") with Serentica group companies (Serentica Renewables India 3 Private Limited, Serentica Renewables India 6 Private Limited and Serentica Renewables India 9 Private Limited), which are associates of Volcan, for procuring renewable power over twenty five years from date of commissioning of the combined renewable energy power projects ("the Projects") on a group captive basis. These Serentica group companies were incorporated for building the Projects of approximately 691 MW (31 March 2022: 180 MW). During the current year, the Company has invested ₹ 69 Crore in Optionally Convertible Redeemable Preference shares ("OCRPS") of ₹ 10 each, of Serentica group companies. These OCRPS will be converted into equity basis conversion terms of the PDA, resulting in the Company holding twenty six percent stake in its equity. As at 31 March 2023, total outstanding commitments related to PDA with Serentica group companies are ₹ 605 Crore (31 March 2022: ₹ 230 Crore).

B) Guarantees

The aggregate amount of indemnities and other guarantees on which the Company does not expect any material losses was ₹ 16,899 Crore (31 March 2022: ₹ 17,046 Crore). The Company has given guarantees in the normal course of business as stated below:

a) Guarantees and bonds advanced to the customs authorities in India of ₹ 1,304 Crore relating to the export and payment of import duties on purchases of raw material and capital goods (31 March 2022: ₹ 470 Crore).

b) Guarantees issued for the Company's share of minimum work programme commitments of ₹ 2,742 Crore (31 March 2022: ₹ 2,881 Crore).

c) Guarantees of ₹ 65 Crore (31 March 2022: ₹ 61 Crore) issued under bid bond.

d) Bank guarantees of ₹ 115 Crore (31 March 2022: ₹ 115 Crore) has been provided by the Company on behalf of Volcan Investments Limited to Income tax department, India as a collateral in respect of certain tax disputes.

e) The Company has given corporate guarantees, bank guarantees and also assigned its bank limits to other group companies primarily in respect of certain short-term and long-term borrowings amounting to ₹ 9,603 Crore (31 March 2022: ₹ 11,631 Crore) (Refer Note 39).

f) Other guarantees worth ₹ 3,070 Crore (31 March 2022: ₹ 1,888 Crore) issued for securing supplies of materials and services, in lieu of advances received from customers, litigation, for provisional valuation of custom duty and also to various agencies, suppliers and government authorities for various purposes. The Company does not anticipate any liability on these guarantees.

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C) Export Obligations

The Company has export obligations of ₹ 1,262 Crore (31 March 2022: ₹ 831 Crore) on account of concessional rates of import duty paid on capital goods under the Export Promotion Capital Goods Scheme and under the Advance Licence Scheme for the import of raw material laid down by the Government of India.

In the event of the Company's inability to meet its obligations, the Company's liability would be ₹ 307 Crore (31 March 2022: ₹ 192 Crore) reduced in proportion to actual exports, plus applicable interest.

The Company has given bonds of ₹ 367 Crore (31 March 2022: ₹ 224 Crore) to custom authorities against these export obligations.

D) Contingent Liabilities

The Company discloses the following legal and tax cases as contingent liabilities:

a) Ravva Joint Operations arbitration proceedings

The Ravva Production Sharing Contract (PSC) obliges the contractor parties (including the Company (Cairn India Limited which subsequently merged with the Company, accordingly now referred to as the Company)) to pay a proportionate share of ONGC's exploration, development, production and contract costs in consideration for ONGC's payment of costs related to the construction and other activities it conducted in Ravva prior to the effective date of the Ravva PSC (the ONGC Carry). The question as to how the ONGC Carry is to be recovered and calculated, along with other issues, was submitted to an International Arbitration Tribunal in August 2002 which rendered a decision on the ONGC Carry in favour of the contractor parties whereas four other issues were decided in favour of Government of India (GOI) in October 2004 (Partial Award).

The GOI then proceeded to challenge the ONGC Carry decision before the Malaysian courts, as Kuala Lumpur was the seat of the arbitration. The Federal Court of Malaysia upheld the Partial Award. As the Partial Award did not quantify the sums, therefore, contractor parties approached the same Arbitration Tribunal to pass a Final Award in the subject matter since it had retained the jurisdiction to do so. The Arbitral Tribunal was reconstituted and the Final Award was passed in October 2016 in the Company's favour. GOI's challenge of the Final Award has been dismissed by the Malaysian High Court and the next appellate court in Malaysia i.e. Malaysian Court of Appeal. GOI then filed an appeal at Federal Court of Malaysia. The matter was heard on 28 February 2019 and the Federal Court also dismissed GOI's leave to appeal. Company has also filed for the enforcement of the Partial Award and Final Award before the Hon'ble Delhi High Court. The matter is currently being heard.

While the Company does not believe the GOI will be successful in its challenge, if the Arbitral Awards in above matters are reversed and such reversals are binding, the Company would be liable for approximately ₹ 526 Crore (US$ 64 million) plus interest (31 March 2022: ₹ 484 Crore (US$ 64 million) plus interest).

b) Proceedings related to the imposition of entry tax

The Company challenged the constitutional validity of the local statutes and related notifications in the states of Odisha and Rajasthan pertaining to the levy of entry tax on the entry of goods brought into the respective states from outside. Post some contradictory orders of High Courts across India adjudicating on similar challenges, the Supreme Court referred the matters to a nine judge bench. Post a detailed hearing, although the bench rejected the compensatory nature of tax as a ground of challenge, it maintained status quo with respect to all other issues which have been left open for adjudication by regular benches hearing the matters.
Following the order of the nine judge bench, the regular bench of the Supreme Court heard the matters and remanded the entry tax matters relating to the issue of discrimination against domestic goods bought from other States to the respective High Courts for final determination but retained the issue of jurisdiction for levy on imported goods, for determination by the regular bench of the Supreme Court. Following the order of the Supreme Court, the Company filed writ petitions in respective High Courts.

On 09 October 2017, the Supreme Court has held that states have the jurisdiction to levy entry tax on imported goods. With this Supreme Court judgement, imported goods will rank pari-passu with domestic goods for the

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purpose of levy of Entry tax. The Company has amended its appeal (writ petitions) in Odisha to include imported goods as well.

The issue pertaining to the levy of entry tax on the movement of goods into a Special Economic Zone (SEZ) remains pending before the Odisha High Court. The Company has challenged the levy of entry tax on any movement of goods into SEZ based on the definition of 'local area' under the Odisha Entry Tax Act which is very clear and does not include a SEZ. In addition, the Government of Odisha further through its SEZ Policy 2015 and the operational guidelines for administration of this policy dated 22 August 2016, exempted the entry tax levy on SEZ operations.

The total claims against the Company (net of provisions made) are ₹ 774 Crore (31 March 2022: ₹ 774 Crore) including interest and penalty till the date of order. Further, interest and penalty if any, would be additional.

c) Miscellaneous disputes- Income tax

The Company is involved in various tax disputes amounting to ₹ 543 Crore (31 March 2022: ₹ 543 Crore) relating to income tax for the periods for which initial assessments have been completed. These mainly relate to the disallowance of tax holiday for 100% Export Oriented Undertaking under section 10B of the Income Tax Act, 1961, disallowance of tax holiday benefit on production of gas under section 80IB of the Income Tax Act, 1961, on account of depreciation disallowances under the Income Tax Act and interest thereon which are pending at various appellate levels.

The Company believes that these disallowances are not tenable and accordingly no provision is considered necessary.

d) Miscellaneous disputes- Others

The Company is subject to various claims and exposures which arise in the ordinary course of conducting and financing its business from the excise, indirect tax authorities and others. These claims and exposures mostly relate to the assessable values of sales and purchases or to incomplete documentation supporting the Company's returns or other claims.

The approximate value of claims (excluding the items as set out separately above) against the Company totals to ₹ 2,733 Crore (31 March 2022: ₹ 2,500 Crore).

Based on evaluations of the matters and legal advice obtained, the Company believes that it has strong merits in its favor. Accordingly, no provision is considered at this stage.

Except as described above, there are no pending litigations which the Company believes could reasonably be expected to have a material adverse effect on the results of operations, cash flows or the financial position of the Company.

39 RELATED PARTY DISCLOSURES

List of related parties and relationships

A) Entities controlling the Company (Holding Companies)

Volcan Investments Limited

Volcan Investments Cyprus Limited

Intermediate Holding Companies

Vedanta Resources Limited

Finsider International Company Limited [(a)]

Richter Holdings Limited [(a)]

Twin Star Holdings Limited [(a)]

Vedanta Resources Cyprus Limited [(a)]

Vedanta Resources Finance Limited [(a)]

Vedanta Resources Holdings Limited [(a)]

Welter Trading Limited [(a)]

Westglobe Limited [(a)]

Vedanta Holdings Mauritius II Limited [(a)]

Vedanta Holdings Mauritius Limited [(a)]

Vedanta Holdings Jersey Limited [(a)]

Vedanta Netherlands Investments BV [(a)]

Vedanta UK Investments Limited [(a)]

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B) Fellow Subsidiaries (with whom transactions have taken place)

Sterlite Grid 16 Limited
Sterlite Iron and Steel Company Limited
Sterlite Power Transmission Limited
Sterlite Technologies Limited
STL Digital Limited
Twin Star Technologies Limited

C) Associates of ultimate parent (with whom transactions have taken place)

Serentica Renewables India 3 Private Limited [f]
Serentica Renewables India 6 Private Limited [f]
Serentica Renewables India 9 Private Limited [f]

D) Associates and Joint ventures (With whom transaction have taken place)

Gaurav Overseas Private Limited

E) Subsidiaries

Amica Guesthouse (Proprietary) Limited
Athena Chhattisgarh Power Limited [d]
AvanStrate Inc, Japan
AvanStrate Korea Inc, Korea
AvanStrate Taiwan Inc, Taiwan
Bharat Aluminium Company Limited
Black Mountain Mining (Proprietary) Limited
Bloom Fountain Limited
Cairn Energy Gujarat Block 1 Limited [b]
Cairn Energy Hydrocarbons Limited
Cairn India Holdings Limited
Cairn Lanka (Private) Limited
CIG Mauritius Private Limited [b]
CIG Mauritius Holdings Private Limited [b]
Copper Mines of Tasmania (Proprietary) Limited
Desai Cement Company Private Limited
ESL Steel Limited
Facor Realty and Infrastructure Limited [b]
Ferro Alloys Corporation Limited [e]
Facor Power Limited [e]
Fujairah Gold FZC
Goa Sea Port Private Limited [g]
Hindustan Zinc Alloys Private Limited
Hindustan Zinc Fertilisers Private Limited [c]
Hindustan Zinc Limited
Killoran Lisheen Mining Limited
Lakomasko BV [b]
Lisheen Milling Limited
Lisheen Mine Partnership
Malco Energy Limited
Maritime Ventures Private Limited [g]
Monte Cello BV
Namzinc (Proprietary) Limited
Paradip Multi Cargo Berth Private Limited [g]
Sesa Mining Corporation Limited [g]
Sesa Resources Limited
Skorpion Mining Company (Proprietary) Limited
Skorpion Zinc (Proprietary) Limited
Sterlite Ports Limited [g]
Talwandi Sabo Power Limited
Thalanga Copper Mines (Proprietary) Limited
THL Zinc Holding BV
THL Zinc Limited
THL Zinc Namibia Holdings (Proprietary) Limited
THL Zinc Ventures Limited
Vedanta Lisheen Holdings Limited
Vedanta Lisheen Mining Limited
Vedanta Zinc Football & Sports Foundation
Vizag General Cargo Berth Private Limited
Western Cluster Limited
Zinc India Foundation [c]

F) Post retirement benefit plans (with whom transactions have taken place)

Sesa Group Employees Provident Fund
Sesa Group Employees Gratuity Fund and Sesa Group Executives Gratuity Fund
Sesa Group Executives Superannuation Scheme Fund

G) Others (with whom transactions have taken place)
Enterprises over which key management personnel/ their relatives have control or significant influence.

Anil Agarwal Foundation Trust
Cairn Foundation
Caitlyn India Private Limited
Janhit Electoral Trust
Radha Madhav Investments Private Limited
Runaya Refining LLP
Sesa Community Development Foundation
Vedanta Foundation
Vedanta Medical Research Foundation
Vedanta Limited ESOS Trust

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forming part of the financial statements as at and for the year ended 31 March 2023

a. These entities are subsidiary companies of VRL and VRL through its subsidiaries holds 68.11% in the Company.

b. Liquidated during the current year.

c. Incorporated during the current year.

d. Acquired during the current year (Refer note 3(d)).

e. Facor Power Limited (“FPL”) merged into Ferro Alloys Corporation Limited (“FACOR”), effective 21 November 2022 (Refer Note 3(d)).

f. During the current year, due to change in shareholding of the intermediate holding company of Serentica group companies, the relationship of Vedanta group with these companies has changed from fellow subsidiaries to associates of Volcan.

g. Refer Note 41(c)

Ultimate Controlling party

Vedanta Limited is a majority-owned and controlled subsidiary of Vedanta Resources Limited ("VRL"). Volcan Investments Limited ("Volcan") and its wholly owned subsidiary together hold 100 % of the share capital and 100 % of the voting rights of VRL. Volcan is 100 % beneficially owned and controlled by the Anil Agarwal Discretionary Trust ("Trust"). Volcan Investments Limited, Volcan Investments Cyprus Limited and other intermediate holding companies except VRL do not produce Group financial statements.

H) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

I) For the year ended 31 March 2023

(₹ in Crore)

	Particulars	Entities controlling the company/ Fellow Subsidiaries	Associates	Subsidiaries	Others	Total
Income :						
(i)	Revenue from operations	1,602	-	1,432	6	**3,040**
(ii)	Other Income					
a)	Interest and guarantee commission	28	-	100	-	**128**
b)	Dividend income	0	-	20,711	-	**20,711**
c)	Brand License and Strategic Service Fees [M]	-	-	318	-	**318**
d)	Outsourcing service fees	5	-	-	-	**5**
e)	Miscellaneous income	-	-	0	1	**1**
Expenditure and other transactions :						
(i)	Purchase of goods/ services [P]	11	-	656	72	**739**
(ii)	Stock options expenses/ (recovery)	-	-	33	-	**33**
(iii)	Allocation of Corporate Expenses	-	-	115	-	**115**
(iv)	Management and Brand Fees [M]	1,701	-	-	-	**1,701**
(v)	Reimbursement for other expenses (net of recovery)	(2)	-	(75)	(2)	**(79)**
(vi)	Corporate Social Responsibility expenditure/ Donation	-	-	-	64	**64**

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(₹ in Crore)

	Particulars	Entities controlling the company/ Fellow Subsidiaries	Associates	Subsidiaries	Others	Total
(vii)	Contribution to Post retirement employee benefit trust	-	-	-	8	**8**
(viii)	(Purchase)/ Sale of fixed assets	(18)	-	14	-	**(4)**
(ix)	Dividend paid					
	- To Holding companies	26,170	-	-	0	**26,170**
	- To key management personnel and their relatives	-	-	-	2	**2**
	- To Non executive directors and their relatives	-	-	-	0	**0**
(x)	Commission/ Sitting Fees					
	- To Non executive directors	-	-	-	5	**5**
	- To other key management personnel	-	-	-	0	**0**
	- To relatives of key management personnel	-	-	-	0	**0**
(xi)	Interest and guarantee commission expense [Q]	157	-	46	-	**203**
(xii)	Miscellaneous expenses	-	-	9	-	**9**
Transactions during the year :						
(i)	Financial guarantees given	-	-	1,174	-	**1,174**
(ii)	Financial guarantees relinquished	-	-	(3,298)	-	**(3,298)**
(iii)	Loans given during the year	-	-	543	-	**543**
(iv)	Loans repaid during the year [K]	-	-	431	125	**556**
(v)	Investments made during the year (refer note 38)	-	1	-	69	**70**
(vi)	Buy back made by subsidiary during the year (refer note 34(b))	-	-	2,665	-	**2,665**
(vii)	Long term borrowings taken during the year	-	-	1,084	-	**1,084**
Balances as at year end :						
(i)	Trade Receivables	11	-	220	-	**231**
(ii)	Loans given [O]	-	-	630	53	**683**
(iii)	Long term borrowings	-	-	1,109	-	**1,109**
(iv)	Other receivables and advances (including brand fee prepaid) [M, Q]	1,488	9	1,139	33	**2,669**
(v)	Trade Payables	21	-	33	15	**69**
(vi)	Other payables (including brand fee payable) [M, N]	244	-	46	18	**308**
(vii)	Financial guarantee given	-	-	9,541	-	**9,541**
(viii)	Banking Limits assigned/utilised to/for group companies [L]	115	-	62	-	**177**
(ix)	Sitting fee, commission and consultancy fees payable					
	- To Non executive directors	-	-	-	3	**3**
	- To key management personnel	-	-	-	0	**0**
(x)	Dividend payable					
	- To Holding companies	4,887	-	-	0	**4,887**
	- To key management personnel and their relatives	-	-	-	1	**1**
	- To Non executive directors and their relatives	-	-	-	0	**0**

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Remuneration of key management personnel

(₹ in Crore)

Particulars	For the Year ended 31 March 2023
Short-term employee benefits	36
Post employment benefits *	1
Share based payments	4
Total	**41**

* Does not include the provision made for gratuity and leave benefits, as they are determined on an actuarial basis for all the employees together.

J) For the period ended 31 March 2022

(₹ in Crore)

Particulars		Entities controlling the company/ Fellow Subsidiaries	Associates	Subsidiaries	Others	Total
Income :						
(i)	Revenue from operations	1,176	-	1,831	2	**3,009**
(ii)	Other Income					
a)	Interest and guarantee commission	11	-	103	-	**114**
b)	Dividend income	1	-	7,828	-	**7,829**
c)	Outsourcing service fees	4	-	-	-	**4**
d)	Miscellaneous income	-	-	16	1	**17**
Expenditure and other transactions :						
(i)	Purchase of goods/ services	75	-	682	46	**803**
(ii)	Stock options expenses/ (recovery)	-	-	(15)	-	**(15)**
(iii)	Allocation of Corporate Expenses	-	-	131	-	**131**
(iv)	Management and Brand Fees [M]	1,294	-	-	-	**1,294**
(v)	Reimbursement for other expenses (net of recovery)	(0)	-	(45)	(0)	**(45)**
(vi)	Corporate Social Responsibility expenditure/ Donation	-	-	-	15	**15**
(vii)	Contribution to Post retirement employee benefit trust	-	-	-	8	**8**
(viii)	Sale/ (Purchase) of fixed assets	-	-	(96)	-	**(96)**
(ix)	Dividend paid					
	- To Holding companies	11,346	-	-	6	**11,352**
	- To key management personnel	-	-	-	0	**0**
	- To relatives of key management personnel	-	-	-	1	**1**
(x)	- To Non executive directors and their relatives					
	- To Non executive directors	-	-	-	4	**4**
	- To other key management personnel	-	-	-	1	**1**
(xi)	Interest and guarantee commission expense [Q]	127	-	51	-	**178**
(xii)	Miscellaneous expenses	-	-	7	-	**7**
Transactions during the year :						
(i)	Financial guarantees given	-	-	5,106	-	**5,106**
(ii)	Financial guarantees relinquished	1	-	4,524	-	**4,525**
(iii)	Loans given during the year	0	-	383	-	**383**
(iv)	Loans repaid during the year [K]	-	-	567	99	**666**
(v)	Investments made/ (redeemed) during the year	-	0	(0)	-	**0**
(vi)	Short-term borrowings taken/ (repaid) during the year	-	-	(200)	-	**(200)**

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(₹ in Crore)

Particulars		Entities controlling the company/ Fellow Subsidiaries	Associates	Subsidiaries	Others	Total
Balances as at year end :						
(i)	Trade Receivables	10	-	27	-	**37**
(ii)	Loans given [O]	-	-	518	178	**696**
(iii)	Other receivables and advances (including brand fee prepaid) [M, Q]	145	9	224	2	**380**
(iv)	Trade Payables	48	-	9	17	**74**
(v)	Other payables	123	-	34	20	**177**
(vi)	Financial guarantee given	-	-	11,569	-	**11,569**
(vii)	Banking Limits assigned/utilised to/for group companies [L]	115	-	62	-	**177**
(viii)	Sitting fee, commission and consultancy fees payable					
	- To Independent directors	-	-	-	3	**3**
	- To key management personnel	-	-	-	0	**0**

Remuneration of key management personnel

(₹ in Crore)

Particulars	For the Year ended 31 March 2022
Short-term employee benefits	34
Post employment benefits *	1
Share based payments	1
Total	**36**

* Does not include the provision made for gratuity and leave benefits, as they are determined on an actuarial basis for all the employees together.

K) The Company reduced its loan receivable from Vedanta Limited ESOS Trust by ₹ 125 Crore (31 March 2022: ₹ 99 Crore) on exercise of stock options by employees.

L) Bank guarantee given by the Company on behalf of Volcan Investments Limited in favour of Income Tax department, India as collateral in respect of certain tax disputes of Volcan Investments Limited.

M) The Company has a Brand license and strategic service fee agreement ("the Agreement") with Vedanta Resources Limited ("VRL") for the use of brand 'Vedanta' and providing strategic services which envisaged payment to VRL at 2% of turnover of the Company. During the previous year, the Agreement was extended for a further period of fifteen years. The Company has recorded an expense of ₹ 1,344 Crore (31 March 2022: ₹ 1,236 Crore) for the year ended 31 March 2023. Further, during the current year, based on updated benchmarking analysis conducted by independent experts, the brand license and strategic service fee has been re-negotiated at 3% of the turnover of the Company with effect from 01 April 2023. The Company generally pays such fee in advance, based on its estimated annual turnover.
During the current year, the Company executed a sub-licensing agreement for its existing Brand License and Strategic Services Fee agreement with VRL consequent to which it has sub-licensed the brand license and strategic services to its subsidiary HZL with effect from 01 October 2022. Based on independent benchmarking analysis, an annual fee of 2% of HZL's annual consolidated turnover has been agreed, of which 1.70% would be passed on as a sub-licensing fee to VRL. Consequently, the Company has recognised an income of ₹ 318 Crore and an expense of ₹ 270 Crore for the year ended 31 March 2023.

N) During the year ended 31 March 2021, the Directorate General of Foreign Trade ("DGFT") has issued scrips worth ₹ 216 Crore to the Company under the Target Plus Scheme ("TPS") that must be utilised by February 2023. Out of these, scrips amounting to ₹ 48 Crore and ₹ 3 Crore has been allocated to HZL and BALCO, respectively and corresponding

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liabilities to HZL and BALCO has been recorded in the books of the Company. As at 31 March 2023, scrips of ₹ 28 Crore and ₹ 3 Crore are yet to be utilised with respect to HZL and BALCO, respectively. As the TPS license has expired, the Company has created a provision against these scrips and written back its payable to HZL and BALCO.

O) During the current year ended 31 March 2023, the Company has renewed loan provided to Sterlite Iron and Steel Company Limited for a further period of 12 months. The loan balance as at 31 March 2023 is ₹ 5 Crore (31 March 2022: ₹ 5 Crore). The loan is unsecured in nature and carries an interest rate of 11.13% per annum. The loan including accrued interest thereon have been fully provided for in the books of the Company.

P) During the current year ended 31 March 2023, the Company executed an agency contract with VRL pursuant to which, the Company procured calcined alumina amounting to ₹ 735 Crore on which an agency commission of ₹ 4 Crore was paid to VRL.

Q) Vedanta Resources Limited ("VRL"), as a parent company, has provided financial and performance guarantee to the Government of India for erstwhile Cairn India group's ("Cairn") obligations under the Production Sharing Contract ('PSC') provided for onshore block RJ-ON-90/1, for making available financial resources equivalent to Cairn's share for its obligations under the PSC, personnel and technical services in accordance with industry practices and any other resources in case Cairn is unable to fulfil its obligations under the PSC.

Similarly, VRL has also provided financial and performance guarantee to the Government of India for the Company's obligations under the Revenue Sharing Contract ("RSC") in respect of 51 Blocks awarded under the Open Acreage Licensing Policy ("OALP") by the Government of India.

As a consideration for the guarantee with respect to the PSC, the Company pays an annual charge of 1.2% of net exploration and development spend, subject to a minimum annual fee of ₹ 41 Crore (US$ 5 million), in ratio of participating interests held equally by the Company and its step-down subsidiary, Cairn Energy Hydrocarbons Ltd ("CEHL"). As regards the RSC, the Company paid a one-time charge of ₹ 183 crore (US$ 25 million), i.e., 2.5% of the total estimated cost of initial exploration phase of approx. ₹ 7,330 Crore (US$ 1 billion), in the year ended 31 March 2021, and pays an annual charge of 1% of spend, subject to a minimum fee of ₹ 80 Crore (US$ 10 million) and maximum fee of ₹ 160 Crore (US$ 20 million) per annum.

Accordingly, the Company has recorded a guarantee commission expense of ₹ 157 Crore (US$ 20 million) (31 March 2022: ₹ 127 Crore (US$ 17 million)) for the year ended 31 March 2023 and ₹ 75 Crore (US$ 9 million) (31 March 2022: ₹ 126 Crore (US$ 17 million)) is outstanding as a pre-payment as at 31 March 2023.

40 Subsequent events

There are no other material adjusting or non-adjusting subsequent events, except as already disclosed.

41 (a) The Company has incurred gross amount of ₹ 227 Crore (31 March 2022: ₹ 138 Crore) towards Corporate Social Responsibility (CSR) as per Section 135 of the Companies Act, 2013:

(₹ in Crore)

	Particulars	Year ended 31 March 2023		Year ended 31 March 2022	
		In- Cash	Yet to be Paid in Cash	In- Cash	Yet to be Paid in Cash
(a)	Gross amount required to be spend by the Company during the year	112		37	
(b)	Amount approved by the Board to be spent during the year	142		138	
(c)	Amount spent on: *				
i)	Construction/acquisition of assets	-	-	-	-
ii)	On purposes other than (i) above (for CSR projects)	94	32	126	12
	Total	**94**	**32**	**126**	**12**

* includes ₹ 64 Crore (31 March 2022: ₹ 15 Crore) paid to related party (Refer note 39)

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forming part of the financial statements as at and for the year ended 31 March 2023

Amount of expense excess spent

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Opening Balance	101	-
Amount spent during the year	126	138
Amount required to be spent during the year	(112)	(37)
Closing Balance*	**115**	**101**

*Excess spent at the end of the year is recognised as asset in the balance sheet which is proposed to be offset against future spend obligations

Balance of CSR provision/ CSR expenses not yet paid in cash

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Opening Balance	12	18
Provision made during the year	126	138
Payments made during the year	(106)	(144)
Closing Balance	**32**	**12**

Nature of CSR Expenses

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Health and sanitation	19	14
Infrastructure development	55	7
Education sports and culture	33	17
Covid support and others	19	100
Utilisation of opening excess spent	101	-
Total	**227**	**138**

(b) Disclosures under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	203	186
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	15	9
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

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(c) Loans and Advance(s) in the nature of Loan (Regulations 34 (3) and 53 (f) read together with Para A of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements), 2015 and Section 186(4) of the Companies Act, 2013):

(₹ in Crore)

Name of the Company	Relationship	Balance as at 31 March 2023	Maximum Amount Outstanding during the year	Balance as at 31 March 2022
Sesa Resources Limited ("SRL")	Wholly owned Subsidiary	-	85	74
Sterlite Ports Limited ("SPL") [2]	Wholly owned Subsidiary	-	4	4
Sesa Mining Corporation Limited (SMCL") [2]	Wholly owned Subsidiary	8	27	20
ESL Steel Limited ("ESL")	Subsidiary	132	258	158
Talwandi Sabo Power Limited ("TSPL")	Wholly owned Subsidiary	-	75	75
Ferro Alloys Corporation Limited	Subsidiary (Refer Note 3(d))	22	22	22
Malco Energy Limited	Wholly owned Subsidiary	449	455	147
Vizag General Cargo Berth Private Limited ("VGCB")	Wholly owned Subsidiary	19	19	19
Paradip Multi Cargo Berth Private Limited ("PMCB")[2]	Wholly owned Subsidiary	-	0	0

1 None of the loanee have made, per se, investment in the shares of the Company.

2 The Mumbai NCLT and Chennai NCLT has passed orders dated 06 June 2022 and 22 March 2023 respectively sanctioning the scheme of amalgamation of SPL, PMCB, Maritime Ventures Private Limited ("MVPL"), Goa Sea Port Private Limited ("GSPL"), wholly owned subsidiaries/step down subsidiaries of SRL, with SMCL. Statutory filing with MCA is in progress.

Pre merger, investments made by SPL in MVPL - 10,000 equity shares and GSPL - 50,000 equity shares Investments made by SRL in SMCL - 11,50,000 equity shares, Goa Maritime Private Limited - 5,000 Shares, SPL - 2,50,000 shares and PMCB - 10,000 shares

Investment made by SMCL in Desai Cement Company Private Limited - 18,52,646 shares

3 The above loans have been given for business purpose.

4 Details of investments made and guarantees provided are given in Note 6 and Note 38B, respectively.

(d) The Company does not have any material transactions with companies struck off as per the Companies Act, 2013.

(e) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(f) The Company has not been declared wilful defaulter by any bank or financial institution or other lender.

(g) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(h) The Company has not traded or invested in Crypto currency or Virtual currency during the financial year.

(i) The Company has no any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

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forming part of the financial statements as at and for the year ended 31 March 2023

42 Financial ratios are as follows:

	Ratio	As at 31 March 2023	As at 31 March 2022	% Variance
1	Current Ratio (in times)	0.68	0.80	-15%
2	Debt-Equity Ratio (in times) [a]	0.62	0.47	31%
3	Debt Service Coverage Ratio (in times) [b]	2.76	1.93	43%
4	Return on Equity Ratio (%) [c]	31%	23%	38%
5	Inventory turnover Ratio (in times)	6.92	6.41	8%
6	Trade Receivables turnover Ratio (in times)	22.90	22.42	2%
7	Trade payables turnover Ratio (in times)	10.33	10.35	0%
8	Net capital turnover Ratio (in times)	*	*	*
9	Net profit Ratio (%)	34%	28%	20%
10	Return on Capital employed (%) [d]	6%	14%	-57%
11	Return on investment (%) [e]	3.71%	0.06%	6041%

*Net working capital is negative

Formulae for computation of ratios is as follows:

	Ratio	Formula
1	Current Ratio (in times)	Current Assets/ Current Liabilities (excluding current maturities of long-term borrowing)
2	Debt-Equity Ratio (in times)	Gross Debt/ Total Equity
3	Debt Service Coverage Ratio (in times)	Income available for debt service/ (interest expense and principal payments of long term loans), where income available for debt service = Profit before exceptional items and tax + Depreciation, depletion and amortization expense + Interest expense
4	Return on Equity Ratio (%)	Net Profit after tax before exceptional items (net of tax)/ Average Equity
5	Inventory turnover Ratio (in times)	Revenue from operations less EBITDA/ Average Inventory
6	Trade Receivables turnover Ratio (in times)	Revenue from operations/ Average Trade Receivables
7	Trade payables turnover Ratio (in times)	Total Purchases/ Average Trade Payables
8	Net capital turnover Ratio (in times)	Revenue from operations/ Working capital (WC), where WC = Current Assets - Current Liabilities (excluding current maturities of long-term borrowing)
9	Net profit Ratio (%)	Net Profit after tax before exceptional items (net of tax)/ Revenue from operations
10	Return on Capital employed (in times)	Earnings before interest and tax/ Average Capital Employed, where capital employed = Net Debt + Total Equity
11	Return on investment (%)	Income from investments carried at FVTPL/ Average current investments

Notes:

a. The Debt Equity ratio has increased due to increase in debt during the current year.

b. The Debt Service Coverage Ratio has increased due to increase in net profits during the current year.

c. The Return on Equity Ratio has increased due to increase in net profits during the current year.

d. The Return on Capital employed has decreased due to decrease in earnings from operations during the current year.

e. The Return on investment has increased as there has been increase in current investments during the year.

NOTES

forming part of the financial statements as at and for the year ended 31 March 2023

43 Oil & gas reserves and resources

The Company's gross reserve estimates are updated atleast annually based on the forecast of production profiles, determined on an asset-by-asset basis, using appropriate petroleum engineering techniques. The estimates of reserves and resources have been derived in accordance with the Society for Petroleum Engineers "Petroleum Resources Management System (2018)". The changes to the reserves are generally on account of future development projects, application of technologies such as enhanced oil recovery techniques and true up of the estimates. The management's internal estimates of hydrocarbon reserves and resources at the year end, are as follows:

Particulars	Country	Gross proved and probable hydrocarbons initially in place (mmboe)		Gross proved and probable reserves and resources (mmboe)		Net working interest proved and probable reserves and resources (mmboe)	
		As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Rajasthan Fields	India	4,806	5,910	933	1,006	327	352
Ravva Fields	India	704	704	18	23	4	5
KG-ONN fields	India	292	292	36	36	20	20
CBOS/2 Fields	India	298	298	22	25	9	10
Other fields	India	561	535	146	61	146	62
Total		**6,661**	**7,739**	**1,155**	**1,151**	**506**	**449**

The Company's net working interest proved and probable reserves is as follows:

Particulars	Proved and probable reserves		Proved and probable reserves (developed)	
	Oil (mmstb)	Gas (bscf)	Oil (mmstb)	Gas (bscf)
Reserves as of 31 March 2021*	**134**	**133**	**84**	**87**
Revisions/ additions during the year	(8)	(8)	2	(3)
Production during the year	(18)	(19)	(17)	(20)
Reserves as of 31 March 2022**	**108**	**106**	**69**	**64**
Revisions/ additions during the year	(5)	7	9	16
Production during the year	(15)	(19)	(15)	(19)
Reserves as of 31 March 2023***	**88**	**94**	**63**	**61**

* Includes probable oil reserves of 56.83 mmstb (of which 12.80 mmstb is developed) and probable gas reserves of 65.39 bscf (of which 27.22 bscf is developed)

** Includes probable oil reserves of 40.86 mmstb (of which 9.82 mmstb is developed) and probable gas reserves of 45.90 bscf (of which 14.15 bscf is developed)

*** Includes probable oil reserves of 29.91 mmstb (of which 10.59 mmstb is developed) and probable gas reserves of 33.40 bscf (of which 11.01 bscf is developed)

mmboe = million barrels of oil equivalent

mmstb = million stock tank barrels

bscf = billion standard cubic feet

1 million metric tonnes = 7.4 mmstb

1 standard cubic meter =35.315 standard cubic feet

NOTES

forming part of the financial statements as at and for the year ended 31 March 2023

44 Other matters

a) The Company purchases bauxite under long term linkage arrangement with Orissa Mining Corporation Ltd (hereafter referred as "OMC") at provisional price of ₹ 1,000/MT from October 2020 onwards based on interim order dated 08 October 2020 of the Hon'ble High Court of Odisha, which is subject to final outcome of the writ petition filed by the Company.

The last successful e-auction based price discovery was done by OMC in April 2019 at ₹ 673/MT and supplied bauxite at this rate from September 2019 to September 2020 against an undertaking furnished by the Company to compensate any differential price discovered through future successful national e-auctions. Though OMC conducted the next e-auction on 31 August 2020 with floor price of ₹ 1,707/MT determined on the basis of Rule 45 of Minerals Concession Rules, 2016 (hereafter referred as the 'Rules'), no bidder participated at that floor price and hence the auction was not successful. However, OMC raised demand of ₹ 281 Crore on the Company towards differential pricing and interest for bauxite supplied till September 2020 considering the auction base price of ₹ 1,707/MT.

The Company had then filed a writ petition before Hon'ble High Court of Odisha in September 2020, which issued an interim Order dated 08 October 2020 directing that the petitioner shall be permitted to lift the quantity of bauxite mutually agreed on payment of ₹ 1,000/MT and furnishing an undertaking for the differential amount, subject to final outcome of the writ petition.

OMC re-conducted e-auction on 09 March 2021 with floor price of ₹ 2,011/MT, which again was not successful. On 18 March 2021, Cuttack HC issued an order that the current arrangement of bauxite price @ ₹ 1000/MT will continue for the FY 2021-22. Further, on 06 April 2022, the honourable Cuttack HC directed that the current arrangement will continue for the FY 2022-23 also.

Supported by legal opinions, management believes that the provisions of Rule 45 of the Rules are not applicable to commercial sale of bauxite ore and hence, it is not probable that the Company will have any financial obligation towards the aforesaid commitments over and above the price of ₹ 673/MT discovered vide last successful e-auction.

However, as an abundant precaution, the Company has recognised purchase of Bauxite from September 2019 onwards at the aforesaid rate of ₹ 1,000/MT.

(b) The Ministry of Environment, Forest and Climate Change ("MOEF&CC") has revised emission norms for coal-based power plants in India. Accordingly, both captive and independent coal-based power plants in India are required to comply with these revised norms for reduction of sulphur oxide (SOx) emissions for which the current plant infrastructure is to be modified or new equipments have to be installed. The Company is required to comply with the norms by 31 December 2026 via MoEF&CC's notification dated 05 September 2022.

(c) On 26 October 2018, the Government of India (GoI), acting through the Directorate General of Hydrocarbons (DGH) granted its approval for a ten-year extension of the Production Sharing Contract (PSC) for the Rajasthan Block (RJ), with effect from 15 May 2020 subject to certain conditions and pay additional 10% profit petroleum. Pending the outcome of arbitration and petition filed with Supreme court on applicability of policy, MoPNG vide letter dated 21 October 2022 has conveyed the grant of approval of extension of PSC for 10 years from 15 May 2020 to 14 May 2030 and the PSC addendum has been executed by the parties on 27 October 2022.

DGH, in September 2022, has trued up the earlier demand raised till 31 March 2018 up to 14 May 2020 for Government's additional share of Profit oil based on its computation of disallowance of cost incurred over retrospective re-allocation of certain common costs between Development Areas (DAs) of Rajasthan Block and certain other matters aggregating to ₹ 9,545 Crore (US$ 1,162 million) applicable interest thereon representing share of the Company and its subsidiary.

NOTES

forming part of the financial statements as at and for the year ended 31 March 2023

The Company has disputed the aforesaid demand and the other audit exceptions, notified till date, as in the Company's view the audit notings are not in accordance with the PSC and are entirely unsustainable. Further, as per PSC provisions, disputed notings do not prevail and accordingly do not result in creation of any liability. The Company believes it has reasonable grounds to defend itself which are supported by independent legal opinions. In accordance with PSC terms, the Company had commenced arbitration proceedings. The final hearing and arguments were concluded in September 2022. Post hearing briefs was filed by both the parties and award is awaited.

For reasons aforesaid, the Company is not expecting any material liability to devolve on account of these matters.

See accompanying notes to the financial statements

As per our report of even date

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

per **Vikas Pansari**
Partner
Membership No:093649

Place: Mumbai
Date: 12 May 2023

For and on behalf of the Board of Directors

Navin Agarwal
Executive Vice-Chairman and Whole-Time Director
DIN 00006303

Sunil Duggal
Whole-Time Director and Group Chief Executive Officer
DIN 07291685

Prerna Halwasiya
Company Secretary and Compliance Officer
ICSI Membership No. A20856

Place: Mumbai
Date: 12 May 2023

FINANCIAL STATEMENTS

Consolidated

INDEPENDENT AUDITOR'S REPORT

To the Members of Vedanta Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of Vedanta Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates and joint ventures comprising of the consolidated Balance sheet as at 31 March 2023, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and joint ventures, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at 31 March 2023, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group, associates and joint ventures in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended 31 March 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">Accounting and disclosure of related party transactions (as described in note 42(I), 42(J), 42(L), 42(N), 42(M) of the consolidated Ind AS financial statements)</td></tr>
<tr><td>The Group has undertaken transactions with related party, Vedanta Resources Limited ('VRL'), its intermediated holding company and its affiliates including among others determination of credit losses / (reversals) of loans, payment of brand and strategic management fee, agency commission, obtaining guarantees and payment of consideration thereof

Accounting and disclosure of such related party transactions has been identified as a key audit matter due to a) Significance of such related party transactions; b) Risk of such transactions being executed without proper authorizations; c) Judgments and estimation involved in determination of fair value of loans and guarantees given and expected credit losses on subsequent measurement; and d) Risk of material information relating to aforesaid transactions not getting disclosed in the financial statements.</td><td>Our procedures included the following:
• Obtained and read the Group's policies, processes and procedures in respect of identification of such related parties in accordance with relevant laws and standards, obtaining approval, recording and disclosure of related party transactions and identified key controls. For selected controls we have performed tests of controls.
• Tested such related party transactions and balances with the underlying contracts, confirmation letters and other supporting documents provided by the Group.
• Examined the approvals / modification of the board and/or audit committee of these transactions.
• Obtained and assessed the legal and accounting opinion issued by experts engaged by the management for the accounting of agency commission with the parent company.
• Obtained and assessed the benchmarking report issued by the experts engaged by the management for the brand and strategic management fee.
• Assessed the competence and objectivity of the external experts
• Tested the methodology adopted by the Group for determination of subsequent credit losses/(reversals) on loans to parent company and its affiliates.
• Engaged valuation experts to assist us in performing the said procedures.
• Engaged transfer pricing experts to assist us in corroborating the arms-length assessment carried out by the management for brand and strategic fee.
• Held discussions and obtained representations from the management in relation to such transactions.

Read the disclosures made in this regard in the financial statements and assessed whether relevant and material information have been disclosed.</td></tr>
<tr><td colspan="2">Recoverability of carrying value of property plant and equipment capital work in progress and exploration intangible assets under development (as described in note 3(a)(H), 3(c)(A)(i), 3(c)(A)(iii), 3(c)(A)(v), 3(c)(A)(vi), 6 and 36 of the consolidated Ind AS financial statements)</td></tr>
<tr><td>As at 31 March 2023, the Group had significant amounts of property, plant and equipment, capital work in progress and exploration intangible assets under development which were carried at historical cost less depreciation.

We focused our efforts on the Cash Generating Unit ("CGU") at (a) Tuticorin within the copper segment; (b) Rajasthan block within the oil & gas segment and (c) Western Cluster Limited in Liberia within the Iron Ore segment; as it had identified impairment (charge) / reversal indicators.

Recoverability of property plant and equipment, capital work in progress and exploration intangible assets being carried at cost has been identified as a key audit matter due to:
• The significance of the carrying value of assets being assessed.
• The fact that the assessment of the recoverable amount of the Group's CGU involves significant judgements about the future cash flow forecasts, start date of the plant and the discount rate that is applied.
• The withdrawal of the Holding Company's licenses to operate the copper plant.
• The revision to brent oil assumptions up to 2040 due to increased demand.
• Changes in production forecasts due to adjustments in the future reserve estimates
• Levy of Special Additional Excise Duty ('SAED') on oil producers due to significant increase in crude prices resulting windfall gains to domestic crude producers</td><td>Our audit procedures included the following:
• Obtained and read the Group's policies, processes and procedures in respect of identification of impairment indicators, recording and disclosure of impairment charge / (reversal) and identified key controls. For selected controls we have performed tests of controls.
• Assessed through an analysis of internal and external factors impacting the Group, whether there were any indicators of impairment in line with Ind AS 36.
• In relation to the CGU at (a) Tuticorin within the copper segment; (b) the Rajasthan block within the oil & gas segment and (c) Western Cluster within the Iron Ore segment where impairment (charge) / reversal indicators were identified, obtained and evaluated the valuation models used to determine the recoverable amount by assessing the key assumptions used by management, which included:
– Assessed the implications of withdrawal of Holding Company's license to operate the copper plant at Tuticorin. Read the external legal opinions in respect of the merits of the case and assessed management's position through discussions with the legal counsel to determine the basis of their conclusion and its consequential impact on the reopening of the plant.
– Evaluated the valuation methodology adopted by the management i.e. determination of Value In Use in light of the facts and circumstances of the matter.
– Assessed management's forecasting accuracy by comparing prior year forecasts to actual results and assessed the potential impact of any variances.
– Corroborated the sales price assumptions used in the models against analyst consensus and assessing the reasonableness of costs.
– Compared the production forecasts used in the impairment tests with management's approved reserves and resources estimates,
– Compared the SAED forecast used in the impairment tests with actual levy of current year and obtained external legal opinion for the interpretations made over the determination of amount due to the levy of SAED.
– Tested the weighted average cost of capital used to discount the impairment models.
– Tested the integrity of the models together with their clerical accuracy.</td></tr>
</table>

Key audit matters	How our audit addressed the key audit matter
• The fact that the Group obtained the mining license and have started the mining activity at Bomi mine in Liberia, which were suspended since 2015 due to outbreak of Ebola. The key judgements and estimates centered on the likely outcome of the litigations with respect to withdrawal of license to operate the Copper plant, cash flow forecasts, likelihood of license extension, interpretations on mechanism of levy of SAED, discount rate assumptions and related disclosures as given in note 6 (Property, plant and equipment) / 36 (Exceptional items) of the accompanying financial statements	– Tested the classification of expenses incurred in respect of the Bomi mines in Liberia to evaluate whether these are eligible for reversal. – Tested arithmetical accuracy of bifurcation of expenses between the 3 mines in Western cluster. – Compared assumptions used by management in respect of price forecast and ore grade against the consensus report, reserve and resource report. – Assessed Group's reserves and resources estimation methods and policies and reading reports provided by management's external reserves experts and assessed the scope of work and findings of these third parties; – Assessed the competence, capability and objectivity of experts engaged by management; through understanding their relevant professional qualifications and experience. – Engaged valuation experts to assist in performance of the above procedures • Assessed the disclosures made by the Group in this regard and evaluated the considerations leading to disclosure of above impairment (charge) / reversal as exceptional items.
Recoverability of disputed trade receivables in Power segment (as described in note 3(c)(B)(iii) and Note 8 of the consolidated Ind AS financial statements)	
As of 31 March 2023 the value of disputed receivables in the power segment aggregated to ₹2,354 Crore. Due to short supply or non-supply of power due to transmission line constraints, order received from Orissa State Electricity Regulatory Commission (OERC), matters related to change of law following execution of power purchase agreement and disagreements over the quantification relating to aforementioned disputes or timing of the recovery of receivables, the recovery of said receivables are subject to increased risk. Some of these balances are also subject to litigation. The risk is specifically related to receivables from Punjab State Power Corporation Limited (PSPCL) and GRIDCO. These receivables include long outstanding balances as well and are also subject to counter party credit risk and hence considered as a key audit matter	Our audit procedures included the following: • Examined the underlying power purchase agreements. • Examined the relevant state regulatory commission, appellate tribunal and court rulings. • Obtained and assessed the model prepared by the management for computation of Expected credit loss on the disputed receivables, including testing of key assumptions. • Engaged valuation experts to assist in performing above procedures. • Tested arithmetical accuracy of the models prepared by the management. • Obtained independent external lawyer confirmation from Legal Counsel of the Group who is contesting the cases. • Examined external legal opinions in respect of the merits of the case and assessed management's position through discussions with the management's in-house legal team to determine the basis of their conclusion. • Assessed the competence and objectivity of the Group's experts. • Assessed the disclosures made by the Group in this regard.
Claims and exposures relating to taxation and litigation (as described in note 3(c)(B)(ii), 37e, 40D and 41 of the consolidated Ind AS financial statements)	
The Group is subject to a large number of tax and legal disputes, including objections raised by auditors appointed by the Director General Hydrocarbons in the oil and gas segment, vendor arbitrations, mining royalty demand, income tax disallowances and various indirect tax disputes which have been disclosed / provided for in the financial statements based on the facts and circumstances of each case. Taxation and litigation exposures have been identified as a key audit matter due to the complexities involved in these matters, timescales involved for resolution and the potential financial impact of these on the financial statements. Further, significant management judgement is involved in assessing the exposure of each case and thus a risk that such cases and thus a higher risk involved on adequacy of provision or disclosure of such cases.	Our audit procedures included the following:- • Obtained an understanding of the process of identification of claims, litigations and its classification as probable, possible or remote and identified key controls in the process. For selected controls we have performed tests of controls. • Obtained the summary of Group's legal and tax cases and critically assessed management's position through discussions with the Legal Counsel, Head of Tax and operational management, on both the probability of success in significant cases, and the magnitude of any potential loss. • Obtained independent external lawyer confirmation from Legal Counsel of the Group who is contesting the cases. • Examined external legal opinions (where considered necessary) and other evidence to corroborate management's assessment of the risk profile in respect of legal claims. • Assessed the competence and objectivity of the Group's experts. • Engaged tax specialists to technically appraise the tax positions taken by management with respect to local tax issues. • Assessed whether management assessment of similar cases is consistent across the divisions and subsidiaries or that differences in positions are adequately justified. • Assessed whether management assessment of similar cases is consistent with the positions taken in earlier periods or that difference in positions are adequately justified. • Assessed the relevant disclosures made within the financial statements to address accuracy of the amounts and whether they reflect the facts and circumstances of the respective tax and legal exposures and the requirements of relevant accounting standards.

Key audit matters	How our audit addressed the key audit matter
Recognition and measurement of Deferred Tax Assets including Minimum Alternate Tax (MAT) (as described in note 3(c)(A)(ii) and 37 of the consolidated Ind AS financial statements)	
Deferred tax assets as at 31 March 2023 includes MAT credits of ₹ 9,382 Crore which is available for utilization against future tax liabilities. Of the aforesaid, we focused our effort on MAT assets of ₹ 2,689 Crore which is expected to be utilised in the fourteenth year and fifteenth year, fifteen years being the maximum permissible time period to utilize the same. Additionally, ESL Steel Limited, one of the component of the Group, has recognized deferred tax assets of ₹ 3,184 Crore during earlier years. The analysis of the recoverability of such deferred tax assets has been identified as a key audit matter because the assessment process involves judgement regarding the future profitability, allowability of tax positions / deductions claimed by the management in the tax computations and likelihood of the realization of these assets, in particular whether there will be taxable profits in future periods that support the recognition of these assets. This requires assumptions regarding future profitability, which is inherently uncertain. Accordingly, the same is considered as a key audit matter.	Our audit procedures included the following:- • Obtained an understanding of the management's process for estimating the recoverability of the deferred tax assets and identified key controls in the process. For selected controls we have performed tests of controls. • Obtained and analysed the future projections of taxable profits estimated by management, assessing the key assumptions used, including the analysis of the consistency of the actual results obtained by the various segments with those projected in the previous year. We further obtained evidence of the approval of the budgeted results included in the current year's projections, and the reasonableness of the future cash flow projections. • Assessed management's forecasting accuracy by comparing prior year forecasts to actual results and assessed the potential impact of any variances. • Tested the accuracy of the deductions availed under the Income Tax Act included in the tax computation. • Tested the computation of the amounts recognized as deferred tax assets. • Engaged valuation experts to assist in performance of the above procedures. • Assessed the competence and objectivity of the experts engaged by us. • Assessed the disclosures made by the Group in this regard.

Information Other than the Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associates and joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of their respective company(ies) to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associates and joint ventures are also responsible for overseeing the financial reporting process of their respective company(ies).

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and joint ventures of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended 31 March 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

(a) We did not audit the financial statements and other financial information, in respect of 18 subsidiaries, whose financial statements include total assets of ₹ 31,100 Crore as at 31 March 2023, and total revenues of ₹ 13,463 Crore, total net profit after tax of ₹ 1,480 Crore, total comprehensive income of ₹ 1,493 Crore, and net cash outflows of ₹ 76 Crore for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated financial statements also include the Group's share of total assets of ₹ Nil, total revenues of ₹ Nil, total net loss of ₹ 3 Crore, total comprehensive loss of ₹ 3 Crore, and net cash inflows of ₹ Nil for the year ended 31 March 2023, as considered in the consolidated financial statements, in respect of 1 associate and 1 joint venture, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint venture and associate, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint venture and associate, is based solely on the report(s) of such other auditors.

Certain of these subsidiaries, associate and joint venture are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries, associate and joint venture located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries, joint venture and associate located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

(b) The accompanying consolidated financial statements include unaudited financial statements and other unaudited financial information in respect of 9 subsidiaries, whose financial statements and other financial information reflect total assets of ₹ 1,651 Crore as at 31 March 2023, total revenues of ₹ 5,205 Crore, total net loss after tax of ₹ 116 Crore, total comprehensive loss of ₹ 115 Crore and net cash inflows of ₹ 33 Crore for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. The consolidated financial statements also include the Group's share of total assets of ₹ Nil, total revenues of ₹ Nil, total net profit of ₹ Nil, total comprehensive income of ₹ Nil and net cash inflows of ₹ Nil for the year ended 31 March 2023, as considered in the consolidated financial statements, in respect of 1 associate and 3 joint ventures, whose financial statements, other financial information have not been audited and whose unaudited financial statements, other unaudited financial information have been furnished to us by the Management. The consolidated Ind AS financial statements also includes group's share of total assets of ₹ 149 Crore as at 31 March 2023, total revenues of ₹ 100 Crore, total net profit after tax of ₹ 32 Crore, total comprehensive income of ₹ 32 Crore for the year ended 31 March 2023, and net cash inflows of ₹ 0 Crore for the year ended 31 March 2023 in respect of unincorporated joint venture not operated by the Group. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries, joint ventures and associate, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, joint ventures and associate, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies, associate companies and joint ventures companies, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, associates and joint ventures, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

   (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, associate companies and joint ventures, none of the directors of the Group's companies, its associates and joint ventures, incorporated in India, is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies, associate companies and joint ventures, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, associates and joint ventures incorporated in India, the managerial remuneration for the year ended 31 March 2023 has been paid / provided by the Holding Company, its subsidiaries, associates and joint ventures incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act, except in case of 1 subsidiary incorporated in India, wherein the managerial remuneration in respect of a whole time director for the year ended 31 March 2023 has been paid /provided in excess of the provisions of section 197 read with Schedule V to the Act and the terms of appointment and remuneration paid to the new Whole Time Director is yet to be approved by the shareholders of the subsidiary. Management of the subsidiary is in the process of obtaining waiver of the aforesaid excess remuneration and approval of the terms of appointment and remuneration for the new whole time director from the shareholders of the subsidiary (Refer Note 41(e)(iii));

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associates and joint ventures, as noted in the 'Other matter' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associates and joint ventures in its consolidated financial statements – Refer Note 3(c)(B)(ii), 37e, 40D and 41 to the consolidated financial statements;

ii. The Group, its associates and joint ventures did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended 31 March 2023;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, associates and joint ventures, incorporated in India during the year ended 31 March 2023.

iv. a) The respective managements of the Holding Company and its subsidiaries, associate and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, associate and joint ventures respectively that, to the best of its knowledge and belief, as disclosed in the note 42(O) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries, associate and joint ventures to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries, associate and joint ventures ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective managements of the Holding Company and its subsidiaries, associate and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, associate and joint ventures respectively that, to the best of its knowledge and belief, as disclosed in the note 42(O) to the consolidated financial statements, no funds have been received by the respective Holding Company or any of such subsidiaries, associate and joint ventures from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries, associate and joint ventures shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries, associate and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v) The interim dividend declared and paid during the year by the Holding Company, its subsidiaries, associate and joint venture companies incorporated in India and until the date of the respective audit reports of such Holding Company, subsidiaries, associate and joint ventures is in accordance with section 123 of the Act.

vi) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable only w.e.f. April 1, 2023 for the Holding Company, its subsidiaries, associate and joint venture companies incorporated in India, hence reporting under this clause is not applicable.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Vikas Pansari**
Partner
Membership Number: 093649
UDIN: 23093649BGXPKQ3436

Place of Signature: Mumbai
Date: 12 May 2023

ANNEXURE-1

referred to paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date

Re: **Vedanta Limited** ('the Company')

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

Qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements are:

S.No	Name	CIN	Holding company/ subsidiary/ associate/ joint venture	Clause number of the CARO report which is qualified or is adverse
1	Bharat Aluminium Company Limited	U74899DL1965PLC004518	Subsidiary	(ix)(d)
2	Sesa Resources Limited	U13209GA1965PLC000030	Subsidiary	(i)(c)
3	Malco Energy Limited	U31300TN2001PLC069645	Subsidiary	(ix)(d)

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Vikas Pansari**
Partner
Membership Number: 093649
UDIN: 23093649BGXPKQ3436

Place of Signature: Mumbai
Date: 12 May 2023

ANNEXURE 2

to the Independent Auditor's Report of even date on the Ind As Consolidated Financial Statements of Vedanta Limted

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of Vedanta Limited as of and for the year ended 31 March 2023, we have audited the internal financial controls over financial reporting of Vedanta Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its 19 subsidiary companies, its 1 associate company and 2 joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Committee of Sponsoring Organisations of the Treadway Commission (2013 Framework) ("COSO 2013 Criteria"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Ind AS Financial Statements

A company's internal financial control over financial reporting with reference to these consolidated Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, its subsidiary companies, its associate company and joint ventures, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and such internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements were operating effectively as at 31 March 2023, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the COSO 2013 criterion.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company, insofar as it relates to 6 subsidiary companies, 1 associate and 2 joint ventures which is a company incorporated in India, is based on the corresponding reports of the auditors of such subsidiary.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Vikas Pansari**
Partner
Membership Number: 093649
UDIN: 23093649BGXPKQ3436

Place of Signature: Mumbai
Date: 12 May 2023

CONSOLIDATED BALANCE SHEET

As at 31 March 2023

(₹ in Crore)

Particulars	Note	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
Property, Plant and Equipment	6	93,607	91,990
Capital work-in-progress	6	17,434	14,230
Intangible assets	6	1,976	1,476
Exploration intangible assets under development	6	2,256	1,649
Financial assets			
Investments	7A	514	151
Trade receivables	8	2,532	3,001
Loans	9	10	3,166
Others	10	3,784	3,092
Deferred tax assets (net)	37	8,495	5,085
Income tax assets (net)	37	1,635	2,762
Other non-current assets	11	3,606	3,442
Total non-current assets		**1,35,849**	**1,30,044**
Current assets			
Inventories	12	15,012	14,313
Financial assets			
Investments	7B	12,636	17,140
Trade receivables	8	4,014	4,946
Cash and cash equivalents	13	6,926	8,671
Other bank balances	14	2,328	6,684
Loans	9	3,760	2,304
Derivatives	24	214	258
Others	10	7,868	8,724
Income tax assets (net)		1,256	25
Other current assets	11	6,493	5,273
Total current assets		**60,507**	**68,338**
Total Assets		**1,96,356**	**1,98,382**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	372	372
Other equity	16	39,051	65,011
Equity attributable to owners of Vedanta Limited		**39,423**	**65,383**
Non-controlling interests	17	10,004	17,321
Total Equity		**49,427**	**82,704**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	19A	43,476	36,205
Lease liabilities	23	144	150
Derivatives	24	20	6
Other financial liabilities	22	1,606	1,327
Provisions	25	3,426	3,386
Deferred tax liabilities (net)	37	5,922	4,435
Other non-current liabilities	26	4,309	4,674
Total non-current liabilities		**58,903**	**50,183**
Current liabilities			
Financial liabilities			
Borrowings	19B	22,706	16,904
Lease liabilities	23	302	324
Operational buyers' credit / suppliers' credit	21	13,701	11,151
Trade payables	20	11,043	10,380
Derivatives	24	193	531
Other financial liabilities	22	24,861	17,094
Provisions	25	381	417
Income tax liabilities (net)		1,601	917
Other current liabilities	26	13,238	7,777
Total current liabilities		**88,026**	**65,495**
Total Equity and Liabilities		**1,96,356**	**1,98,382**

See accompanying notes to the financial statements

As per our report of even date

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

per **Vikas Pansari**
Partner
Membership No: 093649

Place: Mumbai
Date: 12 May 2023

For and on behalf of the Board of Directors

Navin Agarwal
Executive Vice-Chairman and Whole-Time Director
DIN 00006303

Sunil Duggal
Whole-Time Director and Group Chief Executive Officer
DIN 07291685

Prerna Halwasiya
Company Secretary and Compliance Officer
ICSI Membership No. A20856

Place: Mumbai
Date: 12 May 2023

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For the year ended 31 March 2023

(₹ in Crore)

Particulars	Note	Year ended 31 March 2023	Year ended 31 March 2022
Revenue from operations	27	1,45,404	1,31,192
Other operating income	28	1,904	1,540
Other income	29	2,851	2,600
Total income		**1,50,159**	**1,35,332**
Expenses			
Cost of materials consumed		44,470	37,397
Purchases of stock-in-trade		57	133
Changes in inventories of finished goods, work-in-progress and stock in trade	30	(377)	(2,049)
Power and fuel charges		30,950	20,939
Employee benefits expense	31	3,098	2,811
Finance costs	34	6,225	4,797
Depreciation, depletion and amortisation expense	6	10,555	8,895
Other expenses	35	34,688	28,677
Total expenses		**1,29,666**	**1,01,600**
Profit before exceptional items and tax		20,493	33,732
Net exceptional loss	36	(217)	(768)
Profit before tax		**20,276**	**32,964**
Tax expense:	37		
Net current tax expense		7,624	6,889
Net deferred tax (benefit)/ expense		(1,580)	2,544
On exceptional items			
Net deferred tax (benefit)/ expense		(152)	402
Net current tax benefit		(122)	(580)
Net tax expense:		**5,770**	**9,255**
Profit after tax for the period before share in (loss)/ profit of jointly controlled entities and associates		14,506	23,709
Add: Share in (loss)/ profit of jointly controlled entities and associates		(3)	1
Profit for the period after share in (loss)/ profit of jointly controlled entities and associates (A)		**14,503**	**23,710**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement loss on defined benefit plans		(11)	(18)
Tax benefit		11	1
(Loss)/ gain on FVOCI equity investment		(37)	15
		(37)	**(2)**
Items that will be reclassified to profit or loss			
Net gain/ (loss) on cash flow hedges recognised during the period		3,451	(271)
Tax (expense)/ benefit		(1,201)	90
Net (loss)/ gain on cash flow hedges recycled to profit or loss		(3,433)	371
Tax benefit/ (expense)		1,201	(131)
Net loss on FVOCI debt investment		(34)	-
Tax benefit		4	-
Exchange differences on translation		886	793
Tax benefit		84	13
		958	**865**
Total other comprehensive income (B)		**921**	**863**
Total comprehensive income for the period (A+B)		**15,424**	**24,573**
Profit attributable to:			
Owners of Vedanta Limited		10,574	18,802
Non-controlling interests		3,929	4,908
Other comprehensive income attributable to:			
Owners of Vedanta Limited		987	823
Non-controlling interests		(66)	40
Total comprehensive income attributable to:			
Owners of Vedanta Limited		11,561	19,625
Non-controlling interests		3,863	4,948
Earnings per equity share (₹):			
- Basic	38	28.50	50.73
- Diluted	38	28.32	50.38

See accompanying notes to the financial statements

As per our report of even date

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

per **Vikas Pansari**
Partner
Membership No: 093649

Place: Mumbai
Date: 12 May 2023

For and on behalf of the Board of Directors

Navin Agarwal
Executive Vice-Chairman and Whole-Time Director
DIN 00006303

Sunil Duggal
Whole-Time Director and Group Chief Executive Officer
DIN 07291685

Prerna Halwasiya
Company Secretary and Compliance Officer
ICSI Membership No. A20856

Place: Mumbai
Date: 12 May 2023

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2023

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	20,276	32,964
Adjustments for:		
Depreciation, depletion and amortisation	10,597	8,919
Impairment charge/(reversal) of assets/ Capital work-in-progress written off	(771)	(2,621)
Provision for doubtful debts/ advance/ bad debts written off	426	244
Exploration costs written off	327	2,618
Liabilities written back	(256)	(65)
Other exceptional items	-	771
Other non-cash item	(66)	-
Fair value gain on financial assets held at fair value through profit or loss	(74)	(209)
Loss/ (Profit) on sale/ discard of property, plant and equipment (net)	9	(128)
Foreign exchange loss (net)	492	235
Unwinding of discount on decommissioning liability	96	78
Transfer of CSR assets (Refer note 6)	117	-
Share based payment expense	77	79
Interest and dividend income	(2,283)	(1,887)
Interest expense	6,129	4,712
Deferred government grant	(273)	(245)
Changes in assets and liabilities		
Decrease/ (Increase) in trade and other receivables	1,662	(8,199)
Increase in inventories	(728)	(4,373)
Increase in trade and other payables	3,665	7,806
Cash generated from operations	**39,422**	**40,699**
Income taxes paid (net)	(6,357)	(5,736)
Net cash generated from operating activities	**33,065**	**34,963**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment (including intangibles)	(13,787)	(10,630)
Proceeds from sale of property, plant and equipment	133	325
Loans repaid by related parties (Refer Note 42)	2,408	1,623
Deposits made	(4,203)	(11,966)
Proceeds from redemption of deposits	9,238	16,960
Short term investments made	(1,11,039)	(87,135)
Proceeds from sale of short term investments	1,15,244	86,848
Interest received	1,674	1,868
Dividends received	18	1
Payment made to site restoration fund	(129)	(147)
Purchase of long term investments (Refer Note 42)	(250)	0
Net cash used in investing activities	**(693)**	**(2,253)**

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2023

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayment)/ Proceeds of short-term borrowings (net)	(951)	875
Proceeds from current borrowings	23,846	13,256
Repayment of current borrowings	(18,319)	(10,337)
Proceeds from long-term borrowings	18,624	20,916
Repayment of long-term borrowings	(10,464)	(28,758)
Interest paid	(5,530)	(5,274)
Payment for acquiring non-controlling interest	(17)	-
Payment of dividends to equity holders of the Company, net of taxes	(29,959)	(16,681)
Payment of dividends to non-controlling interests	(11,190)	(2,668)
Payment of lease liabilities	(182)	(232)
Net cash used in financing activities	**(34,142)**	**(28,903)**
Effect of exchange rate changes on cash and cash equivalents	25	10
Net (decrease)/ increase in cash and cash equivalents	**(1,745)**	**3,817**
Cash and cash equivalents at the beginning of the year	8,671	4,854
Cash and cash equivalents at end of the year (Refer note 13)	**6,926**	**8,671**

Notes:

1. The figures in parentheses indicate outflow.
2. The above cash flow has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS) 7 - statement of cash flows

See accompanying notes to the financial statements

As per our report of even date

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

per **Vikas Pansari**
Partner
Membership No: 093649

Place: Mumbai
Date: 12 May 2023

For and on behalf of the Board of Directors

Navin Agarwal
Executive Vice-Chairman and Whole-Time Director
DIN 00006303

Sunil Duggal
Whole-Time Director and Group Chief Executive Officer
DIN 07291685

Prerna Halwasiya
Company Secretary and Compliance Officer
ICSI Membership No. A20856

Place: Mumbai
Date: 12 May 2023

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2023

A. Equity Share Capital

Equity shares of ₹ 1 each issued, subscribed and fully paid	Number of shares (in Crore)	Amount (₹ in Crore)
As at 31 March 2023, 31 March 2022 and 31 March 2021*	372	372

*There are no prior period errors for the years ended 31 March 2022 and 31 March 2021.

B. Other Equity

(₹ in Crore)

Particulars	Reserves and surplus				Items of OCI					
	Capital reserve	Securities premium	Retained earnings	Other reserves (Refer note below)	Foreign currency translation reserve	Instruments through OCI	Effective portion of cash flow hedges	Total other equity	Non-controlling interests	Total
Balance as at 01 April 2021	**18,512**	**19,009**	**1,623**	**19,672**	**3,045**	**93**	**(48)**	**61,906**	**15,138**	**77,044**
Profit for the year	-	-	18,802	-	-	-	-	18,802	4,908	23,710
Other comprehensive income for the year (net of tax impact)	-	-	(17)	-	734	15	91	823	40	863
Total comprehensive income for the year	**-**	**-**	**18,785**	**-**	**734**	**15**	**91**	**19,625**	**4,948**	**24,573**
Recognition of share based payment	-	-	-	43	-	-	-	43	-	43
Stock options cancelled during the year	-	-	24	(34)	-	-	-	(10)	-	(10)
Exercise of stock option	-	-	(19)	49	-	-	-	30	-	30
Transfer from debenture redemption reserve	-	-	584	(584)	-	-	-	-	-	-
Recognition of put option liability/derecognition of non controlling interest	98	-	-	-	-	-	-	98	(97)	1
Dividend	-	-	(16,681)	-	-	-	-	(16,681)	(2,668)	(19,349)
Balance as at 31 March 2022	**18,610**	**19,009**	**4,316**	**19,146**	**3,779**	**108**	**43**	**65,011**	**17,321**	**82,332**
Profit for the year	-	-	10,574	-	-	-	-	10,574	3,929	14,503
Other comprehensive income for the year (net of tax impact)	-	-	(3)	-	1,072	(57)	(25)	987	(66)	921
Total comprehensive income for the year	**-**	**-**	**10,571**	**-**	**1,072**	**(57)**	**(25)**	**11,561**	**3,863**	**15,424**
Recognition of share based payment	-	-	-	85	-	-	-	85	-	85
Stock options cancelled during the year	-	-	8	(15)	-	-	-	(7)	-	(7)
Exercise of stock option	-	-	(78)	88	-	-	-	10	-	10
Recognition of put option liability/derecognition of non controlling interest	21	-	-	-	-	-	-	21	(31)	(10)
Acquisition of non-controlling interest in FPL (Refer note 4)	(58)	-	-	-	-	-	-	(58)	41	(17)
Dividend including tax (Refer note 39)	-	-	(37,572)	-	-	-	-	(37,572)	(11,190)	(48,762)
Balance as at 31 March 2023	**18,573**	**19,009**	**(22,755)**	**19,304**	**4,851**	**51**	**18**	**39,051**	**10,004**	**49,055**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2023

Note:

Other reserves comprise:

(₹ in Crore)

Particulars	Capital redemption reserve	Debenture redemption reserve	Preference share redemption reserve	Capital reserve on consolidation	Share based payment reserve	Legal reserve	Treasury shares	General reserve	Total
Balance as at 01 April 2021	**23**	**584**	**3,087**	**10**	**171**	**25**	**(323)**	**16,095**	**19,672**
Recognition of share based payment	-	-	-	-	43	-	-	-	43
Stock options cancelled during the year	-	-	-	-	(34)	-	-	-	(34)
Exercise of stock options	-	-	-	-	(44)	-	93	-	49
Transfer to retained earnings	-	(584)	-	-	-	-	-	-	(584)
Balance as at 31 March 2022	**23**	**-**	**3,087**	**10**	**136**	**25**	**(230)**	**16,095**	**19,146**
Recognition of share based payment	-	-	-	-	85	-	-	-	85
Stock options cancelled during the year	-	-	-	-	(15)	-	-	-	(15)
Exercise of stock options	-	-	-	-	(38)	-	126	-	88
Balance as at 31 March 2023	**23**	**-**	**3,087**	**10**	**168**	**25**	**(104)**	**16,095**	**19,304**

See accompanying notes to the financial statements

As per our report of even date

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

per **Vikas Pansari**
Partner
Membership No: 093649

Place: Mumbai
Date: 12 May 2023

For and on behalf of the Board of Directors

Navin Agarwal
Executive Vice-Chairman and Whole-Time Director
DIN 00006303

Sunil Duggal
Whole-Time Director and Group Chief Executive Officer
DIN 07291685

Prerna Halwasiya
Company Secretary and Compliance Officer
ICSI Membership No. A20856

Place: Mumbai
Date: 12 May 2023

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forming part of the financial statements as at and for the year ended 31 March 2023

1 Group overview

Vedanta Limited ("the Company") and its consolidated subsidiaries (collectively, the "Group") is a diversified natural resource group engaged in exploring, extracting and processing minerals and oil and gas. The Group engages in the exploration, production and sale of zinc, lead, silver, copper, aluminium, iron ore and oil and gas and has a presence across India, South Africa, Namibia, Ireland, Australia, Liberia and UAE. The Group is also in the business of commercial power generation, steel manufacturing and port operations in India and manufacturing of glass substrate in South Korea and Taiwan.

The Company was incorporated on 08 September 1975 under the laws of the Republic of India. The registered office of the Company is situated at 1st Floor, 'C' wing, Unit 103, Corporate Avenue, Atul Projects, Chakala, Andheri (East), Mumbai-400093, Maharashtra. The Company's shares are listed on National Stock Exchange ('NSE') and Bombay Stock Exchange ('BSE') in India. In June 2007, the Company completed its initial public offering of American Depositary Shares, or ADS, each representing four equity shares, and listed its ADSs on the New York Stock Exchange ('NYSE').

The ADSs of the Company have been delisted from NYSE effective close of trading on NYSE on 08 November 2021. The Company has been deregistered from SEC under the Exchange Act effective 01 March 2023.

The Company is majority owned by Twin Star Holdings Limited ("Twin Star"), Finsider International Company Limited ("Finsider"), Vedanta Holdings Mauritius II Limited ("VHM2L"), Vedanta Holdings Mauritius Limited ("VHML"), Welter Trading Limited ("Welter") and Vedanta Netherlands Investments BV ("VNIBV") which are in turn wholly-owned subsidiaries of Vedanta Resources Limited ("VRL"), a company incorporated in the United Kingdom. VRL, through its subsidiaries, held 68.11% (31 March 2022: 69.69%) of the Company's equity as at 31 March 2023.

Details of Group's various businesses are as follows. The Group's percentage holdings in each of the below businesses are disclosed in note 43.

- Zinc India business is owned and operated by Hindustan Zinc Limited ("HZL").
- Zinc international business comprises Skorpion mine and refinery in Namibia operated through THL Zinc Namibia Holdings (Proprietary) Limited ("Skorpion"), Lisheen mine in Ireland operated through Vedanta Lisheen Holdings Limited ("Lisheen") (Lisheen mine ceased operations in December 2015) and Black Mountain Mining (Proprietary) Limited ("BMM"), whose assets include the operational Black Mountain mine and the Gamsberg mine project located in South Africa.
- The Group's oil and gas business is owned and operated by the Company and its subsidiary, Cairn Energy Hydrocarbons Limited and consists of exploration and development and production of oil and gas.
- The Group's iron ore business is owned by the Company, and by its wholly owned subsidiary, i.e., Sesa Resources Limited and consists of exploration, mining and processing of iron ore, pig iron and metallurgical coke and generation of power for captive use. Pursuant to the Honourable Supreme Court of India order, mining operations in the state of Goa were suspended. During the current year, the Government of Goa has initiated auction of mines in which the Company has participated. The Company has been declared as the principal bidder for the Bicholim mine and has received the Letter of Intent (LOI) from the Government of Goa.

  In addition, the Group's iron ore business also includes a wholly owned subsidiary, Western Cluster Limited ("WCL") in Liberia which has iron ore assets. WCL's assets include development rights to Western Cluster and a network of iron ore deposits in West Africa. During the current year, WCL has signed a Memorandum of Understanding with the Government of Liberia to re-start its mining operations in Liberia. Commercial production of saleable ore commenced from July 2022 followed by shipments from December 2022.
- The Group's copper business is owned and operated by the Company, Copper Mines of Tasmania Pty Ltd ("CMT") and Fujairah Gold FZC and is principally one of custom smelting and includes captive power plants at Tuticorin in Southern India.

  The Group's copper business in Tamil Nadu, India has received an order from the Tamil Nadu Pollution Control Board ("TNPCB") on 09 April 2018, rejecting the Company's application for renewal of consent to operate under the Air and Water Acts for the 4,00,000 TPA copper smelter plant in Tuticorin for want of further clarification and consequently the operations were suspended. The Company has filed an appeal with TNPCB Appellate authority against the said order. During the pendency of the appeal, TNPCB through its order dated 23 May 2018 ordered

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forming part of the financial statements as at and for the year ended 31 March 2023

for disconnection of electricity supply and closure of copper smelter plant. Post such order, the state government on 28 May 2018 ordered the permanent closure of the plant. We continue to engage with the Government of India and relevant authorities to enable the restart of operations at Copper India. [Refer note 3(c)(A)(iii)].

Further, the Company's copper business includes refinery and rod plant at Silvassa consisting of a 2,45,000 MT of blister/ secondary material processing plant, a 2,16,000 TPA copper refinery plant and a copper rod mill with an installed capacity of 2,58,000 TPA. The plant continues to operate as usual, catering to the domestic market.

In addition, the Group owns and operates the Mt. Lyell copper mine in Tasmania, Australia through its subsidiary, CMT and a precious metal refinery and copper rod plant in Fujairah, UAE through its subsidiary Fujairah Gold FZC. The operations of Mt Lyell copper mine were suspended in January 2014 following a mud slide incident and were put into care and maintenance since 09 July 2014 following a rock fall incident in June 2014. In November 2021, the Group executed an arrangement with a third party for further exploration with an option to fully divest its shareholding in return for royalties on successful mining and production.

- The Group's Aluminium business is owned and operated by the Company and by Bharat Aluminium Company Limited ("BALCO"). The aluminium operations include a refinery and captive power plant at Lanjigarh and a smelter and captive power plants at Jharsuguda both situated in the State of Odisha in Eastern India. BALCO's partially integrated aluminium operations comprise two bauxite mines, captive power plants, smelting and fabrication facilities in the State of Chhattisgarh in central India.
- The Group's power business is owned and operated by the Company, BALCO, and Talwandi Sabo Power Limited ("TSPL"), a wholly owned subsidiary of the Company, which are engaged in the power generation business in India. The Company's power operations include a thermal coal- based commercial power facility of 600 MW at Jharsuguda in the State of Odisha in Eastern India. BALCO power operations included 600 MW (2 units of 300 MW each) thermal coal based power plant at Korba, of which a unit of 300 MW was converted to be used for captive consumption vide order from the Central Electricity Regulatory Commission (CERC) dated 01 January 2019. Talwandi Sabo Power Limited ("TSPL") power operations include 1,980 MW (three units of 660 MW each) thermal coal- based commercial power facilities. Power business also includes the wind power plants commissioned by HZL and a power plant at MALCO Energy Limited ("MEL") (under care and maintenance) situated at Mettur Dam in the State of Tamil Nadu in southern India.
- The Group's other activities include ESL Steel Limited ("ESL") (formerly known as Electrosteel Steels Limited). ESL is engaged in the manufacturing and supply of billets, TMT bars, wire rods and ductile iron pipes in India.

The Group's other business also include Vizag General Cargo Berth Private Limited ("VGCB") and Maritime Ventures Private Limited ("MVPL"). Vizag port project includes mechanization of coal handling facilities and upgradation of general cargo berth for handling coal at the outer harbour of Visakhapatnam Port on the east coast of India. MVPL is engaged in the business of rendering logistics and other allied services inter alia rendering stevedoring, and other allied services in ports and other allied sectors. VGCB commenced operations in the fourth quarter of fiscal 2013. The Group's other business also include AvanStrate Inc. ("ASI"), Ferro Alloys Corporation Limited ("FACOR") and Desai Cement Company Private Limited ("DCCPL"). ASI is involved in the manufacturing of glass substrate in South Korea and Taiwan. FACOR is involved in manufacturing of Ferro Alloys, mining of chrome ore and generation of power. It owns a ferro chrome plant with a capacity of approximately 1,40,000 TPA, a 100MW power plant and a mine in Sukinda valley with current capacity of 2,90,000 TPA. DCCPL is involved in business of producing slag cements and owns three ball mills with capacity of 2,18,000 TPA.

2 Basis of preparation and basis of measurement of financial statements

(A) Basis of preparation

i) These consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Companies Act, 2013 (the "Act") (as amended from time to time), guidelines issued by the Securities and Exchange Board of India ("SEBI") and Guidance Note on Accounting for Oil and Gas Producing Activities issued by the Institute of Chartered Accountants of India.

These consolidated financial statements have been prepared in accordance with the accounting policies,

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forming part of the financial statements as at and for the year ended 31 March 2023

set out below and were consistently applied to all periods presented unless otherwise stated.

These consolidated financial statements are approved for issue by the Board of Directors on 12 May 2023. The revision to these consolidated financial statements is permitted by the Board of Directors after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of the Act.

All financial information presented in Indian Rupees has been rounded off to the nearest crore except when indicated otherwise. Amounts less than ₹ 0.50 Crore have been presented as “0”.

ii) Certain comparative figures appearing in these consolidated financial statements have been regrouped and/or reclassified to better reflect the nature of those items.

(B) Basis of measurement

The consolidated financial statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets and liabilities which are measured at fair value as explained in the accounting policies below.

3(a) Significant accounting policies

(A) Basis of Consolidation

i) Subsidiaries:

The consolidated financial statements incorporate the results of the Company and all its subsidiaries (the "Group"), being the entities that it controls. Control is evidenced where the Group has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power is demonstrated through existing rights that give the ability to direct relevant activities, which significantly affect the entity's returns.

The financial statements of subsidiaries are prepared for the same reporting year as the parent company. Where necessary, adjustments are made to the financial statements of subsidiaries to align the accounting policies in line with accounting policies of the Group.

For non-wholly owned subsidiaries, a share of the profit/(loss) for the financial year and net assets is attributed to the non-controlling interests as shown in the consolidated statement of profit and loss and consolidated balance sheet.

Liability for put option issued to non-controlling interests which do not grant present access to ownership interest to the Group is recognised at present value of the redemption amount and is reclassified from equity. At the end of each reporting period, the non-controlling interests subject to put option is derecognised and the difference between the amount derecognised and present value of the redemption amount, which is recorded as a financial liability, is accounted for as an equity transaction.

For acquisitions of additional interests in subsidiaries, where there is no change in control, the Group recognises a reduction to the non-controlling interest of the respective subsidiary with the difference between this figure and the cash paid, inclusive of transaction fees, being recognised in equity. Similarly, upon dilution of controlling interests the difference between the cash received from sale or listing of the subsidiary shares and the increase to non-controlling interest is also recognised in equity. The results of subsidiaries acquired or disposed off during the year are included in the consolidated statement of profit and loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Intra-Group balances and transactions, and any unrealized profit arising from intra-Group transactions, are eliminated. Unrealized losses are eliminated unless costs cannot be recovered.

ii) Joint arrangements

A Joint arrangement is an arrangement of which two or more parties have joint control. Joint control is considered when there is contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Investments in joint arrangements are classified as either joint operations or joint venture. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby, the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

The Group has both joint operations and joint ventures.

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forming part of the financial statements as at and for the year ended 31 March 2023

Joint operations

The Group has joint operations within its Oil and gas segment. It participates in several unincorporated joint operations which involve the joint control of assets used in oil and gas exploration and producing activities. The Group accounts for its share of assets, liabilities, income and expenditure of joint operations in which the Group holds an interest. Liabilities in unincorporated joint operations, where the Group is the operator, is accounted for at gross values (including share of other partners) with a corresponding receivable from the venture partner. These have been included in the consolidated financial statements under the appropriate headings.

Details of joint operations are set out in Note 43.

Joint venture

The Group accounts for its interest in joint venture using the equity method (see (iv) below), after initially being recognised at cost in the consolidated balance sheet. Goodwill arising on the acquisition of joint venture is included in the carrying value of investments in joint venture.

iii) Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. Investments in associates are accounted for using the equity method (see (iv) below). Goodwill arising on the acquisition of associate is included in the carrying value of investments in associate.

iv) Equity method of accounting

Under the equity method of accounting applicable for investments in associates and joint ventures, investments are initially recorded at the cost to the Group and then, in subsequent periods, the carrying value is adjusted to reflect the Group's share of the post-acquisition profits or losses of the investee, and the Group's share of other comprehensive income of the investee, other changes to the investee's net assets and is further adjusted for impairment losses, if any. Dividend received or receivable from associates and joint-ventures are recognised as a reduction in carrying amount of the investment.

The consolidated statement of profit and loss include the Group's share of investee's results, except where the investee is generating losses, share of such losses in excess of the Group's interest in that investee are not recognized. Losses recognised under the equity method in excess of the Group's investment in ordinary shares are applied to the other components of the Group's interest that forms part of Group's net investment in the investee in the reverse order of their seniority (i.e., priority in liquidation).

If the Group's share of losses in an associate or joint venture equals or exceeds its interests in the associate or joint venture, the Group discontinues the recognition of further losses. Additional losses are provided for, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate/joint venture.

Unrealised gains arising from transactions with associates and joint ventures are eliminated against the investment to the extent of the Group's interest in these entities. Unrealised losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment of the asset transferred. Accounting policies of equity accounted investees is changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in Note 3(a)(H) below.

(B) Business combination

Business combinations are accounted for under the purchase method. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under Ind AS 103 'Business Combinations' are recognised at their fair value at the acquisition date, except certain assets and liabilities required to be measured as per the applicable standards.

Excess of fair value of purchase consideration and the acquisition date non-controlling interest over the acquisition date fair value of identifiable assets acquired and liabilities assumed is recognised as goodwill. Goodwill arising on acquisitions is reviewed for impairment annually. Where the fair values of the identifiable assets and liabilities exceed the purchase consideration, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in other comprehensive income and accumulated in equity as capital reserve. However,

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if there is no clear evidence of bargain purchase, the Group recognizes the gain directly in equity as capital reserve, without routing the same through other comprehensive income.

Where it is not possible to complete the determination of fair values by the date on which the first post-acquisition financial statements are approved, a provisional assessment of fair value is made and any adjustments required to those provisional fair values are finalised within 12 months of the acquisition date.

Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed twelve months from the acquisition date.

Any non-controlling interest in an acquiree is measured at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets. This accounting choice is made on a transaction by transaction basis.

Acquisition expenses are charged to the consolidated statement of profit and loss.

If the Group acquires a group of assets in a company that does not constitute a business combination in accordance with Ind AS 103 'Business Combinations', the cost of the acquired group of assets is allocated to the individual identifiable assets acquired based on their relative fair value.

Common control transactions

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and the control is not transitory. The transactions between entities under common control are specifically covered by Ind AS 103. Such transactions are accounted for using the pooling-of-interest method. The assets and liabilities of the acquired entity are recognised at their carrying amounts recorded in the parent entity's consolidated financial statements with the exception of certain income tax and deferred tax assets. No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies.

The components of equity of the acquired companies are added to the same components within Group equity. The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves. The company's shares issued in consideration for the acquired companies are recognised at face value from the moment the acquired companies are included in these financial statements and the financial statements of the commonly controlled entities would be combined, retrospectively, as if the transaction had occurred at the beginning of the earliest reporting period presented. However, the prior year comparative information is only adjusted for periods during which entities were under common control.

(C) Revenue recognition

- **Sale of goods/rendering of services (Including Revenue from contracts with customers)**

The Group's revenue from contracts with customers is mainly from the sale of copper, aluminium, iron ore, zinc, oil and gas, power, steel, glass substrate and port operations. Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer as per terms of contract, which usually is on delivery of the goods to the shipping agent at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is recognised net of discounts, volume rebates, outgoing sales taxes/ goods and service tax and other indirect taxes. Revenues from sale of by-products are included in revenue.

Certain of the Group's sales contracts provide for provisional pricing based on the price on the London Metal Exchange (LME) and crude index, as specified in the contract. Revenue in respect of such contracts is recognised when control passes to the customer and is measured at the amount the entity expects to be entitled – being the estimate of the price expected to be received at the end of the measurement period. Post transfer of control of goods, provisional pricing features are accounted in accordance with Ind AS 109 'Financial Instruments' rather than Ind AS 115 'Revenue from contracts with customers' and therefore the Ind AS 115 rules on variable consideration do not apply. These 'provisional pricing' adjustments, i.e., the

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consideration adjusted post transfer of control are included in total revenue from operations on the face of the consolidated statement of profit and loss and disclosed by way of note to the financial statements. Final settlement of the price is based on the applicable price for a specified future period. The Group's provisionally priced sales are marked to market using the relevant forward prices for the future period specified in the contract and is adjusted in revenue.

Revenue from oil, gas and condensate sales represent the Group's share in the revenue from sale of such products, by the joint operations, and is recognised as and when control in these products gets transferred to the customers. In computing its share of revenue, the Group excludes government's share of profit oil which gets accounted for when the obligation in respect of the same arises.

Revenue from sale of power is recognised when delivered and measured based on rates as per bilateral contractual agreements with buyers and at a rate arrived at based on the principles laid down under the relevant Tariff Regulations as notified by the regulatory bodies, as applicable.

Where the Group acts as a port operator, revenues relating to operating and maintenance phase of the port contract are measured at the amount that Group expects to be entitled to for the services provided.

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs part of its obligation by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration when that right is conditional on the Group's future performance.

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is received. The advance payments received plus a specified rate of return/ discount, at the prevailing market rates, is settled by supplying respective goods over a period of up to twenty four months under an agreed delivery schedule as per the terms of the respective agreements. As these are contracts that the Group expects, and has the ability, to fulfil through delivery of a non-financial item, these are presented as advance from customers and are recognised as revenue as and when control of respective commodities is transferred to customers under the agreements. The fixed rate of return/discount is treated as finance cost. The portion of the advance where either the Group does not have a unilateral right to defer settlement beyond 12 months or expects settlement within 12 months from the balance sheet date is classified as current liability.

- **Interest income**

  Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

- **Dividends**

  Dividend income is recognised in the consolidated statement of profit and loss only when the right to receive payment is established, provided it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

(D) Property, Plant and Equipment

i) Mining properties and leases

When a decision is taken that a mining property is viable for commercial production (i.e., when the Group determines that the mining property will provide sufficient and sustainable return relative to the risks and the Group decided to proceed with the mine development), all further pre-production primary development expenditure other than that on land, buildings, plant, equipment and capital work in progress is capitalized as property, plant and equipment under the heading “Mining properties and leases” together with any amount transferred from “Exploration and evaluation” assets. The costs of mining properties and leases include the costs of acquiring and developing mining properties and mineral rights.

The stripping cost incurred during the production phase of a surface mine is deferred to the extent the current period stripping cost exceeds the average period stripping cost over the life of mine and recognised as an asset if such cost provides a benefit in terms of improved access to ore in future periods and certain criteria are met. When the benefit from

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the stripping costs are realised in the current period, the stripping costs are accounted for as the cost of inventory. If the costs of inventory produced and the stripping activity asset are not separately identifiable, a relevant production measure is used to allocate the production stripping costs between the inventory produced and the stripping activity asset. The Group uses the expected volume of waste compared with the actual volume of waste extracted for a given value of ore/ mineral production for the purpose of determining the cost of the stripping activity asset.

Deferred stripping costs are included in mining properties within property, plant and equipment and disclosed as a part of mining properties. After initial recognition, the stripping activity asset is depreciated on a unit of production method over the expected useful life of the identified component of the ore body.

In circumstances where a mining property is abandoned, the cumulative capitalised costs relating to the property are written off in the period in which it occurs, i.e., when the Group determines that the mining property will not provide sufficient and sustainable returns relative to the risks and the Group decides not to proceed with the mine development.

Commercial reserves are proved and probable reserves as defined by the 'JORC' Code, 'MORC' code or 'SAMREC' Code. Changes in the commercial reserves affecting unit of production calculations are dealt with prospectively over the revised remaining reserves.

ii) Oil and gas assets- (developing/producing assets)

For oil and gas assets, a "successful efforts" based accounting policy is followed. Costs incurred prior to obtaining the legal rights to explore an area are expensed immediately to the consolidated statement of profit and loss.

All costs incurred after the technical feasibility and commercial viability of producing hydrocarbons has been demonstrated are capitalised within property, plant and equipment - development/producing assets on a field-by-field basis. Subsequent expenditure is capitalised only where it either enhances the economic benefits of the development/producing asset or replaces part of the existing development/producing asset. Any remaining costs associated with the part replaced are expensed.

Net proceeds from any disposal of development/ producing assets are credited against the previously capitalised cost. A gain or loss on disposal of a development/producing asset is recognised in the consolidated statement of profit and loss to the extent that the net proceeds exceed or are less than the appropriate portion of the net capitalised costs of the asset.

iii) Other property, plant and equipment

The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use. It also includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Subsequently, property plant and equipment is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the consolidated statement of profit and loss for the period during which such expenses are incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains and losses on disposal of an item of property, plant and equipment computed as the difference between the net disposal proceeds and the carrying amount of the asset is included in the consolidated statement of profit and loss when the asset is derecognised. Major inspection and overhaul expenditure is capitalized, if the recognition criteria are met.

iv) Assets under construction

Assets under construction are capitalised in the assets under Capital work in progress. At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning

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of an asset and any obligatory decommissioning costs are capitalised until the period of commissioning has been completed and the asset is ready for its intended use.

Capital work in progress is carried at cost less accumulated impairment losses, if any.

v) Depreciation, depletion and amortisation expense

Mining properties and other assets in the course of development or construction and freehold land and goodwill are not depreciated or amortised.

- **Mining properties**

  The capitalised mining properties are amortised on a unit-of-production basis over the total estimated remaining commercial proved and probable reserves of each property or group of properties and are subject to impairment review. Costs used in the unit of production calculation comprise the net book value of capitalised costs plus the estimated future capital expenditure required to access the commercial reserves. Changes in the estimates of commercial reserves or future capital expenditure are dealt with prospectively.

- **Oil and gas producing facilities**

  All expenditures carried within each field are amortised from the commencement of production on a unit of production basis, which is the ratio of oil and gas production in the period to the estimated quantities of depletable reserves at the end of the period plus the production in the period, generally on a field-by-field basis or group of fields which are reliant on common infrastructure.

  Depletable reserves are proved reserves for acquisition costs and proved and developed reserves for successful exploratory wells, development wells, processing facilities, distribution assets, estimated future abandonment cost and all other related costs. These assets are depleted within each cost centre. Reserves for this purpose are considered on working interest basis which are reassessed atleast annually. Impact of changes to reserves are accounted for prospectively.

- **Other assets**

  Depreciation on other Property, plant and equipment is calculated using the straight-line method (SLM) to allocate their cost, net of their residual values, over their estimated useful lives (determined by the management) as given below.

Management's assessment takes into account, inter alia, the nature of the assets, the estimated usage of the assets, the operating conditions of the assets, past history of replacement and maintenance support.

Estimated useful life of assets are as follows

Asset	Useful life (in years)
Buildings (Residential; factory etc.)	3-60
Plant and equipment	15-40
Railway siding	15
Office equipment	3-6
Furniture and fixture	8-10
Vehicles	8-10

Major inspection and overhaul costs are depreciated over the estimated life of the economic benefit to be derived from such costs. The carrying amount of the remaining previous overhaul cost is charged to the consolidated statement of profit and loss if the next overhaul is undertaken earlier than the previously estimated life of the economic benefit.

The Group reviews the residual value and useful life of an asset at least at each financial year-end and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

(E) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Subsequently, intangible assets are measured at cost less accumulated amortisation and accumulated impairment losses, if any.

The Group recognises port concession rights as "Intangible Assets" arising from a service concession arrangements, in which the grantor controls or regulates the services provided and the prices charged, and also controls any significant residual interest in the infrastructure such as property, plant and equipment, irrespective whether the infrastructure is existing infrastructure of the grantor or the infrastructure is constructed or purchased by the Group as part of the service concession arrangement. Such an intangible asset is recognised by the Group initially at cost determined as the fair value of the consideration received or receivable for the construction service delivered and is capitalised when the project is complete in all respects. Port concession rights are amortised on straight line basis over the

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balance of license period. The concession period is 30 years from the date of the award. Any addition to the port concession rights are measured at fair value on recognition. Port concession rights also include certain property, plant and equipment in accordance with Appendix C of Ind AS 115 "service concession arrangements".

Intangible assets are amortised over their estimated useful life on a straight line basis. Software is amortised over the estimated useful life ranging from 2-5 years. Amounts paid for securing mining rights are amortised over the period of the mining lease ranging from 16-25 years. Technological know-how and acquired brand are amortised over the estimated useful life of ten years.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of profit and loss when the asset is derecognised.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is different from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

(F) Exploration and evaluation intangible assets

Exploration and evaluation expenditure incurred prior to obtaining the mining right or the legal right to explore are expensed as incurred.

Exploration and evaluation expenditure incurred after obtaining the mining right or the legal right to explore are capitalised as exploration and evaluation assets (intangible assets) and stated at cost less impairment, if any. Exploration and evaluation intangible assets are transferred to the appropriate category of property, plant and equipment when the technical feasibility and commercial viability has been determined. Exploration intangible assets under development are assessed for impairment and impairment loss, if any, is recognised prior to reclassification.

Exploration expenditure includes all direct and allocated indirect expenditure associated with finding specific mineral resources which includes depreciation and applicable operating costs of related support equipment and facilities and other costs of exploration activities:

- Acquisition costs - costs associated with acquisition of licenses and rights to explore, including related professional fees.
- General exploration costs - costs of surveys and studies, rights of access to properties to conduct those studies (e.g., costs incurred for environment clearance, defence clearance, etc.), and salaries and other expenses of geologists, geophysical crews and other personnel conducting those studies.
- Costs of exploration drilling and equipping exploration and appraisal wells.

Exploration expenditure incurred in the process of determining oil and gas exploration targets is capitalised within "Exploration and evaluation assets" (intangible assets) and subsequently allocated to drilling activities. Exploration drilling costs are initially capitalised on a well-by-well basis until the success or otherwise of the well has been established. The success or failure of each exploration effort is judged on a well-by-well basis. Drilling costs are written off on completion of a well unless the results indicate that hydrocarbon reserves exist and there is a reasonable prospect that these reserves are commercial.

Following appraisal of successful exploration wells, if commercial reserves are established and technical feasibility for extraction demonstrated, then the related capitalised exploration costs are transferred into a single field cost centre within property, plant and equipment - development/producing assets (oil and gas properties) after testing for impairment. Where results of exploration drilling indicate the presence of hydrocarbons which are ultimately not considered commercially viable, all related costs are written off to the consolidated statement of profit and loss.

Expenditure incurred on the acquisition of a license interest is initially capitalised on a license-by-license basis. Costs are held, undepleted, within exploration and evaluation assets until such time as the exploration phase on the license area is complete or commercial reserves have been discovered.

Net proceeds from any disposal of an exploration asset are initially credited against the previously capitalised costs. Any surplus/ deficit is recognised in the consolidated statement of profit and loss.

(G) Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than

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through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets and disposal groups classified as held for sale are not depreciated and are measured at the lower of carrying amount and fair value less costs to sell. Such assets and disposal groups are presented separately on the face of the consolidated balance sheet.

(H) Impairment of non-financial assets

Impairment charges and reversals are assessed at the level of cash-generating units. A cash-generating unit (CGU) is the smallest identifiable group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or group of assets.

The Group assesses at each reporting date, whether there is an indication that an asset may be impaired. The Group conducts an internal review of asset values annually, which is used as a source of information to assess for any indications of impairment or reversal of previously recognised impairment losses. Internal and external factors, such as worse economic performance than expected, changes in expected future prices, costs and other market factors are also monitored to assess for indications of impairment or reversal of previously recognised impairment losses.

If any such indication exists or in case of goodwill where annual testing of impairment is required, then an impairment review is undertaken and the recoverable amount is calculated, as the higher of fair value less costs of disposal and the asset's value in use.

Fair value less costs of disposal is the price that would be received to sell the asset in an orderly transaction between market participants and does not reflect the effects of factors that may be specific to the Group and not applicable to entities in general. Fair value for mineral and oil and gas assets is generally determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset, including any expansion prospects, and its eventual disposal, using assumptions that an independent market participant may take into account. These cash flows are discounted at an appropriate post tax discount rate to arrive at the net present value.

Value in use is determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset in its present form and its eventual disposal. The cash flows are discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted. Value in use is determined by applying assumptions specific to the Group's continued use and cannot take into account future development. These assumptions are different to those used in calculating fair value and consequently the value in use calculation is likely to give a different result to a fair value calculation.

The carrying amount of the CGU is determined on a basis consistent with the way the recoverable amount of the CGU is determined. The carrying value is net of deferred tax liability recognised in the fair value of assets acquired in the business combination.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognised in the consolidated statement of profit and loss.

Any reversal of the previously recognised impairment loss is limited to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised except if initially attributed to goodwill.

Exploration and evaluation intangible assets:

In assessing whether there is any indication that an exploration and evaluation asset may be impaired, the Group considers, as a minimum, the following indicators:

- the period for which the Group has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the Group has decided to discontinue such activities in the specific area;

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- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale; and
- reserve information prepared annually by external experts.

When a potential impairment is identified, an assessment is performed for each area of interest in conjunction with the group of operating assets (representing a cash-generating unit) to which the exploration and evaluation assets is attributed. Exploration areas in which reserves have been discovered but require major capital expenditure before production can begin, are continually evaluated to ensure that commercial quantities of reserves exist or to ensure that additional exploration work is underway or planned. To the extent that capitalised expenditure is no longer expected to be recovered, it is charged to the consolidated statement of profit and loss.

(I) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets - recognition and subsequent measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Trade receivables that do not contain a significant financing component are measured at transaction price as per Ind AS 115.

For purposes of subsequent measurement, financial assets are classified in four categories:

- ***Financial assets at amortised cost***

  A 'Financial asset' is measured at amortised cost if both the following conditions are met:

  a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

  b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

  After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in consolidated statement of profit and loss. The losses arising from impairment are recognised in consolidated statement of profit and loss.

- ***Financial assets at fair value through other comprehensive income (FVOCI)***

  A 'debt instrument' is classified as at FVOCI if both of the following criteria are met:

  a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

  b) The asset's contractual cash flows represent SPPI.

  Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in other comprehensive income (OCI). However, interest income, impairment losses and reversals and foreign exchange gain or loss are recognized in the consolidated statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in other comprehensive income is reclassified from the equity to consolidated statement of profit and loss. Interest earned whilst holding fair value through other comprehensive income debt instrument is reported as interest income using the EIR method.

  For equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in OCI. The Company makes such election on an instrument-by-instrument basis. If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to the

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consolidated statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

- *Financial assets at fair value through profit or loss (FVTPL)*

  FVTPL is a residual category for debt instruments and default category for equity instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL.

  In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument at FVTPL.

  Debt instruments included within the FVTPL category are measured at fair value with all changes being recognized in the consolidated statement of profit and loss.

  An equity instrument in the scope of Ind AS 109 is measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL.

  For equity instruments which are classified as FVTPL, all subsequent fair value changes are recognised in the consolidated statement of profit and loss.

  Further, the provisionally priced trade receivables are marked to market using the relevant forward prices for the future period specified in the contract and is adjusted in revenue.

(ii) Financial Assets - derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

(iii) Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss ("ECL") model for measurement and recognition of impairment loss on the following financial assets:

a) Financial assets that are debt instruments, and are measured at amortised cost, e.g., loans, debt securities and deposits;

b) Financial assets that are debt instruments and are measured as at FVOCI;

c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables, contract assets and lease receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

At each reporting date, for recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Group reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive, discounted at the original EIR.

ECL impairment loss allowance (or reversal) during the year is recognized as income/ expense in consolidated statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

a) Financial assets measured at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets. The Group does not reduce impairment allowance from the gross carrying amount.

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b) Debt instruments measured at FVOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Group does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

(iv) Financial liabilities – Recognition and Subsequent measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, or as loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value, and in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

The measurement of financial liabilities depends on their classification, as described below:

- ***Financial liabilities at fair value through profit or loss***

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the consolidated statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to consolidated income statement. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the consolidated statement of profit and loss. The Group has not designated any financial liability at fair value through profit or loss.

Further, the provisionally priced trade payables are marked to market using the relevant forward prices for the future period specified in the contract.

- ***Financial liabilities at amortised cost (Loans, Borrowings and Trade and Other payables)***

After initial recognition, interest-bearing loans and borrowings and trade and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the consolidated statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of profit and loss.

(v) Financial liabilities - Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit and loss.

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(vi) Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract - with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Group does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in the consolidated statement of profit and loss, unless designated as effective hedging instruments.

(vii) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

The Company recognises a liability to pay dividend to equity holders of the company when the distribution is authorised, and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution with respect to interim dividend is authorised when it is approved by the board of directors of the Company and final dividend is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

(viii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

(J) Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

In order to hedge its exposure to foreign exchange, interest rate, and commodity price risks, the Group enters into forward, option, swap contracts and other derivative financial instruments. The Group does not hold derivative financial instruments for speculative purposes.

Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the consolidated statement of profit and loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to the consolidated statement of profit and loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment;
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment;
- Hedges of a net investment in a foreign operation;

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At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Group will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

(i) Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in the consolidated statement of profit and loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in the consolidated statement of profit and loss. Hedge accounting is discontinued when the group revokes the hedge relationship, the hedging instrument or hedged item expires or is sold, terminated, or exercised or no longer meets the criteria for hedge accounting.

(ii) Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the consolidated statement of profit and loss.

Amounts recognised in OCI are transferred to the consolidated statement of profit and loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised in OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

(iii) Hedges of a net investment

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised in OCI while any gains or losses relating to the ineffective portion are recognised in the consolidated statement of profit and loss. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is reclassified to the consolidated statement of profit and loss (as a reclassification adjustment).

(K) Leases

The Group assesses at contract inception, all arrangements to determine whether they are, or contain, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of

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return on the net investment outstanding in respect of the lease.

(b) Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities towards future lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date when the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The right-of-use assets are also subject to impairment.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets as described in 'D' above.

(ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (and, in some instances, in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is generally not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are disclosed on the face of Balance sheet.

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(L) Inventories

Inventories and work-in-progress are stated at the lower of cost and net realisable value. Cost is determined on the following basis:

- Purchased copper concentrate is recorded at cost on a first-in, first-out ("FIFO") basis; all other materials including stores and spares are valued on weighted average basis except in Oil and Gas business where stores and spares are valued on FIFO basis;
- Finished products are valued at raw material cost plus costs of conversion, comprising labour cost and an attributable proportion of manufacturing overheads based on normal levels of activity and are moved out of inventory on a weighted average basis (except in copper business where FIFO basis is followed); and
- By-products and scrap are valued at net realisable value.

Net realisable value is determined based on estimated selling price, less further costs expected to be incurred for completion and disposal.

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Inventories of 'Fuel Stock' mainly consist of coal which is used for generating power. On consumption, the cost is charged off to 'Power and Fuel' expenses in the consolidated statement of profit and loss.

(M) Government grants

Grants and subsidies from the government are recognised when there is reasonable assurance that (i) the Group will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognised as income on a systematic basis in the consolidated statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate.

Where the grant relates to an asset, it is recognised as deferred income and released to income in equal amounts over the expected useful life of the related asset and presented within other income.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

(N) Taxation

Tax expense represents the sum of current tax and deferred tax.

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the reporting date and includes any adjustment to tax payable in respect of previous years.

Subject to the exceptions below, deferred tax is provided, using the balance sheet method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes and on carry forward of unused tax credits and unused tax losses:

- tax payable on the future remittance of the past earnings of subsidiaries where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future;
- deferred income tax is not recognised on initial recognition as well as on the impairment of goodwill which is not deductible for tax purposes or on the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit (tax loss); and
- deferred tax assets (including MAT credit entitlement) are recognised only to the extent that it is more likely than not that they will be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Tax relating to items recognized outside the consolidated statement of profit and loss is recognised outside the consolidated statement of profit and loss (either in other comprehensive income or equity).

The carrying amount of deferred tax assets (including MAT credit entitlement) is reviewed at each reporting date and is adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax is provided on temporary differences arising on acquisitions that are categorised as Business Combinations. Deferred tax is recognised at acquisition as part of the assessment of the fair value of assets and liabilities acquired. Subsequently deferred tax is charged or credited in the consolidated statement of profit and loss/other comprehensive income as the underlying temporary difference is reversed.

Further, management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to

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interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

(O) Retirement benefit schemes

The Group operates or participates in a number of defined benefits and defined contribution schemes, the assets of which (where funded) are held in separately administered funds. For defined benefit schemes, the cost of providing benefits under the plans is determined by actuarial valuation each year separately for each plan using the projected unit credit method by third party qualified actuaries.

Remeasurement including, effects of asset ceiling and return on plan assets (excluding amounts included in interest on the net defined benefit liability) and actuarial gains and losses arising in the year are recognised in full in other comprehensive income and are not recycled to the consolidated statement of profit and loss.

Past service costs are recognised in the consolidated statement of profit and loss on the earlier of:

- the date of the plan amendment or curtailment, and
- the date that the Group recognises related restructuring costs

Net interest is calculated by applying a discount rate to the net defined benefit liability or asset at the beginning of the period. Defined benefit costs are split into current service cost, past service cost, net interest expense or income and remeasurement and gains and losses on curtailments and settlements. Current service cost and past service cost are recognised within employee benefit expense. Net interest expense or income is recognized within finance costs.

For defined contribution schemes, the amount charged to the consolidated statement of profit and loss in respect of pension costs and other post retirement benefits is the contributions payable in the year, recognised as and when the employee renders related services.

(P) Share-based payments

Certain employees (including executive directors) of the Group receive part of their remuneration in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions').

The cost of equity-settled transactions with employees is measured at fair value of share awards at the date at which they are granted. The fair value of share awards is determined with the assistance of an external valuer and the fair value at the grant date is expensed on a proportionate basis over the vesting period based on the Group's estimate of shares that will eventually vest. The estimate of the number of awards likely to vest is reviewed at each balance sheet date up to the vesting date at which point the estimate is adjusted to reflect the current expectations.

The resultant increase in equity is recorded in share-based payment reserve.

In case of cash-settled transactions, a liability is recognised for the fair value of cash-settled transactions. The fair value is measured initially and at each reporting date up to and including the settlement date, with changes in fair value recognised in employee benefits expense. The fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The fair value is determined with the assistance of an external valuer.

(Q) Provisions, contingent liabilities and contingent assets

The assessments undertaken in recognising provisions and contingencies have been made in accordance with the applicable Ind AS.

Provisions represent liabilities for which the amount or timing is uncertain. Provisions are recognized when the Group has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in the consolidated statement of profit and loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

A contingent liability is a possible obligation that arises from past events whose existence will be

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confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the consolidated balance sheet.

Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefit is probable.

The Group has significant capital commitments in relation to various capital projects which are not recognized in the balance sheet.

(R) Restoration, rehabilitation and environmental costs

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the development or ongoing production of a mine or oil fields. Such costs, discounted to net present value, are provided for and a corresponding amount is capitalised at the start of each project, as soon as the obligation to incur such costs arises. These costs are charged to the consolidated statement of profit and loss over the life of the operation through the depreciation of the asset and the unwinding of the discount on the provision. The cost estimates are reviewed periodically and are adjusted to reflect known developments which may have an impact on the cost estimates or life of operations. The cost of the related asset is adjusted for changes in the provision due to factors such as updated cost estimates, changes to lives of operations, new disturbance and revisions to discount rates. The adjusted cost of the asset is depreciated prospectively over the lives of the assets to which they relate. The unwinding of the discount is shown as finance cost in the consolidated statement of profit and loss.

Costs for the restoration of subsequent site damage, which is caused on an ongoing basis during production, are provided for at their net present value and charged to the consolidated statement of profit and loss as extraction progresses. Where the costs of site restoration are not anticipated to be material, they are expensed as incurred.

(S) Accounting for foreign currency transactions and translations

The functional currency for each entity in the Group is determined as the currency of the primary economic environment in which it operates. For all principal operating subsidiaries, the functional currency is normally the local currency of the country in which it operates with the exception of oil and gas business operations which have a US dollar functional currency as that is the currency of the primary economic environment in which it operates. The financial statements are presented in Indian rupee (₹).

In the financial statements of individual group companies, transactions in currencies other than the respective functional currencies are translated into their functional currencies at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in other currencies are translated into functional currencies at exchange rates prevailing on the reporting date. Non-monetary assets and liabilities denominated in other currencies and measured at historical cost or fair value are translated at the exchange rates prevailing on the dates on which such values were determined.

All exchange differences are included in the consolidated statement of profit and loss except those where the monetary item is designated as an effective hedging instrument of the currency risk of designated forecasted sales or purchases, which are recognized in the other comprehensive income.

Exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings, are capitalized as part of borrowing costs in qualifying assets.

For the purposes of the consolidation of financial statements, items in the consolidated statement of profit and loss of those businesses for which the Indian Rupees is not the functional currency are translated into Indian Rupees at the average rates of exchange during the year/ exchange rates as on the date of transaction. The related consolidated balance sheet is translated into Indian rupees at the rates as at the reporting date. Exchange differences arising on translation are recognised in consolidated statements of other comprehensive income. On disposal of such entities the deferred cumulative exchange differences recognised in equity relating to that particular foreign operation are recognised in the consolidated statement of profit and loss.

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The Group had applied paragraph 46A of AS 11 under Previous GAAP. Ind AS 101 gives an option, which has been exercised by the Group, whereby a first time adopter can continue its Indian GAAP policy for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the Indian GAAP financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period. Hence, foreign exchange gain/loss on long-term foreign currency monetary items recognized upto 31 March 2016 has been deferred/capitalized. Such exchange differences arising on translation/ settlement of long-term foreign currency monetary items and pertaining to the acquisition of a depreciable asset are amortised over the remaining useful lives of the assets.

Exchange differences arising on translation/ settlement of long-term foreign currency monetary items, acquired post 01 April 2016, pertaining to the acquisition of a depreciable asset are charged to the consolidated statement of profit and loss.

(T) Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

(U) Buyers' Credit/ Suppliers' Credit and vendor financing

The Group enters into arrangements whereby banks and financial institutions make direct payments to suppliers for raw materials and project materials. The banks and financial institutions are subsequently repaid by the Group at a later date providing working capital timing benefits. These are normally settled between twelve months (for raw materials) to thirty six months (for project and materials). Where these arrangements are with a maturity of up to twelve months, the economic substance of the transaction is determined to be operating in nature and these are recognised as operational buyers' credit/ suppliers' credit and disclosed on the face of the balance sheet. Interest expense on these are recognised in the finance cost. Payments made by banks and financial institutions to the operating vendors are treated as a non-cash item and settlement of operational buyer's credit/ suppliers' credit by the Group is treated as cash flows from operating activity reflecting the substance of the payment.

Where such arrangements are with a maturity beyond twelve months and up to thirty six months, the economic substance of the transaction is determined to be financing in nature, and these are presented within borrowings in the consolidated balance sheet. Payments made to vendors are treated as cash item and disclosed as cash flows from operating/ investing activity depending on the nature of the underlying transaction. Settlement of dues to banks and financial institution are treated as cash flows from financing activity.

(V) Current and non-current classification

The Group presents assets and liabilities in the consolidated balance sheet based on current / non-current classification.

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realized in, or is intended for sale or consumption in, the Group's normal operating cycle.
- it is held primarily for the purpose of being traded;
- it is expected to be realized within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Group's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or
- the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non current only.

(W) Borrowing costs

Borrowing cost includes interest expense as per effective interest rate (EIR) and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly relating to the acquisition, construction or production of a qualifying capital project under construction are capitalised and added to the project cost during construction until such time that the assets are substantially ready for their intended use, i.e., when they are capable of commercial production. Borrowing costs relating to the construction phase of a service concession arrangement is capitalised as part of the cost of the intangible asset. Where funds are borrowed specifically to finance a qualifying capital project, the amount capitalised represents the actual borrowing costs incurred. Where surplus funds are available out of money borrowed specifically to finance a qualifying capital project, the income generated from such short-term investments is deducted from the total capitalized borrowing cost. If any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing then becomes part of general borrowing. Where the funds used to finance a project form part of general borrowings, the amount capitalised is calculated using a weighted average of rates applicable to relevant general borrowings of the Group during the year.

All other borrowing costs are recognised in the consolidated statement of profit and loss in the year in which they are incurred.

Capitalisation of interest on borrowings related to construction or development projects is ceased when substantially all the activities that are necessary to make the assets ready for their intended use are complete or when delays occur outside of the normal course of business.

EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial liability or a shorter period, where appropriate, to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options).

(X) Treasury shares

The Group has created an Employee Benefit Trust (EBT) for providing share-based payment to its employees. The Group uses EBT as a vehicle for distributing shares to employees under the employee remuneration schemes. The EBT buys shares of the company from the market, for giving shares to employees. The shares held by EBT are treated as treasury shares.

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in equity. Share options whenever exercised, would be satisfied with treasury shares.

(Y) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term money market deposits which have maturity of three months or less from the date of acquisition, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

(Z) Exceptional items

Exceptional items are those items that management considers, by virtue of their size or incidence (including but not limited to impairment charges and acquisition and restructuring related costs), should be disclosed separately to ensure that the financial information allows an understanding of the underlying performance of the business in the year, so as to facilitate comparison with prior periods. Also tax charges related to exceptional items and certain one-time tax effects are considered exceptional. Such items are material by nature or amount to the year's result and require separate disclosure in accordance with Ind AS.

The determination as to which items should be disclosed separately requires a degree of judgement. The details of exceptional items are set out in note 36.

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3(b) Application of new and amended standards

(A) The Group has adopted, with effect from 01 April 2022, the following new and revised standards. Their adoption has not had any significant impact on the amounts reported in the consolidated financial statements.

1. Amendment to Ind AS 37 regarding costs that an entity needs to include when assessing whether a contract is onerous or loss-making.
2. Amendment to Ind AS 109 Financial Instrument regarding inclusion of fees in the '10 per cent' test for derecognition of financial liabilities.
3. Amendment to Ind AS 103 Business Combination, Reference to the Conceptual Framework for Financial Reporting.
4. Amendment to Ind AS 16 Property, Plant and Equipment regarding proceeds before intended use.

(B) Standards notified but not yet effective

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023, effective from 01 April 2023, resulting in certain amendments as mentioned below :

1. Ind AS 1 Presentation of financial statements: The amendment requires disclosure of material accounting policies rather than significant accounting policies;
2. Ind AS 12 Income Taxes: The amendment clarifies application of initial recognition exemption to transactions such as leases and decommissioning obligations;
3. Ind AS 8 Accounting Policies, Change in Accounting Estimates and Errors: The amendment replaces definition of 'change in accounting estimates' with the definition of 'accounting estimates'

These amendments are not expected to have any impact in the financial statements of the Group.

3(c) Significant accounting estimates and judgements

The preparation of consolidated financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these consolidated financial statements and the reported amounts of revenues and expenses for the years presented. These judgments and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to previous experience, but actual results may differ materially from the amounts included in the financial statements.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

The information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as given below.

(A) Significant estimates

i) Carrying value of exploration and evaluation assets

Exploration assets are assessed by comparing the carrying value to higher of fair value less cost of disposal or value in use if impairment indicators, as contained in Ind AS 106, exists. Change to the valuation of exploration assets is an area of judgement. Further details on the Group's accounting policies on this are set out in accounting policy above. The amounts for exploration and evaluation assets represent active exploration projects. These amounts will be written off to the consolidated statement of profit and loss as exploration costs unless commercial reserves are established or the determination process is not completed and there are no indications of impairment. The outcome of ongoing exploration, and therefore whether the carrying value of exploration and evaluation assets will ultimately be recovered, is inherently uncertain.

Details of carrying values are disclosed in note 6.

ii) Recoverability of deferred tax and other income tax assets

The Group has carry forward tax losses, unabsorbed depreciation and MAT credit that are available for offset against future taxable profit. Deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the unused tax losses or tax credits can be utilized. This

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involves an assessment of when those assets are likely to reverse, and a judgement as to whether or not there will be sufficient taxable profits available to offset the assets. This requires assumptions regarding future profitability, which is inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognised in respect of deferred tax assets and consequential impact in the consolidated statement of profit and loss.

The total deferred tax assets recognised in these financial statements include MAT credit entitlements of ₹ 9,382 Crore (31 March 2022: ₹ 6,746 Crore), of which ₹ 2,689 Crore (31 March 2022: ₹ 208 Crore) is expected to be utilised in the fourteenth and fifteenth year, the maximum permissible time period to utilise the MAT credits.

During year ended 31 March 2021, ESL recognised deferred tax assets of ₹ 3,184 Crore based on management's estimate of future outlook, financial projections and requirements of Ind AS 12. During the year ended 31 March 2023, ESL derecognized deferred tax assets on losses expired in the current year amounting to ₹ 100 Crore (31 March 2022: ₹ 122 Crore). Based on revised financial forecasts, it is probable to realise the remaining deferred tax assets.

iii) Copper operations in Tamil Nadu, India

Tamil Nadu Pollution Control Board ("TNPCB") had issued a closure order of the Tuticorin Copper smelter, against which the Company had filed an appeal with the National Green Tribunal ("NGT"). NGT had, on 08 August 2013, ruled that the Copper smelter could continue its operations subject to implementation of recommendations of the Expert Committee appointed by the NGT. The TNPCB has filed an appeal against the order of the NGT before the Supreme Court of India.

In the meanwhile, the application for renewal of Consent to Operate ("CTO") for existing copper smelter was rejected by TNPCB in April 2018. The Company has filed an appeal before the TNPCB Appellate Authority challenging the Rejection Order. During the pendency of the appeal, the TNPCB vide its order dated 23 May 2018 ordered closure of existing copper smelter plant with immediate effect. Further, the Government of Tamil Nadu issued orders on the same date with a direction to seal the existing copper smelter plant permanently. The Company believes these actions were not taken in accordance with the procedure prescribed under applicable laws. Subsequently, the Directorate of Industrial Safety and Health passed orders dated 30 May 2018, directing the immediate suspension and revocation of the Factory License and the Registration Certificate for the existing smelter plant.

The Company appealed this before the NGT. NGT vide its order on 15 December 2018 has set aside the impugned orders and directed the TNPCB to pass fresh orders for renewal of consent and authorization to handle hazardous substances, subject to appropriate conditions for protection of environment in accordance with law.

The State of Tamil Nadu and TNPCB approached Supreme Court in Civil Appeals on 02 January 2019 challenging the judgement of NGT dated 15 December 2018 and the previously passed judgement of NGT dated 08 August 2013. The Supreme Court vide its judgement dated 18 February 2019 set aside the judgements of NGT dated 15 December 2018 and 08 August 2013 solely on the basis of maintainability and directed the Company to file an appeal in High court.

The Company has filed a writ petition before the Madras High Court challenging the various orders passed against the Company in FY 2018 and FY 2013. On 18 August 2020, the Madras High Court delivered the judgement wherein it dismissed all the Writ Petitions filed by the Company. Thereafter, the Company has approached the Supreme Court and challenged the said High Court order by way of a Special Leave Petition ("SLP").

The Interlocutory Applications filed by the Company seeking essential care and maintenance of the Plant and removal of materials from the plant premises were heard on 10 April 2023 where the Supreme Court allowed certain activities such as gypsum evacuation, operation of Secured Landfill (SLF) leachate sump pump, Bund rectification of SLF and green-belt maintenance.

On 4 May 2023, Honourable Supreme Court further directed the State of Tamil Nadu to conclude on any further supplementary directions to be issued with regard to the care & maintenance of the Plant by 01 June 2023. The SLP is now listed for hearing and final disposal at the top of the TNPCB on 22 August 2023 and 23 August 2023.

As per the Company's assessment, it is in compliance with the applicable regulations and expects to get the necessary approvals in relation to the existing operations and hence the Company does not expect

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any material adjustments to these financial statements as a consequence of above actions.

The Company has carried out an impairment analysis for existing plant assets during the year ended 31 March 2023 considering various scenarios and possibilities, and concluded on balance of probabilities that there exists no impairment.

The carrying value of the assets as at 31 March 2023 is ₹ 1,913 Crore (31 March 2022: ₹ 1,982 Crore).

Expansion Project:

Separately, the Company has filed a fresh application for renewal of the Environmental Clearance for the proposed Copper Smelter Plant 2 ("Expansion Project") dated 12 March 2018 before the Expert Appraisal Committee of the Ministry of Environment, Forests and Climate Change ("the MoEFCC") wherein a sub-committee was directed to visit the Expansion Project site prior to prescribing the Terms of Reference.

In the meantime, the Madurai Bench of the Madras High Court in a Public Interest Litigation held vide its order dated 23 May 2018 that the application for renewal of the Environmental Clearance for the Expansion Project shall be processed after a mandatory public hearing and in the interim, ordered the Company to cease construction and all other activities on site for the proposed Expansion Project with immediate effect. The MoEFCC has delisted the Expansion Project since the matter is sub-judice. Separately, SIPCOT vide its letter dated 29 May 2018, cancelled 342.22 acres of the land allotted for the proposed Expansion Project. Further, the TNPCB issued orders on 07 June 2018 directing the withdrawal of the Consent to Establish ("CTE") which was valid till 31 March 2023.

The Company has also appealed this action before the TNPCB Appellate Authority. The matter has been adjourned until the conclusion of special leave petition filed before the Supreme Court.

The Company has approached Madras High Court by way of writ petition challenging the cancellation of lease deeds by SIPCOT pursuant to which an interim stay has been granted. The Company has also appealed this action before the TNPCB Appellate Authority. The matter has been adjourned until the conclusion of special leave petition filed before the Supreme Court. Considering the delay in existing plant matter and accordingly delay in getting the required approval for Expansion Project, management considered to make provision for impairment for Expansion Project basis fair value less cost of disposal. The net carrying value of ₹ 17 Crore as at 31 March 2023 (31 March 2022: ₹ 41 Crore) approximates its recoverable value.

Property, plant and equipment of ₹ 1,033 Crore (31 March 2022: ₹ 1,213 Crore) and inventories of ₹ 269 Crore (31 March 2022: ₹ 301 Crore), pertaining to existing and expansion plant, could not be physically verified, anytime during the year, as the access to the plant is presently restricted. However, any difference between book and physical quantities is unlikely to be material.

(iv) ESL Steel Limited ("ESL"), had filed application for renewal of CTO on 24 August 2017 for the period of five years which was denied by Jharkhand State Pollution Control Board ("JSPCB") on 23 August 2018, as JSPCB awaited response from the MoEFCC over a 2012 show-cause notice. After a personal hearing towards the show cause notice, the MoEFCC revoked the Environment Clearance ("EC") on 20 September 2018. The High Court of Jharkhand granted stay against both revocation orders and allowed the continuous running of the plant operations under regulatory supervision of the JSPCB. Jharkhand High Court, on 16 September 2020, passed an order vacating the interim stay in place beyond 23 September 2020, while listed the matter for final hearing. ESL urgently filed a petition in the Hon'ble Supreme Court, and on 22 September 2020, ESL was granted permission to run the plant till further orders.

The Forest Advisory Committee ("FAC") of the MoEFCC granted the Stage 1 clearance and the MoEFCC approved the related Terms of Reference ("TOR") on 25 August 2020. ESL presented its proposal before the Expert Appraisal Committee ("EAC") after completing the public consultation process and the same has been recommended for grant of EC subject to Forest Clearance by the EAC in its 41st meeting dated 29 and 30 July 2021. Vide letter dated 25 August 2021, the MoEFCC rejected the EC "as of now" due to stay granted by Madras High Court vide order dated 15 July 2021 in a Public Interest Litigation filed against the Standard Operating Procedure which was issued by the MoEFCC for regularization of violation case on 07 July 2021. The Hon'ble Supreme Court vide order dated 09 December 2021 decided the matter by directing the MoEFCC to process the EC application of ESL as per the applicable law within a period of three months. The MoEFCC vide its letter dated 02 February 2022 has deferred the grant of EC till Forest Clearance ("FC") Stage-II is granted to ESL. ESL has submitted its reply against the MoEFCC letter vide letter dated 11 February

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2022 for reconsidering the decision of linking EC with FC as the grant of FC Stage – II is not a condition precedent for grant of EC. As per Stage 1 clearance, the Group is required to provide non-forest land in addition to the afforestation cost. The Group, based on the report of an Environment Impact Assessment consultant, had recognised a provision of ₹ 213 Crore as part of exceptional item during the year ended 31 March 2021 with respect to the costs to be incurred by it for obtaining EC and an additional ₹ 7 Crore was provided against final order relating to wildlife conservation plan received during the year ended 31 March 2022. Management believes no further provision is required.

(v) Oil and Gas reserves

Significant technical and commercial judgements are required to determine the Company's estimated oil and natural gas reserves. Reserves considered for computing depletion are proved reserves for acquisition costs and proved and developed reserves for successful exploratory wells, development wells, processing facilities, distribution assets, estimated future abandonment cost and all other related costs. Reserves for this purpose are considered on working interest basis which are reassessed at least annually. Details of such reserves are given in note 44. Changes in reserves as a result of change in management assumptions could impact the depreciation rates and the carrying value of assets (Refer note 6).

(vi) Carrying value of developing/producing oil and gas assets

Management performs impairment tests on the Company's developing/producing oil and gas assets where indicators of impairment are identified in accordance with Ind AS 36.

The impairment assessments are based on a range of estimates and assumptions, including:

Estimates/ assumptions	Basis
Future production	proved and probable reserves, production facilities, resource estimates and expansion projects
Commodity prices	management's best estimate benchmarked with external sources of information, to ensure they are within the range of available analyst forecast
Discount to price	management's best estimate based on historical prevailing discount and updated sales contracts
Period	For Rajasthan block, cash flows are considered based on economic life of the fields.
Discount rates	cost of capital risk-adjusted for the risk specific to the asset/ CGU

Any subsequent changes to cash flows due to changes in the above mentioned factors could impact the carrying value of the assets.

Details of carrying values and impairment charge/ (reversal) and the assumptions used are disclosed in note 6 and 36 respectively.

(vii) Climate Change

The Group aims to achieve net carbon neutrality by 2050, has committed reduction in emission by 25% by 2030 from 2021 baseline, net water positivity by 2030 as part of its climate risk assessment and has outlined its climate risk assessment and opportunities in the ESG strategy. Climate change may have various impacts on the Group in the medium to long term. These impacts include the risks and opportunities related to the demand of products and services, impact due to transition to a low-carbon economy, disruption to the supply chain, risk of physical harm to the assets due to extreme weather conditions, regulatory changes etc. The accounting related measurement and disclosure items that are most impacted by our commitments, and climate change risk more generally, relate to those areas of the financial statements that are prepared under the historical cost convention and are subject to estimation uncertainties in the medium to long term.

The potential effects of climate change may be on assets and liabilities that are measured based on an estimate of future cash flows. The main ways in which potential climate change impacts have been considered in the preparation of the financial statements, pertain to (a) inclusion of capex in cash flow projections, (b) review of estimates of useful lives of property, plant and equipment, (c) recoverable amounts of existing assets, (d) assets and liabilities carried at fair value.

The Group's strategy consists of mitigation and adaptation measures. The Group is committed to reduce its carbon footprint by limiting its exposure to coal-based projects and reducing its GHG emissions through high impact initiatives such as investment in Renewable Energy (1,826 MW on a group captive basis), fuel switch, electrification of vehicles and mining fleet and energy efficiency opportunities. Renewable sources have limitations in supplying

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round the clock power, so existing power plants would support transition and fleet replacement is part of normal lifecycle renewal. The group has also taken certain measures towards water management such as commissioning of sewage treatment plants, rainwater harvesting, and reducing fresh water consumption. These initiatives are aligned with the group's ESG strategy and no material changes were identified to the financial statements as a result.

As the Group's assessment of the potential impacts of climate change and the transition to a low-carbon economy continues to mature, any future changes in Group's climate change strategy, changes in environmental laws and regulations and global decarbonisation measures may impact the Group's significant judgments and key estimates and result in changes to financial statements and carrying values of certain assets and liabilities in future reporting periods. However, as of the balance sheet date, the Group believes that there is no material impact on carrying values of its assets or liabilities.

(B) Significant judgements

(i) Determining whether an arrangement contains a lease:

The Group has ascertained that the Power Purchase Agreement (PPA) entered into between one of the subsidiaries and a State grid qualifies to be an operating lease under Ind AS 116 "Leases". Accordingly, the consideration receivable under the PPA relating to recovery of capacity charges towards capital cost have been recognised as operating lease rentals and in respect of variable cost that includes fuel costs, operations and maintenance, etc. is considered as revenue from sale of products/services.

Significant judgement is required in segregating the capacity charges due from the State grid, between fixed and contingent payments. The Group has determined that since the capacity charges under the PPA are based on the number of units of electricity made available by its Subsidiary which would be subject to variation on account of various factors like availability of coal and water for the plant, there are no fixed minimum payments under the PPA, which requires it to be accounted for on a straight line basis. The contingent rents recognised are disclosed in Note 27.

(ii) Contingencies and other litigations

In the normal course of business, contingent liabilities may arise from litigation, taxation and other claims against the Group. A provision is recognised when the Group has a present obligation as a result of past events and it is probable that the Group will be required to settle that obligation.

Where it is management's assessment that the outcome cannot be reliably quantified or is uncertain, the claims are disclosed as contingent liabilities unless the likelihood of an adverse outcome is remote. Such liabilities are disclosed in the notes but are not provided for in the financial statements.

When considering the classification of legal or tax cases as probable, possible or remote, there is judgement involved. This pertains to the application of the legislation, which in certain cases is based upon management's interpretation of country specific applicable law, in particular India, and the likelihood of settlement. Management uses in-house and external legal professionals to make informed decision. Although there can be no assurance regarding the final outcome of the legal proceedings, the Group does not expect them to have a materially adverse impact on the Group's financial position or profitability. These are set out in note 40. For other significant litigations where the possibility of an outflow of resources embodying economic benefits is remote, refer note 41.

(iii) Revenue recognition and receivable recovery in relation to the power division

In certain cases, the Group's power customers are disputing various contractual provisions of Power Purchase Agreements (PPA). Significant judgement is required in both assessing the tariff to be charged under the PPA in accordance with Ind AS 115 and to assess the recoverability of withheld revenue currently accounted for as receivables.

In assessing this critical judgment, management considered favourable external legal opinions that the Group has obtained in relation to the claims. In addition, the fact that the contracts are with government owned companies implies that the credit risk is low (refer note 8).

4 Business Combinations/ Acquisitions/ Restructuring

A. Athena Chhattisgarh Power Limited

On 21 July 2022, the Company acquired Athena Chhattisgarh Power Limited ("ACPL"), an unrelated party, under the liquidation proceedings of the Insolvency and Bankruptcy Code, 2016 for a consideration of ₹ 565 Crore, subject to National Company Law Tribunal ("NCLT") approval. ACPL is building a 1,200 MW (600 MW X 2) coal-based power plant located at Jhanjgir Champa district,

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Chhattisgarh. The plant is expected to fulfil the power requirements for the Company's aluminium business. The Company had filed its application with the NCLT in July 2022 and further amended the application in November 2022 praying for merger of ACPL with itself. The Company has requested various reliefs from the applicable legal and regulatory provisions as part of the above applications. The NCLT approval of the Company's resolution application is pending as on the balance sheet date. On consolidation, the consideration paid for acquisition of ACPL represents mainly Capital work in progress.

B. Amalgamation of Facor Power Limited into Ferro Alloys Corporation Limited

During the current year, Hon'ble National Company Law Tribunal, Cuttack Bench vide its Order dated 15 November 2022 approved the Scheme of Amalgamation of Facor Power Limited ("FPL") into Ferro Alloys Corporation Limited ("FACOR"). FPL was a subsidiary of FACOR which in turn is a subsidiary of the Company. Post the amalgamation becoming effective on 21 November 2022, the Company directly holds 99.99% in FACOR. There is no material impact on the consolidated financial statements of the Group due to this amalgamation.

5 Segment Information

A) Description of segment and principal activities

The Group is a diversified natural resource group engaged in exploring, extracting and processing minerals and oil and gas. The Group produces zinc, lead, silver, copper, aluminium, iron ore, oil and gas, ferro alloys, steel, cement and commercial power and has a presence across India, South Africa, Namibia, U.A.E, Ireland, Australia, Japan, South Korea, Taiwan and Liberia. The Group is also in the business of port operations and manufacturing of glass substrate. The Group has seven reportable segments: copper, aluminium, iron ore, power, Zinc India (comprises zinc and lead India), Zinc international, oil and gas and others. The management of the Group is organized by its main products: copper, Zinc (comprises zinc and lead India, silver India and zinc international), aluminium, iron ore, oil and gas, power and others. "Others" segment mainly comprises port/berth, steel, glass substrate, ferro alloys and cement business and those segments which do not meet the quantitative threshold for separate reporting. Each of the reportable segments derives its revenues from these main products and hence these have been identified as reportable segments by the Group's chief operating decision maker ("CODM").

Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amount allocated on a reasonable basis. Unallocated expenditure consist of common expenditure incurred for all the segments and expenses incurred at corporate level. The assets and liabilities that cannot be allocated between the segments are shown as unallocated assets and unallocated liabilities respectively.

The accounting policies of the reportable segments are the same as the Group's accounting policies. The operating segments reported are the segments of the Group for which separate financial information is available. Earnings before interest, depreciation and amortisation and tax ("EBITDA") are evaluated regularly by the CODM in deciding how to allocate resources and in assessing performance. The Group's financing (including finance costs and finance income) and income taxes are reviewed on an overall basis and are not allocated to operating segments.

Pricing between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

The following table presents revenue and profit information and certain assets and liabilities information regarding the Group's business segments as at and for the year ended 31 March 2023 and 31 March 2022 respectively.

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For the year ended 31 March 2023

(₹ in Crore)

Particulars	Business Segments									
	Zinc India	Zinc International	Oil & Gas	Aluminium	Copper	Iron Ore	Power	Others	Eliminations	Total
Revenue										
External revenue	33,120	5,209	15,038	52,360	17,491	6,046	6,982	9,158	-	1,45,404
Inter segment revenue	-	-	-	43	-	457	218	88	(806)	-
Segment revenue	**33,120**	**5,209**	**15,038**	**52,403**	**17,491**	**6,503**	**7,201**	**9,245**	**(806)**	**1,45,404**
Results										
Segment results (EBITDA) [a]	**17,474**	**1,934**	**7,782**	**5,837**	**(4)**	**988**	**851**	**379**	**-**	**35,241**
Less: Depreciation, depletion and amortisation	3,290	487	2,577	2,490	194	146	689	682	-	10,555
Add: Other income, net of expenses [b, c]	161	-	(327)	87	2	8	16	1	-	(52)
Add: Other unallocable income, net of expenses										2,084
Less: Finance costs										6,225
Less: Net exceptional loss										217
Net profit before tax										20,276
Other information										
Segment assets	**22,848**	**6,846**	**24,485**	**64,238**	**5,104**	**5,375**	**16,495**	**10,977**		**1,56,368**
Financial assets investments										13,150
Deferred tax assets										8,495
Income tax assets										2,891
Cash and bank balances (including restricted cash and bank balances)										9,948
Others										5,504
Total assets										**1,96,356**
Segment liabilities	**6,399**	**1,076**	**14,985**	**26,436**	**5,249**	**2,597**	**2,339**	**3,694**		**62,775**
Deferred tax liabilities										5,922
Borrowing										66,182
Income tax liabilities (net of payments)										1,601
Others										10,449
Total liabilities										**1,46,929**
Capital expenditure [d]	3,811	1,242	3,647	5,972	127	512	631	1,303	-	17,267
Net impairment reversal relating to assets	-	-	18	-	-	644	-	109	-	771

a) EBITDA is a non-GAAP measure.
b) Includes amortisation of duty benefits relating to assets recognised as government grant.
c) Includes cost of exploration wells written off in Oil & Gas segment.
d) Includes capital expenditure of ₹ 22 Crore which is not allocable to any segment.

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For the year ended 31 March 2022

(₹ in Crore)

Particulars	Business Segments									
	Zinc India	Zinc International	Oil & Gas	Aluminium	Copper	Iron Ore	Power	Others	Eliminations	Total
Revenue										
External Revenue	28,624	4,484	12,430	50,809	15,151	6,233	5,501	7,960	-	1,31,192
Inter segment revenue	-	-	-	72	-	117	325	12	(526)	-
Segment revenue	**28,624**	**4,484**	**12,430**	**50,881**	**15,151**	**6,350**	**5,826**	**7,972**	**(526)**	**1,31,192**
Results										
Segment results (EBITDA) [a]	**16,161**	**1,533**	**5,992**	**17,337**	**(115)**	**2,280**	**1,082**	**1,049**	**-**	**45,319**
Less: Depreciation, depletion and amortisation	2,951	513	1,633	2,238	208	118	685	549	-	8,895
Add: Other income [b]	139	-	-	80	2	8	15	1	-	245
Add: Other unallocable income, net of expenses										1,860
Less: Finance costs										4,797
Less: Net exceptional loss										768
Net profit before tax										32,964
Other information										
Segment assets	**22,822**	**6,984**	**24,149**	**60,407**	**5,912**	**4,156**	**16,977**	**9,197**		**1,50,604**
Financial Assets investments										17,291
Deferred tax Assets										5,085
Income tax Assets										2,787
Cash and bank balances (including restricted cash and bank balances)										15,805
Others										6,810
Total assets										**1,98,382**
Segment liabilities	**6,229**	**1,159**	**16,138**	**20,013**	**5,028**	**2,601**	**1,976**	**2,694**		**55,838**
Deferred tax liabilities										4,435
Borrowing										53,109
Income tax liabilities (net of payments)										917
Others										1,379
Total liabilities										**1,15,678**
Capital expenditure [c]	3,705	1,016	1,805	3,535	8	298	105	1,250	-	11,742
Net (impairment)/ reversal or (write off)/ write back relating to assets [d]	-	-	79	(125)	-	-	-	(52)	-	(122)

a) EBITDA is a non-GAAP measure.

b) Includes amortisation of duty benefits relating to assets recognised as government grant.

c) Total of capital expenditure includes capital expenditure of ₹ 20 Crore which is not allocable to any segment.

d) Includes write off of ₹ 24 Crore which is not allocable to any segment.

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B) Geographical segment analysis

The following table provides an analysis of the Group's sales by region in which the customer is located, irrespective of the origin of the goods.

(₹ in Crore)

Geographical Segments	Year ended 31 March 2023	Year ended 31 March 2022
Revenue by geographical segment		
India	87,099	73,619
Europe	18,360	21,028
China	5,296	9,667
The United States of America	3,839	3,487
Mexico	4,619	2,311
Others	26,191	21,080
Total	**1,45,404**	**1,31,192**

The following is an analysis of the carrying amount of non-current assets, excluding deferred tax assets and financial assets, analysed by the geographical area in which the assets are located:

(₹ in Crore)

Geographical Segments	As at 31 March 2023	As at 31 March 2022
Carrying amount of non-current assets		
India	1,11,637	1,07,915
South Africa	5,316	5,105
Namibia	888	990
Taiwan	1,041	893
Other	1,632	646
Total	**1,20,514**	**1,15,549**

C) Information about major customer

No single customer has accounted for more than 10% of the Group's revenue for the year ended 31 March 2023 and 31 March 2022.

D) Disaggregation of Revenue

Below table summarises the disaggregated revenue from contracts with customers

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Zinc metal	29,002	24,709
Lead metal	4,821	4,240
Silver metals and bars	4,577	4,215
Oil	12,448	10,275
Gas	2,807	1,712
Aluminium products	52,356	51,253
Copper products	17,070	14,281
Iron ore	2,328	2,354
Metallurgical coke	463	406
Pig iron	4,059	4,123
Power	5,288	3,886
Steel products	6,272	5,698
Ferro alloys	768	830
Others	3,725	3,119
Revenue from contracts with customers*	1,45,984	1,31,101
Revenue from contingent rents	1,543	1,381
Losses on provisionally priced contracts under Ind AS 109	(2,123)	(1,290)
Total revenue	**1,45,404**	**1,31,192**

* includes revenues from sale of services aggregating to ₹ 326 Crore (31 March 2022: ₹ 301 Crore) which is recorded over a period of time. The balance revenue from contracts with customers is recognised at a point in time.

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6 Property, Plant and Equipment, Intangible assets, Capital work-in-progress and Exploration intangible assets under development

(₹ in Crore)

Particulars	Freehold Land	Buildings	Plant and equipment	Mining property	Oil & gas producing facilities	Furniture and fixtures	Vehicles	Office equipment	Right of Use assets (Refer note below)	Total	Capital work-in-progress (CWIP)	Exploration intangible assets under development	Total including capital work-in-progress and Exploration intangible assets under development
Property, Plant and Equipment													
Gross Block													
As at 01 April 2021	2,138	14,900	1,09,133	16,769	89,968	456	376	1,078	1,760	2,36,578	45,230	9,548	2,91,356
Additions	91	114	1,438	638	132	21	35	77	115	2,661	7,032	977	10,670
Transfers/ Reclassifications (i)	26	134	5,864	2,057	674	22	2	2	(697)	8,084	(7,939)	(156)	(11)
Disposals/ Adjustments	(86)	(7)	(1,056)	(33)	(8)	(3)	(11)	(9)	(9)	(1,222)	(116)	-	(1,338)
Exploration cost written off (Refer note 35)	-	-	-	-	-	-	-	-	-	-	-	(2,618)	(2,618)
Exchange differences	11	78	618	256	2,823	3	-	16	7	3,812	1,030	267	5,109
As at 31 March 2022	**2,180**	**15,219**	**1,15,997**	**19,687**	**93,589**	**499**	**402**	**1,164**	**1,176**	**2,49,913**	**45,237**	**8,018**	**3,03,168**
Additions	36	57	1,791	576	-	9	19	86	157	2,731	12,111	1,542	16,384
Transfers/ Reclassifications (i), (ii)	8	441	4,185	2,547	2,440	9	(1)	5	-	9,634	(8,855)	(148)	631
Disposals/ Adjustments	(17)	13	(2,197)	(13)	(284)	(53)	(14)	(78)	(10)	(2,653)	-	-	(2,653)
Exploration cost written off (Refer note 35)	-	-	-	-	-	-	-	-	-	-	-	(327)	(327)
Exchange differences	31	163	1,237	(572)	8,611	3	(10)	(12)	1	9,452	1,869	712	12,033
As at 31 March 2023	**2,238**	**15,893**	**1,21,013**	**22,225**	**1,04,356**	**467**	**396**	**1,165**	**1,324**	**2,69,077**	**50,362**	**9,797**	**3,29,236**
Accumulated depreciation, depletion, amortisation and impairment													
As at 01 April 2021	345	6,758	40,924	9,936	87,500	348	127	888	323	1,47,149	31,350	7,114	1,85,613
Charge for the year	9	478	5,246	1,938	878	17	34	138	63	8,801	-	-	8,801
Disposals/ Adjustments	(28)	(1)	(855)	-	-	(2)	(7)	(7)	(9)	(909)	(65)	-	(974)
Impairment charge/(reversal) for the year (Refer note 36)	-	-	-	-	(1,743)	-	-	-	-	(1,743)	24	(953)	(2,672)
Transfers/ Reclassifications (i)	-	-	1,098	-	261	-	-	-	(162)	1,197	(1,197)	-	-
Exchange differences	9	71	499	103	2,725	2	-	18	1	3,428	895	208	4,531
As at 31 March 2022	**335**	**7,306**	**46,912**	**11,977**	**89,621**	**365**	**154**	**1,037**	**216**	**1,57,923**	**31,007**	**6,369**	**1,95,299**
Charge for the year	**10**	**571**	**5,747**	**2,224**	**1,541**	**29**	**37**	**110**	**87**	**10,356**	**-**	**-**	**10,356**
Disposals/ Adjustments	**(7)**	**6**	**(1,392)**	**(2)**	**(6)**	**(52)**	**(9)**	**(76)**	**(10)**	**(1,548)**	**-**	**-**	**(1,548)**
Impairment charge/(reversal) for the year (Refer note 6(l))	**-**	**-**	**(410)**	**-**	**(206)**	**-**	**-**	**-**	**-**	**(616)**	**(753)**	**598**	**(771)**
Transfers/ Reclassifications (i), (ii)	**-**	**-**	**166**	**-**	**312**	**3**	**-**	**(3)**	**-**	**478**	**166**	**-**	**644**
Exchange differences	**25**	**174**	**1,107**	**(237)**	**7,833**	**(1)**	**(8)**	**(17)**	**1**	**8,877**	**2,508**	**574**	**11,959**
As at 31 March 2023	**363**	**8,057**	**52,130**	**13,962**	**99,095**	**344**	**174**	**1,051**	**294**	**1,75,470**	**32,928**	**7,541**	**2,15,939**
Net Book Value/Carrying Amount													
As at 01 April 2021	1,793	8,142	68,209	6,833	2,468	108	249	190	1,437	89,429	13,880	2,434	1,05,743
As at 31 March 2022	1,845	7,913	69,085	7,710	3,968	134	248	127	960	91,990	14,230	1,649	1,07,869
As at 31 March 2023	**1,875**	**7,836**	**68,883**	**8,263**	**5,261**	**123**	**222**	**114**	**1,030**	**93,607**	**17,434**	**2,256**	**1,13,297**

(i) Transfers/reclassification majorly includes capitalisation of CWIP to respective class of assets.

(ii) Transfer/reclassification from CWIP Accumulated Impairment to Mining Property Gross block amounting to ₹ 644 Crore.

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Right of Use (ROU) Assets

(₹ in Crore)

Particulars	ROU Land	ROU Building	ROU Plant and Equipment	Total
Gross Block				
As at 01 April 2021	962	61	737	1,760
Additions	92	4	19	115
Transfers/ Reclassification	(5)	-	(692)	(697)
Disposals/ Adjustments	(8)	(1)	-	(9)
Exchange differences	(6)	1	12	7
As at 31 March 2022	**1,035**	**65**	**76**	**1,176**
Additions	112	1	44	157
Disposals/ Adjustments	(10)	-	-	(10)
Exchange differences	-	3	(2)	1
As at 31 March 2023	**1,137**	**69**	**118**	**1,324**
Accumulated depreciation & impairment				
As at 01 April 2021	120	29	174	323
Charge for the year	41	13	9	63
Disposals/ Adjustments	(8)	(1)	-	(9)
Transfers/Reclassification	-	-	(162)	(162)
Exchange differences	(2)	-	3	1
As at 31 March 2022	**151**	**41**	**24**	**216**
Charge for the year	53	12	22	87
Disposals/ Adjustments	(10)	-	-	(10)
Exchange differences	-	2	(1)	1
As at 31 March 2023	**194**	**55**	**45**	**294**
Net Book Value				
As at 01 April 2021	842	32	563	1,437
As at 31 March 2022	884	24	52	960
As at 31 March 2023	**943**	**14**	**73**	**1,030**

(₹ in Crore)

Particulars	Software License	Right to use (refer note k)	Mining Rights	Port concession rights (refer note i)	Brand & Technological know-how	Total
Intangible assets						
Gross Block						
As at 01 April 2021	384	144	601	684	236	2,049
Additions	16	-	539	1	-	556
Transfers/Reclassification	11	-	-	-	-	11
Exchange differences	7	-	-	-	(15)	(8)
As at 31 March 2022	**418**	**144**	**1,140**	**685**	**221**	**2,608**
Additions	14	-	824	-	-	838
Transfers/Reclassification	7	-	-	6	-	13
Disposals/ Adjustments	(152)	(144)	-	(1)	-	(297)
Exchange differences	(67)	-	-	-	(1)	(68)
As at 31 March 2023	**220**	**-**	**1,964**	**690**	**220**	**3,094**
Accumulated amortisation and impairment						
As at 01 April 2021	355	25	360	195	73	1,008
Charge for the year	17	6	50	25	24	122
Exchange differences	8	-	-	-	(6)	2
As at 31 March 2022	**380**	**31**	**410**	**220**	**91**	**1,132**
Charge for the year	22	4	169	25	21	241
Disposals/ Adjustments	(153)	(35)	-	-	-	(188)
Exchange differences	(67)	-	-	-	-	(67)
As at 31 March 2023	**182**	**-**	**579**	**245**	**112**	**1,118**
Net Book Value/Carrying Amount						
As at 01 April 2021	29	119	241	489	163	1,041
As at 31 March 2022	38	113	730	465	130	1,476
As at 31 March 2023	**38**	**-**	**1,385**	**445**	**108**	**1,976**

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6 Capital Work in Progress (CWIP) ageing schedule

(₹ in Crore)

Particulars	As at 31 March 2023		As at 31 March 2022	
	Projects in progress	Projects temporarily suspended	Projects in progress	Projects temporarily suspended
Less than 1 year	8,674	7	4,548	3
1-2 years	1,878	2	1,096	5
2-3 years	534	5	1,943	33
More than 3 years	5,690	644	5,982	620
Total	**16,776**	**658**	**13,569**	**661**

CWIP completion schedule for projects whose completion is overdue or has exceeded its cost compared to its original plan

(₹ in Crore)

Particulars	As at 31 March 2023				As at 31 March 2022			
	To be completed in				To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress								
Lanjigarh alumina 2-5 MTPA expansion project	6,666	21	-	-	4,147	884	-	-
Oil & Gas development CWIP projects	330	135	-	-	1,930	572	-	-
Others*	2,576	-	-	-	1,437	545	-	-
Projects temporarily suspended**	11	-	-	371	11	-	-	371

* Includes projects which are individually less than 10% of CWIP balance.

** Excludes completion schedule for the Copper 4 LTPA Expansion project which is on hold due to restrictions imposed by the State government (Refer note 3(c)(A)(iii)).

Exploration intangible assets under development ageing schedule

(₹ in Crore)

Intangible assets under development	As at 31 March 2023	As at 31 March 2022
	Projects in progress	Projects in progress
Less than 1 year	729	624
1-2 years	577	534
2-3 years	536	352
More than 3 years	414	139
Total	**2,256**	**1,649**

Title deeds of immovable properties not held in the name of Company

(₹ in Crore)

Relevant line item in the Balance sheet	Description of item of property	Gross block as at 31 March 2023	Gross block as at 31 March 2022	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director	Property held since which date	Reason for not being held in the name of the company
Property, Plant and Equipment	Land & Building	3,524	3,061	Oil & Natural Gas Corporation Limited (ONGC) & Cairn India Ltd	No	10 April 2009	The title deeds of Oil & Gas exploration blocks jointly owned by the JV partners are in the name of ONGC, being the licensee of these exploration blocks.

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(₹ in Crore)

Relevant line item in the Balance sheet	Description of item of property	Gross block as at 31 March 2023	Gross block as at 31 March 2022	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director	Property held since which date	Reason for not being held in the name of the company
Property, Plant and Equipment	Land	4	4	National Thermal Power Corporation Ltd (NTPC)	No	20 June 2002	The 206.18 acres land transferred to BALCO by NTPC is yet to be registered in favour of BALCO due to non-availability of title deeds from NTPC. In the matter, arbitration was held where the Arbitrator passed the award in favour of BALCO but directed that transfer of title deeds of land will be effected by the Central Government with the assistance of State Government. The matter is sub-judice before the Delhi High Court.
	Land	53	53	Erstwhile company Sterlite Industries (India) Limited, that merged with the Company	No	1965-2012*	The title deeds are in the names of erstwhile companies that merged with the Company under Section 391 to 394 of the erstwhile Companies Act, 1956 pursuant to Schemes of Amalgamation and Arrangement as approved by the Honourable High Courts.
	ROU Land	50	50		No	1993-2009*	
	Land	20	20	Erstwhile company Vedanta Aluminium Limited, that merged with the Company	No	2008-2012*	

* Multiple dates of acquisitions during the period disclosed.

a) Plant and equipment include refineries, smelters, power plants, railway sidings, ships, river fleets and related facilities.

b) During the year ended 31 March 2023, interest capitalised was ₹ 483 Crore (31 March 2022: ₹ 313 Crore).

c) Certain property, plant and equipment are pledged as security against borrowings, the details related to which have been described in Note 19 on “Borrowings”.

d) Freehold land includes 40 quarters at Bidhan Bagh Unit and 300.88 acres of land at Korba which have been occupied without authorisation for which Group is evaluating evacuation options and the Group has filed the civil suits for the same.

e) The Division Bench of the Hon'ble High Court of Chhattisgarh has vide its order dated 25 February 2010, upheld that BALCO is in legal possession of 1,804.67 acres of Government land. Subsequent to the said Order, the State Government has decided to issue the lease deed in favour of BALCO after the issue of forest land is decided by the Hon'ble Supreme Court. In the proceedings before the Hon'ble Supreme Court, pursuant to public interest litigations filed, it has been alleged that the land in possession of BALCO is being used in contravention of the Forest Conservation Act, 1980 even though the said land has been in its possession prior to the promulgation of the Forest Conservation Act, 1980 on which its Aluminium complex, allied facilities and township were constructed between 1971-76. The Central Empowered Committee of the Supreme Court has already recommended ex-post facto diversion of the forest land in possession of BALCO. BALCO has also filed two Interlocutory Applications (IAs) before the Supreme Court, first challenging the order of the Tehsildar Korba whereby he rejected BALCO's applications for eviction of illegal encroachers on BALCO's land on the ground that land matter is subjudice before the Supreme Court and the other application whereby BALCO has challenged the State Government's action for allotment of land to illegal encroachers under the Rajiv Ashray Yojna. The matter is to be listed for hearing in the due course.

f) Property, Plant and Equipment, Capital work-in-progress and exploration and evaluation assets net block includes share of jointly owned assets with the joint venture partners ₹ 10,534 Crore (31 March 2022: ₹ 10,665 Crore).

g) In accordance with the exemption given under Ind AS 101, which has been exercised by the Group, a first time adopter can continue its previous GAAP policy for accounting for exchange differences arising from translation of long-

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term foreign currency monetary items recognised in the previous GAAP financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period, i.e., 01 April 2016.

Accordingly, foreign currency exchange differences arising on translation/settlement of long-term foreign currency monetary items acquired before 01 April 2016 pertaining to the acquisition of a depreciable asset amounting to ₹ 11 Crore (31 March 2022: ₹ 22 Crore) are adjusted to the cost of respective item of property, plant and equipment.

h) **Reconciliation of depreciation, depletion and amortisation expense**

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Depreciation/Depletion/Amortisation expense on:		
Property, Plant and Equipment	10,356	8,801
Intangible assets	241	122
As per Property, Plant and Equipment and Intangibles schedule	**10,597**	**8,923**
Less: Depreciation capitalised	-	(4)
Less: Cost allocated to joint ventures and other adjustments	(42)	(24)
As per Consolidated Statement of Profit and Loss	**10,555**	**8,895**

i) Vizag General Cargo Berth Private Limited (VGCB), a special purpose vehicle and wholly owned by the Company, was incorporated for the coal berth mechanisation and upgradation at Visakhapatnam port. The project was to be carried out on a design, build, finance, operate, transfer basis and the concession agreement between Visakhapatnam Port Trust ('VPT') and the Company was signed in June 2010. In October 2010, the Company was awarded with the concession after fulfilling conditions stipulated as a precedent to the concession agreement. Visakhapatnam port trust has provided, in lieu of license fee an exclusive license to the Company for designing, engineering, financing, constructing, equipping, operating, maintaining, and replacing the project/project facilities and services. The concession period is 30 years from the date of the award. The upgraded capacity is 10.18 mmtpa and the Visakhapatnam port trust would be entitled to receive 38.10% share of the gross revenue as royalty. The Company is entitled to recover a tariff from the user(s) of the project facilities and services as per its Tariff Authority for Major Ports (TAMP) notification. The tariff rates are linked to the Wholesale Price Index (WPI) and would accordingly be adjusted as specified in the concession agreement every year. The ownership of all infrastructure assets, buildings, structures, berths, wharfs, equipment and other immovable and movable assets constructed, installed, located, created or provided by the Company at the project site and/or in the port's assets pursuant to concession agreement would be with the Company until expiry of this concession agreement. The cost of any repair, replacement or restoration of the project facilities and services shall be borne by the Company during the concession period. The Company has to transfer all its rights, titles and interest in the project facilities and services free of cost to VPT at the end of the concession period. The Company has entered into a supplementary agreement to the original concession agreement with VPT dated 20 October 2021, wherein VPT can handle other compatible cargos at VGCB during idling of the berth. Intangible asset port concession rights represents consideration for construction services. No revenue from construction contract of service concession arrangements on exchanging construction services for the port concession rights was recognised for the years ended 31 March 2023 and 31 March 2022.

j) As at 31 March 2023, TSPL's assets consisting of land (including ROU land), building and plant and machinery having net carrying value of ₹ 399 Crore (31 March 2022: ₹ 391 Crore), ₹ 153 Crore (31 March 2022: ₹ 169 Crore) and ₹ 8,228 Crore (31 March 2022: ₹ 8,640 Crore) respectively have been given on operating lease (refer note 3(c)(B)(i)).

k) During the current year, consequent to the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 ("the Rules"), HZL has transferred its CSR assets, after obtaining regulatory approvals, having carrying value of ₹ 117 Crore as on the date of transfer, at nominal consideration to Zinc India Foundation (a wholly owned subsidiary of HZL), incorporated during the current year under Section 8 of the Companies Act, 2013. The carrying value of these assets has been included as CSR expense in the financial statements owing to such transfer.

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l) (i) During the year ended 31 March 2023, the Group has recognized a net impairment reversal of ₹ 616 Crore (after considering impairment reversal of ₹ 1,236 Crore on account of ONGC partial arbitration award (refer note (ii) for details)) on its assets in the oil and gas producing facilities and impairment charge of ₹ 598 Crore on its assets in the oil and gas exploration intangible assets under development mainly due to revision of Reserve and Capex estimates. The recoverable amount of the Company's share in Rajasthan Oil and Gas cash generating unit "RJ CGU" was determined to be ₹ 10,179 Crore (US $ 1,239 million) as at 31 March 2023. The recoverable amount of the RJ CGU was determined based on the fair value less costs of disposal approach, a level-3 valuation technique in the fair value hierarchy, as it more accurately reflects the recoverable amount based on the Company's view of the assumptions that would be used by a market participant. This is based on the cash flows expected to be generated by the projected oil and natural gas production profiles up to 2040, the expected dates of cessation of production sharing contract (PSC)/cessation of production from each producing field based on the current estimates of reserves and risked resources. Reserves assumptions for fair value less costs of disposal tests consider all reserves that a market participant would consider when valuing the asset, which are usually broader in scope than the reserves used in a value-in-use test. Discounted cash flow analysis used to calculate fair value less costs of disposal uses assumption for short-term oil price of US $ 84 per barrel for the next one year and tapers down to long-term nominal price of US $ 73 per barrel three years thereafter derived from a consensus of various analyst recommendations. Thereafter, these have been escalated at a rate of 2.4% per annum. The cash flows are discounted using the post-tax nominal discount rate of 10.99% derived from the post-tax weighted average cost of capital after factoring in the risks ascribed to PSC extension including successful implementation of key growth projects. Based on the sensitivities carried out by the Company, change in crude price assumptions by US $ 1/bbl and changes to discount rate by 1% would lead to a change in recoverable value by ₹ 74 Crore (US $ 9 million) and ₹ 378 Crore (US $ 46 million) respectively.

(ii) In the Oil and Gas business, the Group operates the Rajasthan Block under a joint venture model with ONGC. As the operator of the block, the Company raises cash calls to ensure the smooth functioning of the petroleum operations.

During the current year ended 31 March 2023, the Group received a favourable partial arbitration award on cash call claims made from ONGC, pursuant to which, reversal of previously recorded impairment of ₹ 1,236 Crore (US$ 155 million) has been recognised against capitalised development costs. The Group had a liability towards ONGC of ₹ 1,507 Crore (US$ 199 million) as of 31 March 2022 on account of revenue received in excess of entitlement. Based on the partial arbitration award, the Group has adjusted the claims received in the favour of the Group against the liability towards ONGC and the net payable as of 31 March 2023 amounts to ₹ 279 Crore (US$ 34 million)

7 Financial assets - Investments

A) Non-current Investments

(₹ in Crore)

Particulars	As at 31 March 2023	As at 31 March 2022
(I) Investments at fair value through other comprehensive income		
Investment in Equity Shares - quoted		
Sterlite Technologies Limited- 47,64,295 shares of ₹ 2 each	70	107
Investment in Equity Shares - unquoted		
Sterlite Power Transmission Limited - 19,05,718 equity shares of ₹ 2 each (31 March 2022: 9,52,859 equity shares of ₹ 2 each)	11	11
Investment in Bonds - quoted	153	-
(II) Investments at fair value through profit and loss		
Investment in Bonds - quoted		
Infrastructure Leasing & Financial Services Limited	30	30
Investment in Optionally Convertible Redeemable Preference Shares - unquoted		
Serentica Renewable Power Companies - 24,90,00,000 shares of ₹ 10 each (31 March 2022: NIL) (Refer Note 40)	249	-

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(₹ in Crore)

Particulars	As at 31 March 2023	As at 31 March 2022
(III) Investment in Equity Shares (fully paid)		
Associate Companies and Joint ventures – unquoted		
Gaurav Overseas Private Limited - 14,23,000 equity shares of ₹ 10 each (31 March 2022: 4,23,000 equity shares of ₹ 10 each)	1	0
RoshSkor Township (Proprietary) Limited - 50 equity shares of NAD 1 each	0	3
Madanpur South Coal Company Limited - 1,14,421 equity shares of ₹ 10 each	2	2
Goa Maritime Private Limited - 5,000 equity shares of ₹ 10 each	0	0
Rosh Pinah Health Care (Proprietary) Limited- 69 equity shares of NAD 1 each	0	0
Less: Impairment in the value of investment	(2)	(2)
(IV) Others	0	0
Total	**514**	**151**
Aggregate amount of quoted investments, and market value thereof	253	137
Aggregate amount of unquoted investments	263	16
Aggregate amount of impairment in the value of investments	(2)	(2)
Total	**514**	**151**

B) Current Investments

(₹ in Crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Investments carried at fair value through other comprehensive income (fully paid)		
Investment in Bonds - quoted*	4,239	-
Investments carried at fair value through profit and loss (fully paid)		
Investment in mutual funds - quoted	-	1,196
Investment in mutual funds - unquoted	4,563	7,207
Investment in bonds - quoted	3,834	8,587
Investment in commercial paper - quoted	-	150
Investment in India Grid Trust - quoted	-	0
Total	**12,636**	**17,140**

* Includes investments amounting to ₹ 1,812 Crore (31 March 2022: ₹ Nil Crore) are pledged as security for repurchase liability (Refer Note 19(c)). The Group continues to record these investments as it retains rights to contractual cash flows on such investments and thus do not meet the criteria for derecognition or transfer of financial asset as per Ind AS 107.

(₹ in Crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Aggregate amount of quoted investments, and market value thereof	8,073	9,933
Aggregate amount of unquoted investments	4,563	7,207
Total	**12,636**	**17,140**

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8 Financial assets - Trade receivables

(₹ in Crore)

Particulars	As at 31 March 2023			As at 31 March 2022		
	Non-current	Current	Total	Non-current	Current	Total
Secured, Undisputed						
Not due	-	319	319	-	186	186
Less than 6 months	-	292	292	-	57	57
6 months -1 year	-	6	6	-	-	-
1-2 Years	-	-	-	-	-	-
2-3 years	-	-	-	-	-	-
More than 3 years	-	3	3	-	3	3
Sub-total	**-**	**620**	**620**	**-**	**246**	**246**
Unsecured, disputed						
Unbilled dues	34	-	34	43	-	43
Not due	26	-	26	28	-	28
Less than 6 months	189	14	203	246	19	265
6 months -1 year	241	-	241	126	-	126
1-2 Years	441	-	441	651	21	672
2-3 years	389	-	389	442	9	451
More than 3 years	2,585	7	2,592	2,515	14	2,529
Sub-Total	**3,905**	**21**	**3,926**	**4,051**	**63**	**4,114**
Unsecured, Undisputed						
Unbilled dues	-	98	98	-	0	0
Not due	-	2,242	2,242	1	2,233	2,234
Less than 6 months	-	1,007	1,007	1	2,361	2,362
6 months -1 year	-	17	17	-	19	19
1-2 Years	-	23	23	-	36	36
2-3 years	-	4	4	-	1	1
More than 3 years	-	5	5	-	15	15
Sub-Total	**-**	**3,396**	**3,396**	**2**	**4,665**	**4,667**
Less: Provision for expected credit loss	(1,373)	(23)	(1,396)	(1,052)	(28)	(1,080)
Total	**2,532**	**4,014**	**6,546**	**3,001**	**4,946**	**7,947**

a) The credit period given to customers is up to 180 days. Also refer note 24 (C)(d)

b) For amount due and terms and conditions of related party receivables, refer note 42.

c) In a matter between TSPL and Punjab State Power Corporation Limited (PSPCL) relating to assessment of whether there has been a change in law following the execution of the Power Purchase Agreement, the Appellate Tribunal for Electricity has dismissed the appeal in July 2017 filed by TSPL. TSPL later filed an appeal before the Honourable Supreme Court to seek relief, which is yet to be listed.

The outstanding trade receivables in relation to this dispute and other matters is ₹ 1,476 Crore as at 31 March 2023 (31 March 2022: ₹ 1,725 Crore). The Group, based on external legal opinion and its own assessment of the merits of the case, remains confident that it is highly probable that the Supreme court will uphold TSPL's appeal and has thus continued to treat these balances as recoverable.

d) Trade receivables includes ₹ 878 Crore (net of Provision for expected credit loss ("ECL") of ₹ 157 Crore recognised during the year on account of time value of money) as at 31 March 2023 (31 March 2022: ₹ 1,097 Crore) withheld by GRIDCO Limited ("GRIDCO") primarily on account of reconciliation and disputes relating to computation of power tariffs and alleged short-supply of power by the Group under the terms of long term power supply agreement.

Out of the above, ₹ 374 Crore (net of ECL of ₹ 74 Crore recognised during the year on account of time value of money) relates to the amounts withheld by GRIDCO due to tariff adjustments on account of transmission line constraints in respect of which GRIDCO's appeal against order of APTEL is pending before the Hon'ble Supreme Court of India and ₹ 234 Crore (net of ECL of ₹ 47 Crore) relates to alleged short supply of power for which the Group's appeal on certain grounds are pending before APTEL.

e) The total trade receivables as at 01 April 2021 were ₹ 6,431 Crore (net of provision for expected credit loss).

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9 Financial assets - Loans

(₹ in Crore)

Particulars	As at 31 March 2023			As at 31 March 2022		
	Non-current	Current	Total	Non-current	Current	Total
Unsecured, considered good						
Loans to related parties (Refer note 42)	9	3,749	3,758	3,164	2,298	5,462
Loans and advances to employees	1	11	12	2	6	8
Unsecured, considered credit impaired						
Loans to related parties (Refer note 42)	-	87	87	-	78	78
Less: Provision for expected credit loss	-	(87)	(87)	-	(78)	(78)
Total	**10**	**3,760**	**3,770**	**3,166**	**2,304**	**5,470**

10 Financial assets - Others

(₹ in Crore)

Particulars	As at 31 March 2023			As at 31 March 2022		
	Non-current	Current	Total	Non-current	Current	Total
Bank deposits [a, b, c]	688	-	688	444	-	444
Site Restoration asset [c]	1,228	-	1,228	1,023	-	1,023
Unsecured, considered good						
Receivables from related parties (Refer note 42)	-	18	18	-	151	151
Security deposits	345	57	402	187	54	241
Others						
Advance recoverable (oil and gas business)	-	7,622	7,622	-	8,176	8,176
Others [d]	1,523	171	1,694	1,438	343	1,781
Unsecured, considered credit impaired						
Security deposits	43	1	44	43	1	44
Balance with government authorities	-	3	3	-	3	3
Others [d]	584	241	825	565	436	1,001
Less: Provision for expected credit loss	(627)	(245)	(872)	(608)	(440)	(1,048)
Total	**3,784**	**7,868**	**11,652**	**3,092**	**8,724**	**11,816**

a) Bank deposits includes fixed deposit with maturity more than twelve months of ₹ 208 Crore (31 March 2022: ₹ NIL Crore) under lien with bank, ₹ 208 Crore (31 March 2022: ₹ 101 Crore) reserve created against principal payment on loans from banks, restricted funds of ₹ 146 Crore (31 March 2022: ₹ 156 Crore) held as interest reserve created against interest payment on loans from banks and margin money of ₹ 39 Crore (31 March 2022: ₹ 39 Crore).

b) Restricted funds of ₹ 7 Crore (31 March 2022: ₹ 5 Crore) held as lien with Others, ₹ 58 Crore (31 March 2022: ₹ 61 Crore) held as margin money against bank guarantees and ₹ 2 Crore (31 March 2022: ₹ NIL Crore) held as fixed deposit for closure cost.

c) Bank deposits and site restoration asset earn interest at fixed rate based on respective deposit rates.

d) Government of India (GoI) vide Office Memorandum ("OM") No. O-19025/10/2005-ONG-DV dated 01 February 2013 allowed for Exploration in the Mining Lease Area after expiry of Exploration period and prescribed the mechanism for recovery of such Exploration Cost incurred. Vide another Memorandum dated 24 October 2019, GoI clarified that all approved Exploration costs incurred on Exploration activities, both successful and unsuccessful, are recoverable in the manner as prescribed in the OM and as per the provisions of PSC. Accordingly, the Group has started recognizing revenue for past exploration costs, through increased share in the joint operations revenue as the Group believes that cost recovery mechanism prescribed under OM for profit petroleum payable to GoI is not applicable to its Joint operation partner, a view which is also supported by an independent legal opinion. At year end, an amount of ₹ 1,718 Crore (US$ 209 million) (31 March 2022: ₹ 1,581 Crore (US$ 209 million)) is receivable from its joint operation partner on account of this. However, the Joint operation partner carries a different understanding and the matter is pending resolution.

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11 Other assets

(₹ in Crore)

Particulars	As at 31 March 2023			As at 31 March 2022		
	Non-current	Current	Total	Non-current	Current	Total
Unsecured, considered good						
Capital advances	1,747	-	1,747	1,702	-	1,702
Advances other than capital advances						
Advances for supplies to related party (Refer note 42)	25	1,663	1,688	61	84	145
Advances for supplies	40	2,128	2,168	-	2,706	2,706
Others						
Balance with government authorities [a]	809	1,525	2,334	761	1,084	1,845
Others [b]	985	1,177	2,162	918	1,399	2,317
Unsecured, considered doubtful						
Capital advances	188	-	188	185	-	185
Advance for supplies	-	76	76	-	74	74
Balance with government authorities	3	109	112	3	12	15
Claims and other receivables						
Others [b]	1,068	4	1,072	1,021	6	1,027
Less: Provision for doubtful advances	(1,259)	(189)	(1,448)	(1,209)	(92)	(1,301)
Total	**3,606**	**6,493**	**10,099**	**3,442**	**5,273**	**8,715**

a) Includes ₹ 66 Crore (31 March 2022: ₹ 58 Crore), being Company's share of gross amount of ₹ 97 Crore (31 March 2022: ₹ 86 Crore) paid under protest on account of Education Cess and Secondary Higher Education Cess for the year ended 2013-14.

b) Others include claim receivables, advance recoverable (oil and gas business), prepaid expenses and export incentive receivables.

12 Inventories

(₹ in Crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Raw materials	2,864	2,906
Goods-in transit	2,239	1,471
Work-in-progress	5,081	5,039
Goods-in transit	-	1
Finished good	1,028	783
Goods-in transit	-	46
Fuel stock	1,598	1,279
Goods-in transit	241	833
Stores and spares	1,915	1,909
Goods-in transit	46	46
Total	**15,012**	**14,313**

a) Inventory held at net realisable value of ₹ 2,051 Crore as at 31 March 2023 (31 March 2022: ₹ 2,707 Crore).

b) A write down of inventories amounting to ₹ 113 Crore (31 March 2022: ₹ 172 Crore) has been charged to the consolidated statement of profit and loss during the year.

c) For method of valuation for each class of inventories, refer Note 3(a)(L).

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13 Cash and cash equivalents

(₹ in Crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Balances with banks [a]	6,078	5,408
Bank deposits with original maturity of less than 3 months (including interest accrued thereon) [b]	848	3,263
Cash on hand	0	0
Total	**6,926**	**8,671**

a) Including foreign inward remittances aggregating ₹ 325 Crore (US$ 40 million) (31 March 2022: ₹ 3,495 Crore (US$ 462 million) held by banks in their nostro accounts on behalf of the Group.

b) Bank deposits earn interest at fixed rate based on respective deposit rates.

14 Other bank balances

(₹ in Crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Bank deposits with original maturity of more than 3 months but less than 12 months (including interest accrued thereon) [a, b, c]	859	2,053
Bank deposits with original maturity of more than 12 months (including interest accrued thereon) [c, d]	0	4,164
Earmarked unpaid dividend accounts [e, f]	1,467	465
Earmarked escrow account [g]	2	2
Total	**2,328**	**6,684**

a) The above bank deposits includes ₹ 97 Crore (31 March 2022: ₹ 441 Crore) on lien with banks, margin money of ₹ 41 Crore (31 March 2022: ₹ 40 Crore).

b) ₹ 42 Crore (31 March 2022: ₹ 40 Crore) held as collateral in respect of closure costs, ₹ 22 Crore (31 March 2022: ₹ 6 Crore) held as lien with Others and ₹ 63 Crore (31 March 2022: ₹ 57 Crore) held as margin money against bank guarantees.

c) Bank deposits earn interest at fixed rate based on respective deposit rates.

d) Includes ₹ 0 Crore (31 March 2022: ₹ 4 Crore) margin money with banks and fixed deposit under lien with others of ₹ 0 Crore (31 March 2022: ₹ 15 Crore).

e) Includes ₹ 1,322 Crore (31 March 2022: ₹ NIL Crore) in unpaid dividend account of a subsidiary.

f) Earmarked unpaid dividend accounts are restricted in use as it relates to unclaimed dividends or unpaid dividend as per the provisions of the Companies Act, 2013.

g) Earmarked escrow account includes amount restricted in use as it relates to unclaimed redeemable preference shares.

15 Share capital

(₹ in Crore)

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number (in Crore)	Amount (₹ in Crore)	Number (in Crore)	Amount (₹ in Crore)
A) Authorised equity share capital				
Opening and closing balance (equity shares of ₹ 1 each with voting rights)	4,402	4,402	4,402	4,402
Authorised preference share capital				
Opening and closing balance (preference shares of ₹ 10 each)	301	3,010	301	3,010
B) Issued, subscribed and paid up				
Equity shares of ₹ 1 each with voting rights [a, b]	372	372	372	372
Total	**372**	**372**	**372**	**372**

a) Includes 3,05,832 (31 March 2022: 3,05,832) equity shares kept in abeyance. These shares are not part of listed equity capital and pending allotment as they are sub-judice.

b) Includes 40,05,075 (31 March 2022: 86,93,406) equity shares held by Vedanta Limited ESOS Trust (Refer Note 16).

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C) Shares held by ultimate holding company and its subsidiaries*

(₹ in Crore)

Particulars	As at 31 March 2023		As at 31 March 2022	
	No. of Shares held (in Crore)	% of holding	No. of Shares held (in Crore)	% of holding
Twin Star Holdings Limited	172.48	46.40	172.48	46.40
Finsider International Company Limited	16.35	4.40	16.35	4.40
Welter Trading Limited	3.82	1.03	3.82	1.03
Vedanta Holdings Mauritius II Limited	49.28	13.26	49.28	13.26
Vedanta Holdings Mauritius Limited	10.73	2.89	10.73	2.89
Vedanta Netherlands Investment BV	0.50	0.13	6.35	1.71
Total	**253.16**	**68.11**	**259.01**	**69.69**

* The % of holding has been calculated on the issued and subscribed share capital as at the respective balance sheet date.

All the above entities are subsidiaries of Volcan Investments Limited, the ultimate holding company.

D) Details of shareholders holding more than 5% shares in the Company *

(₹ in Crore)

Particulars	As at 31 March 2023		As at 31 March 2022	
	No. of Shares held (in Crore)	% of holding	No. of Shares held (in Crore)	% of holding
Twin Star Holdings Limited	172.48	46.40	172.48	46.40
Vedanta Holdings Mauritius II Limited	49.28	13.26	49.28	13.26
Life Insurance Corporation of India	33.54	9.02	32.11	8.64

* The % of holding has been calculated on the issued and subscribed share capital as at respective balance sheet dates.

As per the records of the Company, including its register of shareholders/members, the above shareholding represents legal ownership of shares.

E) Disclosure of Shareholding of Promoters and Promoter Group

(₹ in Crore)

Particulars	As at 31 March 2023			As at 31 March 2022	
	No. of Shares held (in Crore)	% of holding	% Change during the year	No. of Shares held (in Crore)	% of holding
Twin Star Holdings Limited	172.48	46.40	-	172.48	46.40
Finsider International Company Limited	16.35	4.40	-	16.35	4.40
Welter Trading Limited	3.82	1.03	-	3.82	1.03
Vedanta Holdings Mauritius II Limited	49.28	13.26	-	49.28	13.26
Vedanta Holdings Mauritius Limited	10.73	2.89	-	10.73	2.89
Vedanta Netherlands Investment BV	0.50	0.13	(1.58)	6.35	1.71
Mr. Pravin Agarwal	0.00	0.00	-	0.00	0.00
Ms. Suman Didwania	0.01	0.00	-	0.01	0.00
Mr. Ankit Agarwal	0.00	0.00	-	0.00	0.00
Ms. Sakshi Mody	0.00	0.00	-	0.00	0.00
Total	**253.17**	**68.11**	**(1.58)**	**259.02**	**69.69**

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F) Other disclosures

i) The Company has one class of equity shares having a par value of ₹ 1 per share. Each shareholder is eligible for one vote per share held and dividend as and when declared by the Company. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend which is paid as and when declared by the Board of Directors. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

ii) In terms of Scheme of Arrangement as approved by the Hon'ble High Court of Judicature at Mumbai, vide its order dated 19 April 2002, the erstwhile Sterlite Industries (India) Limited (merged with the Company during 2013-14) during 2002-2003 reduced its paid up share capital by ₹ 10 Crore. There are 2,00,038 equity shares (31 March 2022: 1,99,373 equity shares) of ₹ 1 each pending clearance from NSDL. The Company has filed an application in Hon'ble High Court of Mumbai to cancel these shares, the final decision on which is pending. Hon'ble High Court of Judicature at Mumbai, vide its interim order dated 06 September 2002 restrained any transaction with respect to subject shares.

16 Other equity (Refer consolidated statement of changes in equity)

a) **General reserve:** Under the erstwhile Companies Act, 1956, a general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable reserves for that year. Consequent to introduction of Companies Act, 2013 ("Act"), the requirement to mandatory transfer a specified percentage of the net profit to general reserve has been withdrawn.

(i) The Board of Directors of the Company, on 29 October 2021, approved the Scheme of Arrangement between the Company and its shareholders under Section 230 and other applicable provisions of the Companies Act, 2013 ("Act") ("Scheme"). The Scheme provides for capital reorganization of the Company, inter alia, providing for transfer of amounts standing to the credit of the General Reserves to the Retained Earnings of the Company with effect from the Appointed Date.

Post the requisite approvals obtained from Stock Exchanges and pursuant to the National Company Law Tribunal, Mumbai Bench ("NCLT") Order dated 26 August 2022 ("NCLT Order"), the proposed scheme was approved by the shareholders with requisite majority on 11 October 2022.

The Company is in the process of complying with the further requirements specified in the NCLT Order.

(ii) The Board of Directors of HZL, on 21 January 2022, approved the Scheme of Arrangement between HZL and its shareholders under Section 230 and other applicable provisions of the Companies Act, 2013 ("Act") ("Scheme"). The Scheme provides for capital reorganization of HZL, inter alia, providing for transfer of amounts standing to the credit of the General Reserves to the Retained Earnings of the HZL with effect from the Appointed Date.

Post the requisite approvals obtained from Stock Exchanges and pursuant to the National Company Law Tribunal, Mumbai Bench ("NCLT") Order dated 06 February 2023 ("NCLT Order"), the proposed scheme was approved by the shareholders with requisite majority on 29 March 2023.

HZL is in the process of complying with the further requirements specified in the NCLT Order.

b) **Debenture redemption reserve:** As per the earlier provisions under the Act, companies that issue debentures were required to create debenture redemption reserve from annual profits until such debentures are redeemed. Companies are required to maintain 25% as a reserve of outstanding redeemable debentures.

The amounts credited to the debenture redemption reserve may only be utilized redeem debentures. The MCA vide its Notification dated 16 August 2019, had amended the Companies (Share Capital and Debenture) Rules, 2014, wherein the requirement of creation of Debenture Redemption Reserve has been exempted for certain class of companies. Accordingly, the Company is now not required to create Debenture Redemption Reserve.

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c) **Preference share redemption reserve:** The Companies Act, 2013 provides that companies that issue preference shares may redeem those shares from profits of the Company which otherwise would be available for dividends, or from proceeds of a new issue of shares made for the purpose of redemption of the preference shares. If there is a premium payable on redemption, the premium must be provided for, either by reducing the additional paid up capital (securities premium account) or net income, before the shares are redeemed. If profits are used to redeem preference shares, the value of the nominal amount of shares redeemed should be transferred from profits (retained earnings) to the preference share redemption reserve. This amount should then be utilised for the purpose of redemption of redeemable preference shares. This reserve can be used to issue fully paid-up bonus shares to the shareholders of the Company.

d) **Capital reserve:** The balance in capital reserve has mainly arisen pursuant to extinguishment of non-controlling interests of erstwhile Cairn India Limited, acquisition of ASI and FACOR. Further, changes in capital reserve are due to recognition/derecognition of put option liability and non controlling interests pertaining to ASI.

e) Legal reserve is created at Fujairah Gold FZC in accordance with free zone regulations.

f) Treasury share represents 40,05,075 (31 March 2022: 86,93,406) equity shares (face value of ₹ 1 each) of the Company purchased by Vedanta Limited ESOP Trust pursuant to the Company's stock option scheme as detailed in note 32.

17 Non-controlling interests (NCI)

The Non-controlling interests that are material to the Group relate to Hindustan Zinc Limited (HZL) and Bharat Aluminium Company Limited (BALCO).

As at 31 March 2023, NCIs hold an economic interest by virtue of their shareholding of 35.08%, 49.00%, 26.00%, 48.37%, 4.51% and 0.00% in Hindustan Zinc Limited (HZL), Bharat Aluminium Company Limited (BALCO), Black Mountain Mining (BMM), Avanstrate Inc. (ASI), ESL Steel Limited (ESL) and Ferro Alloys Corporation Limited (FACOR) respectively.

As at 31 March 2022, NCIs hold an economic interest by virtue of their shareholding of 35.08%, 49.00%, 26.00%, 48.37%, 4.51% and 10.00% in Hindustan Zinc Limited (HZL), Bharat Aluminium Company Limited (BALCO), Black Mountain Mining (BMM), Avanstrate Inc. (ASI), ESL Steel Limited (ESL) and Facor Power Limited (FPL) respectively.

The principal place of business of HZL, BALCO, ESL and FACOR is in India, that of BMM is in South Africa, that of Avanstrate Inc. is in Japan, South Korea and Taiwan.

The table below shows summarized financial information of subsidiaries of the Group that have non-controlling interests. The amounts are presented before inter-company elimination.

(₹ in Crore)

Particulars	As at 31 March 2023			
	HZL	BALCO	Others	Total
Non-current assets	21,156	13,144	15,887	50,187
Current assets	14,805	2,748	3,997	21,550
Non-current liabilities	5,257	2,439	5,915	13,611
Current liabilities	17,452	4,878	5,359	27,689
Equity attributable to owners of the Group	8,603	4,373	7,863	20,839
Non-controlling interests [a]	4,649	4,202	1,153	10,004

(a) ₹ 406 Crore loss attributable to NCI of ASI transferred to put option liability. Refer note 22.

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(₹ in Crore)

Particulars	As at 31 March 2022			
	HZL	BALCO	Others	Total
Non-current assets	21,234	12,362	15,184	48,780
Current assets	23,986	3,091	4,089	31,166
Non-current liabilities	4,491	2,612	8,065	15,168
Current liabilities	6,094	4,235	4,231	14,560
Equity attributable to owners of the Group	22,485	4,389	6,460	33,334
Non-controlling interests [a]	12,150	4,217	954	17,321

(a) ₹ 437 Crore loss attributable to NCI of ASI transferred to put option liability. Refer note 22.

(₹ in Crore)

Particulars	For the year ended 31 March 2023			
	HZL	BALCO	Others	Total
Total Income	35,465	13,496	15,074	64,035
Profit/ (loss) after tax for the year	10,479	(64)	941	11,356
Profit/ (loss) attributable to the equity shareholders of the Company	6,803	(33)	657	7,427
Profit/ (loss) attributable to the non-controlling interests	3,676	(31)	284	3,929
Other comprehensive income/ (loss) during the year	40	33	(381)	(308)
Other comprehensive income/ (loss) attributable to the equity shareholders of the Company	27	17	(286)	(242)
Other comprehensive income/ (loss) attributable to non-controlling interests	13	16	(95)	(66)
Total comprehensive income/ (loss) during the year	10,519	(31)	560	11,048
Total comprehensive income/ (loss) attributable to the equity shareholders of the Company	6,830	(16)	371	7,185
Total comprehensive income/ (loss) attributable to non-controlling interests	3,689	(15)	189	3,863
Dividends paid to non-controlling interests	11,190	-	-	11,190
Net cash inflow from operating activities	15,161	1,219	2,511	18,891
Net cash inflow/ (outflow) from investing activities	6,529	(1,127)	(1,436)	3,966
Net cash outflow from financing activities	(23,223)	(220)	(1,241)	(24,684)
Net cash outflow	(1,533)	(128)	(166)	(1,827)

(₹ in Crore)

Particulars	For the year ended 31 March 2022			
	HZL	BALCO	Others	Total
Total Income	30,632	13,944	12,270	56,846
Profit after tax for the year	9,593	2,651	752	12,996
Profit attributable to the equity shareholders of the Company	6,227	1,352	509	8,088
Profit attributable to the non-controlling interests	3,366	1,299	243	4,908
Other comprehensive (loss)/ income during the year	(56)	(17)	204	131
Other comprehensive (loss)/ income attributable to the equity shareholders of the Company	(36)	(9)	136	91
Other comprehensive (loss)/ income attributable to non-controlling interests	(20)	(8)	68	40
Total comprehensive income during the year	9,537	2,634	956	13,127

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(₹ in Crore)

Particulars	For the year ended 31 March 2022			
	HZL	BALCO	Others	Total
Total comprehensive income attributable to the equity shareholders of the Company	6,191	1,343	645	8,179
Total comprehensive income attributable to non-controlling interests	3,346	1,291	311	4,948
Dividends paid to non-controlling interests	2,668	-	-	2,668
Net cash inflow from operating activities	13,291	2,610	2,902	18,803
Net cash outflow from investing activities	(87)	(183)	(2,177)	(2,447)
Net cash outflow from financing activities	(11,925)	(2,099)	(510)	(14,534)
Net cash inflow	1,279	328	215	1,822

18 Capital management

The Group's objectives when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth. The Group's overall strategy remains unchanged from previous year.

The Group sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments.

The funding requirements are met through a mixture of equity, internal fund generation and borrowings. The Group's policy is to use current and non-current borrowings to meet anticipated funding requirements.

The Group monitors capital on the basis of the net gearing ratio which is Net debt/ Total Capital (equity + net debt). The Group is not subject to any externally imposed capital requirements.

Net debt are non-current and current debt as reduced by cash and cash equivalents, other bank balances and current investments. Equity comprises all components including other comprehensive income.

The following table summarizes the capital of the Group:

(₹ in Crore except otherwise stated)

Particulars	As at 31 March 2023	As at 31 March 2022
Cash and cash equivalents (Refer note 13)	6,926	8,671
Other bank balances[a] (including interest accrued) (Refer note 14)	732	5,860
Non-current Bank deposits[a] (Refer note 10)	475	459
Long term investments (Refer note 7A)	153	-
Short term investments (Refer note 7B)	12,636	17,140
Total cash (a)	**20,922**	**32,130**
Non-current borrowings (Note 19A)	43,476	36,205
Current borrowings (Note 19B)	22,706	16,904
Total borrowings (b)	**66,182**	**53,109**
Net debt (c=(b-a))	**45,260**	**20,979**
Total equity (d)	49,427	82,704
Total capital (e = equity + net debt)	**94,687**	**1,03,683**
Gearing ratio (times) (c/e)	0.48	0.20

a) The constituents of 'total cash' for the purpose of capital management disclosure include only those amounts of restricted funds that are corresponding to liabilities (e.g., margin money deposits). Restricted funds amounting to ₹ 1,809 Crore (31 March 2022: ₹ 807 Crore) have been excluded from 'total cash' in the capital management disclosures.

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19 Financial liabilities - Borrowings

A) Non-current borrowings

(₹ in Crore)

Particulars	As at 31 March 2023	As at 31 March 2022
At amortised cost		
Secured		
Non convertible debentures	7,138	5,123
Term loans from banks		
- Rupee term loans	34,398	32,760
- Foreign currency term loans	2,662	2,588
- External commercial borrowings	3,261	1,233
Others	494	499
Unsecured		
Non convertible debentures	2,911	2,814
Deferred sales tax liability	28	54
Non convertible bonds	31	31
Term loans from banks		
- Rupee term loans	2,795	499
- Foreign currency term loans	4	72
Redeemable preference shares	2	2
Non-current Borrowings	**53,724**	**45,675**
Less: Current maturities of long term borrowings [a]	(10,248)	(9,470)
Total non-current Borrowings (Net) (A)	**43,476**	**36,205**
Current Borrowings (Refer Note 19B) (B)	**22,706**	**16,904**
Total Borrowings (A+B)	**66,182**	**53,109**

B) Current borrowings

(₹ in Crore)

Particulars	As at 31 March 2023	As at 31 March 2022
At amortised cost		
Secured		
Working capital loan	208	565
Packing credit in foreign currencies from banks	300	-
Rupee term loans from banks	1,857	23
Amounts due on factoring	22	-
Current maturities of long term borrowings [a]	6,247	8,237
Others	-	12
Unsecured		
Rupee term loans from banks	3,002	700
Loans repayable on demand from banks	2,255	1,000
Commercial paper	4,714	4,987
Working capital loan	100	9
Amounts due on factoring	-	138
Current maturities of long term borrowings [a]	4,001	1,233
Total	**22,706**	**16,904**

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In the event Vedanta Resources Limited (together with its subsidiaries) ceases to be the Company's majority shareholder, the Group will be required to immediately repay some of its outstanding long-term debt.

a) Current maturities of long term borrowings consists of:

(₹ in Crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Secured		
Non convertible debentures	51	2,074
Term loans from banks		
- Rupee term loans	5,287	4,321
- Foreign currency term loans	27	1,231
External commercial borrowings	385	113
Others	497	498
Unsecured		
Non convertible debentures	2,911	703
Term loans from banks	1,070	499
Deferred sales tax liability	18	29
Redeemable preference shares	2	2
Total	**10,248**	**9,470**

b) Details of Non-convertible debentures issued by Group have been provided below (Carrying value)

(₹ in Crore)

Particulars	As at 31 March 2023	As at 31 March 2022
8.74% due June 2032	4,089	-
9.20% due February 2030	2,000	2,000
7.68% due December 2024	998	997
3m T-bill rate + 240 bp due March 2024*	800	-
5.35% due September 2023	2,111	2,814
0.00% due September 2023	51	107
9.20% due December 2022	-	749
8.75% due June 2022	-	1,270
Total	**10,049**	**7,937**

* The 3-month Treasury bill rate as at 31 March 2023 is 6.34%.

c) The Group has taken borrowings in various countries towards funding of its acquisitions, capital expenditure and working capital requirements. The borrowings comprises funding arrangements from various banks and financial institutions taken by the parent and subsidiaries. The details of security provided by the Group in various countries, to various lenders on the asset of the parent and subsidiaries are as follows -

(₹ in Crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Secured non-current borrowings	41,706	33,966
Secured current borrowings	8,634	8,837
Total	**50,340**	**42,803**

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(₹ in Crore)

Facility Category	Security details	As at 31 March 2023	As at 31 March 2022
Working capital loans*	First Pari passu charge by way of mortgage/hypothecation over the specified immovable and movable fixed assets of the Company with a minimum fixed asset cover of 1.1 times of the outstanding term loan during the period of the facility. Security comprise of assets of the aluminium and power division of the Company, comprising: (i) 1.6 MTPA aluminium smelter along with 1,215 MW Captive power plant ("CPP") at Jharsuguda and, (ii) 1 MTPA alumina refinery along with 90 MW CPP at Lanjigarh, Odisha.	70	-
	First pari pasu charge on current assets of FACOR	22	-
	Secured by second pari passu charge on fixed assets of TSPL and first pari passu charge on current assets of TSPL, both present and future	110	515
	Secured by hypothecation of stock of raw materials, work-in progress, semi-finished, finished products, consumable stores and spares, bills receivables, book debts and all other movables, both present and future in BALCO. The charges rank pari passu among banks under the multiple banking arrangements, for fund based facilities	300	50
	First pari passu charge on all current assets of Malco Energy Limited (MEL)	29	-
External Commercial Borrowings	First pari passu charge by way of hypothecation on all present and future movable assets of the Company with a minimum fixed asset cover of 1.10 times of the outstanding facility during the period of the facility comprising: (i) 1.6 MTPA (proposed capacity of 1.8 MTPA) aluminium smelter along with 1,215 MW CPP (Captive power plant) at Jharsuguda (ii) 1 MTPA (proposed capacity of 6 MTPA) alumina refinery along with CPP of 90 MW (Captive power plant) at Lanjigarh, Odisha (iii) 2,400 MW Power plant (1,800 MW CPP and 600 MW IPP) located at Jharsuguda, Odisha and (iv) Oil & Gas division comprising RJ-ON-90/1 Oil & Gas Block (Rajasthan), Cambay oil fields, Ravva Oil & Gas fields (under PKGM-1 block) and OALP blocks.	1,224	-
	A First pari passu charge by way of hypothecation on the specified movable fixed assets of the Company pertaining to its manufacturing facilities comprising: (i) alumina refinery having output of 6 MTPA along with co-generation captive power plant with an aggregate capacity of 90 MW at Lanjigarh, Odisha; (ii) aluminium smelter having output of 1.6 MTPA along with a 1,215 (9*135) MW CPP at Jharsuguda, Odisha	2,037	1,119
	Other secured external commercial borrowings	-	114
Non convertible debentures	Secured by way of charge against all existing assets of FACOR	52	107
	First ranking pari passu charge by way of mortgage over 18.92 acres freehold land in Jharsuguda, Odisha together with the building and structures/ erections constructed/ to be constructed thereon and all the plant and machinery and other furniture and fixtures erected/ installed or to be erected/installed thereon and hypothecation over movable fixed assets excluding capital work in progress in relation to the aluminium division comprising 6 MTPA alumina refinery alongwith 90 MW co-generation captive power plant in Lanjigarh, Odisha; and 1.6 MTPA aluminium smelter plant along with 1,215 MW (9*135 MW) power plant and 2,400 MW power plant in Jharsuguda, Odisha including its movable plant and machinery, machinery spares, tools and accessories and other movable fixed assets.	4,089	-
	Secured by way of first pari passu charge on whole of the movable fixed assets of: (i) alumina refinery having output of 1 MTPA along with co-generation captive power plant with an aggregate capacity of 90 MW at Lanjigarh, Odisha; and (ii) aluminum smelter having output of 1.6 MTPA along with a 1,215 (9*135) MW CPP at Jharsuguda, Odisha. Additionally, secured by way of mortgage on the freehold land comprising 18.92 acres situated at Jharsuguda, Odisha.	2,000	2,000

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(₹ in Crore)

Facility Category	Security details	As at 31 March 2023	As at 31 March 2022
Non convertible debentures	Secured by way of first pari-passu charge on the specific movable Fixed Assets. The whole of the movable Fixed Assets both present and future, of the Company in relation to the aluminium division, comprising the following facilities: (i) 1 MTPA alumina refinery alongwith 90 MW co-generation captive power plant in Lanjigarh, Odisha; and (ii) 1.6 MTPA aluminium smelter plant along with 1,215 MW (9*135 MW) power plant in Jharsuguda, Odisha including its movable plant and machinery, capital work in progress, machinery spares, tools and accessories, and other movable fixed assets	998	997
	Other secured non-convertible debentures	-	2,019
Term loans from banks (Includes rupee term loans and foreign currency term loans)	Secured by first pari passu charge on fixed assets of TSPL and second pari passu charge on current assets of TSPL, both present and future	6,168	6,498
	Secured by a pari passu charge by way of hypothecation of all the movable fixed assets of the Company pertaining to its aluminium division project consisting: (i) alumina refinery having output of 1 MTPA (Refinery) along with co-generation captive power plant with an aggregate capacity of 90 MW at Lanjigarh, Orissa (Power Plant); and (ii) aluminium smelter having output of 1.6 MTPA along with a 1,215 (9x135) MW CPP at Jharsuguda, Orissa (Smelter) (the Refinery, Power Plant and Smelter). Also, a first pari passu charge by way of equitable mortgage on the land pertaining to the mentioned project of aluminium division.	1,605	1,776
	Secured by a pari passu charge by way of hypothecation on the movable fixed assets of the Lanjigarh Refinery Expansion Project including 210 MW Power Project. Lanjigarh Refinery Expansion Project shall specifically exclude the 1 MTPA alumina refinery of the Company along with 90 MW power plant in Lanjigarh and all its related expansions.	359	402
	Secured by a pari passu charge by way of hypothecation on the movable fixed assets of the Company pertaining to its aluminium division comprising 1 MTPA alumina refinery plant with 90 MW captive power plant at Lanjigarh, Odisha and 1.6 MTPA aluminium smelter plant with 1,215 MW captive power plant at Jharsuguda, Odisha.	3,394	3,434
	Secured by a pari passu charge by way of hypothecation/ equitable mortgage of the movable/ immovable fixed assets of the Company pertaining to its aluminium division comprising 1 MTPA alumina refinery plant with 90 MW captive power plant at Lanjigarh, Odisha and 1.6 MTPA aluminium smelter plant with 1,215 MW captive power plant at Jharsuguda, Odisha.	5,873	6,623
	First pari passu charge by way of hypothecation/ equitable mortgage on the movable/ immovable assets of the aluminium Division of the Company comprising alumina refinery having output of 1 MTPA along with co-generation captive power plant with an aggregate capacity of 90 MW at Lanjigarh, Orissa; aluminium smelter having output of 1.6 MTPA along with a 1,215 (9x135) MW CPP at Jharsuguda, Orissa and additional charge on Lanjigarh Expansion project, both present and future.	780	999
	Secured by a first pari passu charge on the identified fixed assets of the Company both present and future, pertaining to its aluminium business (Jharsuguda Plant, Lanjigarh Plant), 2,400 MW power plant assets at Jharsuguda, copper plant assets at Silvassa, iron ore business in the states of Karnataka and Goa, dividends receivable from Hindustan Zinc Limited ("HZL"), a subsidiary of the Company, and the debt service reserve account to be opened for the facility along with the amount lying to the credit thereof[h].	7,221	7,821
	Secured by (i) floating charge on the Company collection account and associated permitted investments and (ii) corporate guarantee from Cairn Energy Hydrocarbons Limited (CEHL) and floating charge on collection account and current assets of CEHL	2,662	1,602

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(₹ in Crore)

Facility Category	Security details	As at 31 March 2023	As at 31 March 2022
Term loans from banks (Includes rupee term loans and foreign currency term loans)	A first pari passu first charge by way of hypothecation on the Specified movable fixed assets of the Company pertaining to its Manufacturing facilities comprising: (i) alumina refinery having output of 1 MTPA along with co- generation captive power plant with an aggregate capacity of 90 MW at Lanjigarh, Orissa (ii) aluminium smelter having output of 1.6 MTPA along with a 1,215 (9x135) MW CPP at Jharsuguda, Orissa.	1,137	-
	Secured by first pari passu charge on all present and future movable fixed assets including but not limited to plant and machinery, spares, tools and accessories of BALCO (excluding of coal block assets) by way of a deed of hypothecation	831	890
	First ranking pari passu charge by way of hypothecation/mortgage on all fixed/ immovable assets of ESL Steel Limited but excluding any current assets or pledge over any shares.	2,273	2,705
	A first pari passu charged by way of hypothecation on the specified movable fixed assets (present and future) including movable plant and machinery, machinery spares, tools and accessories, furniture and fixtures, vehicle, Capital work-in progress etc. of the Company pertaining to Aluminium division (Jharsuguda plant, Lanjigarh plant) and 2,400 MW power plant at JSG as more particularly described as below: (i) Alumina refinery upto 6 MTPA along with cogeneration captive power plant with aggregate capacity of 90 MW located in Lanjigarh, Odisha (ii) Alumina smelter output of 1.6 MTPA aluminium Smelter including 1,215 (9x135) MW power plant in Jharsuguda, Odisha (iii) 2,400 MW power plant (1,800 MW CPP and 600 MW IPP) located as Jharsuguda, Odisha	473	-
	A first pari passu charge by way of mortgage/ hypothecation over the specified movable fixed assets of the Company. Security shall comprise of assets of the aluminum and power division of the Company, comprising: (i) 1.6 MTPA aluminium smelter along with 1,215 MW CPP at Jharsuguda and (ii) 1 MTPA alumina refinery along with 90 MW CPP at Lanjigarh, Odisha.	1,191	-
	Secured by first pari passu charge by way of movable fixed assets of the aluminium division of the Company comprising: (i) 6 MTPA aluminium refinery along with 90 MW Co-generation captive power plant in Lanjigarh, Orissa; (ii) 1.6 MTPA aluminium smelter along with 1,215 MW CPP at Jharsuguda, (iii) 2,400 MW power plant (1,800 MW CPP and 600 MW IPP) located at Jharsuguda, Odisha and (iv) Oil and gas division comprising RJ-ON-90/91 Oil and Gas Block (Rajasthan), Cambay Oil Fields, Ravva Oil and gas Fields under (PKMGH-1 block) and OALP blocks	743	-
	First pari passu charge on the movable fixed and current assets (except for the Concession assets) of VGCB at Visakhapatnam, Andhra Pradesh	352	375
	A first pari passu first charge by way of hypothecation on the Specified movable fixed assets of the Company pertaining to its Manufacturing facilities comprising: (i) 1.6 MTPA Aluminium smelter along with 1,215 MW CPP (captive power plant) at Jharsuguda and (ii) 1 MTPA Alumina refinery along with CPP of 90 MW (captive power plant) at Lanjigarh, Odisha	490	-
	A first pari passu charge by way of mortgage/ hypothecation over the specified immovable and movable fixed assets of the Company. Security shall comprise of assets of the aluminum and power division of the Company, comprising: (i) 1.6 MTPA Aluminium Smelter along with 1215 MW CPP at Jharsuguda and (ii) 1 MTPA Alumina refinery along with CPP of 90 MW CPP at Lanjigarh, Odisha	927	-

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(₹ in Crore)

Facility Category	Security details	As at 31 March 2023	As at 31 March 2022
Term loans from banks (Includes rupee term loans and foreign currency term loans)	First pari passu charge by way of hypothecation on all present and future movable fixed assets of the Company including but not limited to plant and machinery, spares, tools and accessories of 1.6 MTPA aluminium smelter along with 1,215 MW CPP at Jharsuguda, Odisha and 1 MTPA alumina refinery along with 90 MW CPP at Lanjigarh, Odisha	683	880
	A first pari passu charge by way of hypothecation on all present and future movable Fixed Assets including movable plant and machinery, machinery spares, tools and accessories, furniture and fixtures, vehicles, Capital Work-in-Progress etc. of the Company with a minimum fixed asset coverage ratio of 1.10 times as more particularly described as below: (i) Alumina refinery upto 6 MTPA along with co-generation captive power plant with an aggregate capacity of 90 MW located at Lanjigarh, Orissa; (ii) Aluminium smelter having output of 1.6 MTPA along with a 1,215 (9x135) MW CPP located at Jharsuguda, Orissa. (iii) 2,400 MW Power Plant (1,800 MW CPP and 600 MW IPP) located at Jharsuguda, Odisha; and (iv) Oil & Gas division comprising of RJ-ON-90/1 Oil & Gas Block (Rajasthan), Cambay Oil Fields and Ravva Oil & Gas Fields (under PKGM-1 block)	250	-
	Secured by tax free perpetual bonds**	1,505	-
	Other secured term loans	-	1,366
Others	Secured by Fixed asset (platinum) of AvanStrate Inc.	493	499
	Other Secured borrowings	-	12
Total		**50,340**	**42,803**

* Includes loans repayable on demand from banks, export packing credit from banks and amounts due on factoring.

** Repurchase liability as on 31 March 2023 carry an effective interest rate in the range of 7.99% p.a. to 8.15% p.a. (31 March 2022: Nil), secured by current investments amounting to ₹ 1,812 Crore and are repayable in 102 to 109 days (31 March 2022: Nil days) from the date of borrowings through repurchase obligation.

d) The loan facilities are subject to certain financial and non- financial covenants. The primary covenants which must be complied with include interest service coverage ratio, current ratio, debt service coverage ratio, total outside liabilities to total net worth, fixed assets coverage ratio, ratio of total term liabilities to net worth and debt/ EBITDA. The Group has complied with the covenants as per the terms of the respective loan agreements. Further, in case of borrowings having current assets as security, the quarterly statements of current assets filed by the Group with its lenders are in agreement with the books of accounts.

e) Term of repayment of total borrowings outstanding as at 31 March 2023 are provided below -

(₹ in Crore)

Borrowings	Weighted average of interest as at 31 March 2023	Total carrying value	<1 year	1-3 years	3-5 years	>5 years	Remarks
Foreign currency term loan	8.90%	2,662	27	541	2,136	-	Repayable in 7 quarterly installments
Rupee term loan	8.50%	42,052	11,255	14,787	11,824	4,320	Repayable in 156 monthly, 661 quarterly, 56 half yearly installments and 21 bullet payments
External commercial borrowings	7.42%	3,261	394	1,923	970	-	Repayable in 35 half yearly payments
Non convertible debentures	8.51%	10,049	2,984	1,000	-	6,089	Repayable in 5 bullet and 2 annual installments
Commercial paper	7.69%	4,714	4,714	-	-	-	Repayable in 7 bullet payments

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(₹ in Crore)

Borrowings	Weighted average of interest as at 31 March 2023	Total carrying value	<1 year	1-3 years	3-5 years	>5 years	Remarks
Working capital loan*	8.07%	2,864	2,864	-	-	-	Export packing credit and working capital loan are repayable within one year from the date of drawal, cash credit can be repaid anytime as per the availability of business surplus during the validity of the facility
Amounts due on factoring	8.70%	22	22	-	-	-	Repayable within 1 month
Deferred sales tax liability	NA	28	18	10	-	-	Repayable in 43 monthly installments
Redeemable preference shares	NA	2	2	-	-	-	The redemption and dividend paid to the preference shares unclaimed if any, is payable on claim.
Non-convertible bonds	0.28%**	35	3	9	7	15	Repayable in 10 annual installments starting from FY 2023-24
Others	5.00%	493	493	-	-	-	Repayable in 1 year as per lender's demand
Total		**66,182**	**22,776**	**18,270**	**14,937**	**10,424**	

The above maturity is based on the total principal outstanding gross of issue expenses and discounting impact of deferred sales tax liability.

*Includes loans repayable on demand from banks of ₹ 2,255 Crore

** Increasing interest rate to 0.50% till maturity

f) Term of repayment of total borrowings outstanding as at 31 March 2022 are provided below -

(₹ in Crore)

Borrowings	Weighted average of interest as at 31 March 2022	Total carrying value	<1 year	1-3 years	3-5 years	>5 years	Remarks
Foreign currency term loan	3.99%	2,660	1,232	1,189	72	172	Repayable in 57 quarterly installments, 11 annual installments and 1 monthly installment
Rupee term loan	8.22%	33,982	5,568	10,180	10,383	7,974	Repayable in 889 quarterly installments and 168 monthly installments
External commercial borrowings	3.48%	1,233	113	680	454	-	Repayable in 1 annual installment and 5 half yearly installments
Non convertible debentures	8.79%	7,937	2,796	3,184	-	2,000	Repayable in 4 bullet payments and 4 annual installments
Commercial paper	5.90%	4,986	4,986	-	-	-	Repayable in 12 bullet payment
Working capital loan *	5.93%	1,574	1,574	-	-	-	Export packing credit and working capital loan are repayable within one year from the date of drawal, cash credit can be repaid anytime as per the availability of business surplus during the validity of the facility
Amounts due on factoring	1.23%	139	139	-	-	-	Repayable within one month
Deferred sales tax liability	NA	54	29	25	-	-	Repayable in 55 monthly installments
Redeemable preference shares	NA	2	2	-	-	-	The redemption and dividend paid to the preference shares unclaimed if any, is payable on claim.
Non-convertible bonds	0.00%**	31	0	8	5	18	Repayable in 10 annual installments starting from FY 2023-24
Others	5.01%	511	511	-	-	-	Suppliers credit is repayable in 1 bullet payment and Loan repayable within one year on demand
Total		**53,109**	**16,950**	**15,266**	**10,914**	**10,164**	

The above maturity is based on the total principal outstanding gross of issue expenses and discounting impact of deferred sales tax liability.

*Includes loans repayable on demand from banks of ₹ 1,000 Crore

** Increasing interest rate from 0.00% to 0.50% till maturity

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g) Movement in borrowings during the period is provided below -

(₹ in Crore)

Particulars	Short term borrowing	Long term borrowing*	Total
Opening balance at 01 April 2021	3,715	53,313	57,028
Net cash inflow/ (outflow)	3,794	(7,842)	(4,048)
Other non-cash changes	(80)	138	58
Foreign exchange currency translation differences	5	66	71
As at 31 March 2022	**7,434**	**45,675**	**53,109**
Opening balance at 01 April 2022	**7,434**	**45,675**	**53,109**
Net cash inflow	4,576	8,160	12,736
Other non-cash changes	(232)	(254)	(486)
Foreign exchange currency translation differences	680	143	823
As at 31 March 2023	**12,458**	**53,724**	**66,182**

*including Current maturities of Long term borrowing

Other non-cash changes include amortisation of borrowing costs and foreign exchange difference on borrowings.

h) In December 2021, the Company executed a ₹ 8,000 Crore facility agreement with Union Bank of India Limited to take over a long term syndicated facility of ₹ 10,000 Crore. This loan is secured by the way of pledge over the shares held by the Company in HZL equal to minimum 1x outstanding loan value (calculated quarterly at Value Weighted Average Price), currently representing 6.77% (31 March 2022: 5.77%) of the paid-up shares of HZL. Further, the Company has also signed a Non-Disposal Undertaking (NDU) in respect of its shareholding in HZL to the extent of 50.1% of the paid-up share capital of HZL. As at 31 March 2023, the outstanding loan amount under the facility is ₹ 7,240 Crore (31 March 2022: ₹ 7,840 Crore).

20 Financial liabilities -Trade payables

(₹ in Crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Undisputed dues		
Unbilled dues	2,319	2,042
Not due	3,380	3,441
Less than 1 year	4,690	4,373
1-2 years	144	107
2-3 years	108	91
More than 3 years	94	96
Sub-total	**10,735**	**10,150**
Disputed dues		
Less than 1 year	106	41
1-2 Years	28	36
2-3 years	21	22
More than 3 years	153	131
Sub-total	**308**	**230**
Total	**11,043**	**10,380**

a) Trade payables are majorly non-interest bearing and are normally settled upto 180 days terms.

b) For amount due and terms and conditions of related party payables, refer note 42.

21 Operational Buyers' /Suppliers' Credit is availed in foreign currency from offshore branches of Indian banks or foreign banks at an interest rate ranging from 0.69% - 7.80% (31 March 2022: 0.28% - 3.16%) per annum and in rupee from domestic banks at interest rate ranging from 4.34% - 8.80% (31 March 2022: 4.00% - 8.00%) per annum. These trade credits are largely repayable within 180 days from the date of draw down. Operational Buyers' credit availed in foreign currency is backed by Standby Letter of Credit issued under working capital facilities sanctioned by domestic banks. Part of these facilities are secured by first pari passu charge over the present and future current assets of the Group.

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22 Financial liabilities - Others

(₹ in Crore)

Particulars	As at 31 March 2023			As at 31 March 2022		
	Non-current	Current	Total	Non-current	Current	Total
Liabilities for capital expenditure	1,241	10,076	11,317	962	10,998	11,960
Security deposits from vendors and others	-	307	307	-	237	237
Interest accrued but not due	-	691	691	-	381	381
Put option liability with non-controlling interest [a]	41	219	260	245	-	245
Unpaid/unclaimed dividend	-	145	145	-	122	122
Profit petroleum payable	-	2,869	2,869	-	2,180	2,180
Dues to related parties (Refer note 42)	-	279	279	-	166	166
Dividend payable	-	8,223	8,223	-	-	-
Other liabilities [b]	324	2,052	2,376	120	3,228	3,348
Total	**1,606**	**24,861**	**26,467**	**1,327**	**17,312**	**18,639**

a) The non-controlling shareholders of ASI have an option to sell their shareholding to the Group. The option is exercisable at any time within the period of three years following the fifth anniversary of the date of shareholders' agreement (22 December 2017) at a price higher of ₹ 52 (US$ 0.757) per share and the fair market value of the share. Therefore, the liability is carried at higher of the two. Subsequent changes to the put option liability are treated as equity transaction and hence accounted for in equity.

b) Includes revenue received in excess of entitlement interest of ₹ 487 Crore (31 March 2022: ₹ 1,507 Crore) of which ₹ 279 Crore is payable to ONGC, and reimbursement of expenses, interest accrued on other than borrowings, liabilities related to claim, liability for stock options etc.

23 Movement in lease liabilities is as follows:

Particulars	(₹ in Crore)
At 01 April 2021	**641**
Additions during the year	115
Interest on lease liabilities	14
Payments made	(232)
FCTR and other adjustments	(64)
As at 31 March 2022	**474**
Additions during the year	143
Interest on lease liabilities	14
Payments made	(182)
FCTR and other adjustments	(3)
As at 31 March 2023	**446**

24 Financial instruments

A. Financial assets and liabilities:

The accounting classification of each category of financial instruments, their carrying amounts and their fair values are set out below:

As at 31 March 2023

(₹ in Crore)

Financial Assets	Fair value through profit or loss	Fair value through other comprehensive income	Derivatives designated as hedging instruments	Amortised cost	Total carrying value	Total fair value
Investments*	8,676	4,473	-	-	13,149	13,149
Trade receivables	385	-	-	6,161	6,546	6,546
Loans	-	-	-	3,770	3,770	3,770
Other financial assets	-	-	-	11,652	11,652	11,652

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(₹ in Crore)

Financial Assets	Fair value through profit or loss	Fair value through other comprehensive income	Derivatives designated as hedging instruments	Amortised cost	Total carrying value	Total fair value
Derivatives	87	-	127	-	214	214
Cash and cash equivalents	-	-	-	6,926	6,926	6,926
Other bank balances	-	-	-	2,328	2,328	2,328
Total	**9,148**	**4,473**	**127**	**30,837**	**44,585**	**44,585**

(₹ in Crore)

Financial Liabilities	Fair value through profit or loss	Derivatives designated as hedging instruments	Amortised cost	Others***	Total carrying value	Total fair value
Borrowings	-	-	66,182	-	66,182	66,109
Trade payables	988	-	10,055	-	11,043	11,043
Operational buyers' credit / suppliers' credit	-	-	13,701	-	13,701	13,701
Derivatives	71	142	-	-	213	213
Other financial liabilities**	-	-	26,653	260	26,913	26,913
Total	**1,059**	**142**	**1,16,591**	**260**	**1,18,052**	**1,17,979**

As at 31 March 2022

(₹ in Crore)

Financial Assets	Fair value through profit or loss	Fair value through other comprehensive income	Derivatives designated as hedging instruments	Amortised cost	Total carrying value	Total fair value
Investments*	17,170	118	-	-	17,288	17,288
Trade receivables	521	-	-	7,426	7,947	7,947
Loans	-	-	-	5,470	5,470	5,864
Other financial assets	-	-	-	11,816	11,816	11,816
Derivatives	10	-	248	-	258	258
Cash and cash equivalents	-	-	-	8,671	8,671	8,671
Other bank balances	-	-	-	6,684	6,684	6,684
Total	**17,701**	**118**	**248**	**40,067**	**58,134**	**58,528**

(₹ in Crore)

Financial Liabilities	Fair value through profit or loss	Derivatives designated as hedging instruments	Amortised cost	Others***	Total carrying value	Total fair value
Borrowings	-	-	53,109	-	53,109	53,202
Trade payables	1,033	-	9,347	-	10,380	10,380
Operational buyers' credit / suppliers' credit	-	-	11,151	-	11,151	11,151
Derivatives	135	402	-	-	537	537
Other financial liabilities**	-	-	18,650	245	18,895	18,895
Total	**1,168**	**402**	**92,257**	**245**	**94,072**	**94,165**

* Investments exclude equity investment in associates and joint ventures which are accounted as per the equity method of accounting.

**includes lease liability of ₹ 446 Crore (31 March 2022: ₹ 474 Crore)

*** Represents net put option liability with non-controlling interests accounted for at fair value.

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B. Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

(i) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

(ii) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

(iii) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The below table summarises the categories of financial assets and liabilities as at 31 March 2023 and 31 March 2022 measured at fair value:

As at 31 March 2023

(₹ in Crore)

Financial Assets	Level 1	Level 2	Level 3
At fair value through profit or loss			
Investments	4,563	3,834	279
Derivative financial assets	-	87	-
Trade receivables	-	385	-
At fair value through other comprehensive income			
Investments	70	4,392	11
Derivatives designated as hedging instruments			
Derivative financial assets	-	127	-
Total	**4,633**	**8,825**	**290**

(₹ in Crore)

Financial Liabilities	Level 1	Level 2	Level 3
At fair value through profit or loss			
Derivative financial liabilities	-	71	-
Trade payables	-	988	-
Derivatives designated as hedging instruments			
Derivative financial liabilities	-	142	-
Other financial liabilities - Net put option liability with non-controlling interests accounted for at fair value.	-	-	260
Total	**-**	**1,201**	**260**

As at 31 March 2022

(₹ in Crore)

Financial Assets	Level 1	Level 2	Level 3
At fair value through profit or loss			
Investments	7,208	9,933	29
Derivative financial assets	-	10	-
Trade receivables	-	521	-
At fair value through other comprehensive income			
Investments	107	-	11
Derivatives designated as hedging instruments			
Derivative financial assets	-	248	-
Total	**7,315**	**10,712**	**40**

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(₹ in Crore)

Financial Liabilities	Level 1	Level 2	Level 3
At fair value through profit or loss			
Derivative financial liabilities	-	135	-
Trade payable	-	1,033	-
Derivatives designated as hedging instruments			
Derivative financial liabilities	-	402	-
Other financial liabilities - Net put option liability with non-controlling interests accounted for at fair value.	-	-	245
Total	**-**	**1,570**	**245**

The below table summarises the fair value of loans and borrowings which are carried at amortised cost as at 31 March 2023 and 31 March 2022

As at 31 March 2023

(₹ in Crore)

Financial Assets	Level 1	Level 2	Level 3
Loans*	-	3,770	-
Total	**-**	**3,770**	**-**

(₹ in Crore)

Financial Liabilities	Level 1	Level 2	Level 3
Borrowings	-	66,109	-
Total	**-**	**66,109**	**-**

As at 31 March 2022

(₹ in Crore)

Financial Assets	Level 1	Level 2	Level 3
Loans*	-	5,864	-
Total	**-**	**5,864**	**-**

(₹ in Crore)

Financial Liabilities	Level 1	Level 2	Level 3
Borrowings	-	53,202	-
Total	**-**	**53,202**	**-**

*Refer note 42 (J)

The fair value of the financial assets and liabilities are at the amount that would be received to sell an asset and paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate the fair values:

- Investments traded in active markets are determined by reference to quotes from the financial institutions; for example: Net asset value (NAV) for investments in mutual funds declared by mutual fund house. For other listed securities traded in markets which are not active, the quoted price is used wherever the pricing mechanism is same as for other marketable securities traded in active markets. Other current investments are valued by referring to market inputs including quotes, trades, poll, primary issuances for securities and /or underlying securities issued by the same or similar issuer for similar maturities and movement in benchmark security etc.
- Trade receivables, cash and cash equivalents, other bank balances, other financial assets, current borrowings, trade payables, operational buyers' credit and other current financial liabilities: Fair values approximate their carrying amounts largely due to the short-term maturities of these instruments.

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- Non-current fixed-rate and variable-rate borrowings: Fair value has been determined by the Group based on parameters such as interest rates, specific country risk factors, and the risk characteristics of the financed project.
- Derivative financial assets/liabilities: The Group executes derivative financial instruments with various counterparties. Interest rate swaps, foreign exchange forward contracts and commodity forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include the forward pricing and swap models, using present value calculations. The models incorporate various inputs including foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying commodity. Commodity contracts are valued using the forward LME rates of commodities actively traded on the listed metal exchange, i.e., London Metal Exchange, United Kingdom (U.K.).
- Other non-current financial assets and liabilities: Fair value is calculated using a discounted cash flow model with market assumptions, unless the carrying value is considered to approximate to fair value.

For all other financial instruments, the carrying amount is either the fair value, or approximates the fair value.

The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationship and the value of other financial instruments recognised at fair value.

The estimated fair value amounts as at 31 March 2023 and 31 March 2022 have been measured as at respective date. As such, the fair values of these financial instruments subsequent to reporting date may be different than the amounts reported at each period-end.

There were no significant transfers between Level 1, Level 2 and Level 3 during the year.

C. Risk management framework

The Group's businesses are subject to several risks and uncertainties including financial risks.

The Group's documented risk management policies act as an effective tool in mitigating the various financial risks to which the businesses are exposed in the course of their daily operations. The risk management policies cover areas such as liquidity risk, commodity price risk, foreign exchange risk, interest rate risk, counterparty credit risk and capital management. Risks are identified at both the corporate and individual subsidiary level with active involvement of senior management. Each operating subsidiary in the Group has in place risk management processes which are in line with the Group's policy. Each significant risk has a designated 'owner' within the Group at an appropriate senior level. The potential financial impact of the risk and its likelihood of a negative outcome are regularly updated.

The risk management process is coordinated by the Management Assurance function and is regularly reviewed by the Group's Audit and Risk Management Committee. The Audit and Risk Management Committee is aided by the other Committees of the Board including the Risk Management Committee, which meets regularly to review risks as well as the progress against the planned actions. Key business decisions are discussed at the periodic meetings of the Executive Committee. The overall internal control environment and risk management programme including financial risk management is reviewed by the Audit Committee on behalf of the Board.

The risk management framework aims to:

- improve financial risk awareness and risk transparency
- identify, control and monitor key risks
- identify risk accumulations
- provide management with reliable information on the Group's risk situation
- improve financial returns

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Treasury management

Treasury management focuses on liability management, capital protection, liquidity maintenance and yield maximisation. The treasury policies are approved by the Committee of the Board. Daily treasury operations of the subsidiary companies are managed by their respective finance teams within the framework of the overall Group treasury policies. Long-term fund raising including strategic treasury initiatives are managed jointly by the business treasury team and the central team at corporate treasury while short-term funding for routine working capital requirements is delegated to subsidiary companies. A monthly reporting system exists to inform senior management of the Group's investments and debt position, exposure to currency, commodity and interest rate risk and their mitigants including the derivative position. The Group has a strong system of internal control which enables effective monitoring of adherence to Group's policies. The internal control measures are effectively supplemented by regular internal audits.

The Group uses derivative instruments to manage the exposure in foreign currency exchange rates, interest rates and commodity prices. The Group does not acquire or issue derivative financial instruments for trading or speculative purposes. The Group does not enter into complex derivative transactions to manage the treasury and commodity risks. Both treasury and commodities derivative transactions are normally in the form of forward contracts, interest rate and currency swaps and these are in line with the Group's policies.

Commodity price risk

The Group is exposed to the movement of base metal commodity prices on the London Metal Exchange. Any decline in the prices of the base metals that the Group produces and sells will have an immediate and direct impact on the profitability of the businesses. As a general policy, the Group aims to sell the products at prevailing market prices. The commodity price risk in imported input commodity such as Alumina, anodes, etc., for our aluminium and Copper business respectively, is hedged on back-to-back basis ensuring no price risk for the business. Hedging is used primarily as a risk management tool and, in some cases, to secure future cash flows in cases of high volatility by entering into forward contracts or similar instruments. The hedging activities are subject to strict limits set out by the Board and to a strictly defined internal control and monitoring mechanism. Decisions relating to hedging of commodities are taken at the Executive Committee level, basis clearly laid down guidelines.

Whilst the Group aims to achieve average LME prices for a month or a year, average realised prices may not necessarily reflect the LME price movements because of a variety of reasons such as uneven sales during the year and timing of shipments.

The Group is also exposed to the movement of international crude oil price and the discount in the price of Rajasthan crude oil to Brent price.

Financial instruments with commodity price risk are entered into in relation to following activities:

- economic hedging of prices realised on commodity contracts
- cash flow hedging of revenues, forecasted highly probable transactions

Aluminium

The requirement of the primary raw material, alumina, is partly met from own sources and the rest is purchased primarily on negotiated price terms. Sales prices are linked to the LME prices. At present, the Group, on selective basis hedges the aluminium content in outsourced alumina to protect its margins. The Group also executes hedging arrangements for its aluminium sales to realise average month of sale LME prices.

Copper

The Group's custom refining copper operations at Silvassa is benefitted by a natural hedge except to the extent of a possible mismatch in quotational periods between the purchase of anodes / blisters and the sale of finished copper. The Group's policy on custom smelting is to generate margins from Refining Charges or "RCs", improving operational efficiencies, minimising conversion cost, generating a premium over LME on sale of finished copper, sale of by-products and from achieving import parity on domestic sales. Hence, mismatches in quotational periods are managed to ensure that the gains or losses are minimised. The Group hedges this variability of LME prices through forward contracts and

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tries to make the LME price a pass-through cost between purchases of anodes / blisters and sales of finished products, both of which are linked to the LME price.

RCs are a major source of income for the Indian copper refining operations. Fluctuations in RCs are influenced by factors including demand and supply conditions prevailing in the market for smelters output. The Group's copper business has a strategy of securing a majority of its anodes / blisters feed requirement under long-term contracts with smelters / traders.

Zinc, lead and silver

The sales prices are linked to the LME prices. The Group also executes hedging arrangements for its Zinc, Lead and Silver sales to realise average month of sale LME prices. In exceptional circumstances, we may enter into strategic hedging with prior approval of the Committee of Directors.

Zinc International

Raw material for zinc and lead is mined in Namibia and South Africa with sales prices linked to the LME prices.

Iron ore

The Group sells its Iron Ore production from Goa on the prevailing market prices and from Karnataka through e-auction route as mandated by State Government of Karnataka in India.

Oil and gas

The prices of various crude oils are based upon the price of the key physical benchmark crude oil such as Dated Brent, West Texas Intermediate, and Dubai/Oman etc. The crude oil prices move based upon market factors like supply and demand. The regional producers price their crude basis these benchmark crude with a premium or discount over the benchmark based upon quality differential and competitiveness of various grades. The Group also hedges variability of crude price through forward contracts on selective basis.

Natural gas markets are evolving differently in important geographical markets. There is no single global market for natural gas. This could be owing to difficulties in large-scale transportation over long distances as compared to crude oil. Globally, there are three main regional hubs for pricing of natural gas, which are USA (Henry Hub Prices), UK (NBP Price) and Japan (imported gas price, mostly linked to crude oil).

Provisionally priced financial instruments

On 31 March 2023, the value of net financial liabilities linked to commodities (excluding derivatives) accounted for on provisional prices was ₹ 603 Crore (31 March 2022: ₹ 512 Crore). These instruments are subject to price movements at the time of final settlement and the final price of these instruments will be determined in the financial year beginning 01 April 2023.

Set out below is the impact of 10% increase in LME prices on pre-tax profit for the year and pre-tax equity as a result of changes in value of the Group's commodity financial instruments:

(₹ in Crore)

For the year ended 31 March 2023	Total Exposure	Effect on pre-tax profit of a 10% increase in the LME	Effect on equity of a 10% increase in the LME
Copper	(875)	(87)	-

(₹ in Crore)

For the year ended 31 March 2022	Total Exposure	Effect on pre-tax profit of a 10% increase in the LME	Effect on equity of a 10% increase in the LME
Copper	(830)	(83)	-

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The above sensitivities are based on volumes, costs, exchange rates and other variables and provide the estimated impact of a change in LME prices on profit and equity assuming that all other variables remain constant. A 10% decrease in LME prices would have an equal and opposite effect on the Group's financial statements.

The impact on pre-tax profit/(loss) mentioned above includes the impact of a 10% increase in closing copper LME for provisionally priced copper concentrate purchased at Copper division custom smelting operations in India of ₹ 134 Crore loss (31 March 2022: ₹ 130 Crore loss), which is pass through in nature and as such will not have any impact on the profitability.

(a) Financial risk

The Group's Board approved financial risk policies include monitoring, measuring and mitigating the liquidity, currency, interest rate and counterparty risk. The Group does not engage in speculative treasury activity but seeks to manage risk and optimize interest and commodity pricing through proven financial instruments.

Liquidity risk

The Company requires funds both for short-term operational needs as well as for long-term investment programmes mainly in growth projects. The Company generates sufficient cash flows from the current operations which together with the available cash and cash equivalents and short-term investments provide liquidity both in the short-term as well as in the long-term. The Company has been rated by CRISIL Limited (CRISIL) and India Ratings and Research Private Limited (India Rating) for its capital market issuance in the form of CPs and NCDs and for its banking facilities in line with Basel II norms.

CRISIL ratings on the long-term bank facilities and debt instruments of the Company was maintained at 'CRISIL AA' during FY 2023 after upgrade to 'CRISIL AA' from 'CRISIL AA-' in February 2022. However, outlook has been revised to negative in March 2023.

The short-term rating on bank facilities and commercial paper has been reaffirmed at 'CRISIL A1+'

India Ratings, after upgrading the Company's long-term issuer ratings to "IND AA" from "IND AA-" with stable outlook in March 2022, reaffirmed its ratings at "IND AA" with stable outlook in May 2022. Outlook was revised to "negative" in March 2023.

The ratings affirmation factors in robust operating profitability significantly higher than pre-pandemic levels. Further, consolidated EBITDA is expected to increase driven by healthy commodity prices that are expected to remain stable around current levels, robust operating rates across key businesses, increased volume growth in Aluminium business supported by commissioning of new capacity during fiscal 2024 along with expected reduction in cost of production for Aluminium business on the back of alumina refinery expansion and commissioning of captive coal mines. The revision in outlook reflects possibility of higher-than-expected financial leverage and lower financial flexibility.

Anticipated future cash flows, together with undrawn fund based committed facilities of ₹ 5,763 Crore, and cash, bank and current investments of ₹ 20,922 Crore as at 31 March 2023, are expected to be sufficient to meet the liquidity requirement of the Group in the near future.

The Group remains committed to maintaining a healthy liquidity, a low gearing ratio, deleveraging and strengthening its balance sheet. The maturity profile of the Group's financial liabilities based on the remaining period from the date of balance sheet to the contractual maturity date is given in the table below. The figures reflect the contractual undiscounted cash obligation of the Group.

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As at 31 March 2023

(₹ in Crore)

Payments due by year	<1 year	1-3 years	3-5 years	>5 years	Total
Borrowings*	26,047	24,013	18,282	14,161	82,503
Derivative financial liabilities	193	20	-	-	213
Lease liabilities	302	109	5	30	446
Trade Payables, Operational buyers' credit / suppliers' credit	49,153	300	1,241	-	50,694
	75,695	**24,442**	**19,528**	**14,191**	**1,33,856**

As at 31 March 2022

(₹ in Crore)

Payments due by year	<1 year	1-3 years	3-5 years	>5 years	Total
Borrowings*	19,028	18,180	13,103	11,654	61,965
Derivative financial liabilities	531	6	-	-	537
Lease liabilities	324	113	9	28	474
Trade Payables, Operational buyers' credit / suppliers' credit	38,544	1,098	-	-	39,642
	58,427	**19,397**	**13,112**	**11,682**	**1,02,618**

*Includes non-current borrowings, current borrowings, committed interest payments on borrowings and interest accrued on borrowings.

**Includes both non-current and current financial liabilities and committed interest payment, as applicable. Excludes interest accrued on borrowings.

The Group had access to following funding facilities:

As at 31 March 2023

(₹ in Crore)

Funding facility	Level 1	Level 2	Level 3
Fund/non-fund based	95,678	80,760	14,918

As at 31 March 2022

(₹ in Crore)

Funding facility	Level 1	Level 2	Level 3
Fund/non-fund based	78,181	64,227	13,954

(b) Foreign exchange risk

Fluctuations in foreign currency exchange rates may have an impact on the consolidated statement of profit and loss, the consolidated statement of change in equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the respective consolidated entities.

Considering the countries and economic environment in which the Group operates, its operations are subject to risks arising from the fluctuations primarily in the US dollar, Australian dollar, Namibian dollar, AED, ZAR, GBP, JPY, INR and Euro against the functional currencies of Vedanta Limited and its subsidiaries.

Exposures on foreign currency loans are managed through the Group wide hedging policy, which is reviewed periodically to ensure that the results from fluctuating currency exchange rates are appropriately managed. The Group strives to achieve asset liability offset of foreign currency exposures and only the net position is hedged.

The Group's presentation currency is the Indian Rupee (INR). The majority of the assets are located in India and the Indian Rupee is the functional currency for the Indian operating subsidiaries except for Oil and Gas business operations

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which have a US dollar functional currency. Natural hedges available in the business are identified at each entity level and hedges are placed only for the net exposure. Short-term net exposures are hedged progressively based on their maturity. A more conservative approach has been adopted for project expenditures to avoid budget overruns, where cost of the project is calculated taking into account the hedge cost. The hedge mechanisms are reviewed periodically to ensure that the risk from fluctuating currency exchange rates is appropriately managed.

The following analysis is based on the gross exposure as at the reporting date which could affect the consolidated statement of profit and loss. The exposure is mitigated by some of the derivative contracts entered into by the Group as disclosed under the section on "Derivative financial instruments".

The carrying amount of the Group's financial assets and liabilities in different currencies are as follows:

(₹ in Crore)

Particulars	As at 31 March 2023		As at 31 March 2022	
	Financial Asset	Financial liabilities	Financial Asset	Financial liabilities
INR	33,082	84,810	38,952	64,683
USD	10,515	30,012	17,885	26,183
Others	988	3,230	1,297	3,206
Total	**44,585**	**1,18,052**	**58,134**	**94,072**

The Group's exposure to foreign currency arises where a Group entity holds monetary assets and liabilities denominated in a currency different to the functional currency of the respective business, with US dollar being the major non-functional currency.

The foreign exchange rate sensitivity is calculated by the aggregation of the net foreign exchange rate exposure with a simultaneous parallel foreign exchange rates shift in the foreign currencies by 10% against the functional currency of the respective entities.

Set out below is the impact of a 10% strengthening in the functional currencies of the respective businesses on pre-tax profit and pre-tax equity arising as a result of the revaluation of the Group's foreign currency monetary financial assets/ liabilities:

For the year ended 31 March 2023

(₹ in Crore)

	Effect of 10% strengthening of functional currency on pre-tax profit	Effect of 10% strengthening of functional currency on equity
USD	1,408	-
INR	(631)	-

For the year ended 31 March 2022

(₹ in Crore)

	Effect of 10% strengthening of functional currency on pre-tax profit	Effect of 10% strengthening of functional currency on equity
USD	884	-
INR	(452)	-

A 10% weakening of functional currencies of the respective businesses would have an equal and opposite effect on the Group's financial statements.

In respect of loans granted to group companies, there have been no non-compliances of the relevant provisions of the Foreign Exchange Management Act, 1992 and the Prevention of Money Laundering Act, 2002.

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(c) Interest rate risk

At 31 March 2023, the Group's net debt of ₹ 45,260 Crore (31 March 2022: ₹ 20,979 Crore) comprises debt of ₹ 66,182 Crore (31 March 2022: ₹ 53,109 Crore) offset by cash, bank and current investments of ₹ 20,922 Crore (31 March 2022: ₹ 32,130 Crore).

The Group is exposed to interest rate risk on short-term and long-term floating rate instruments and on the refinancing of fixed rate debt. The Group's policy is to maintain a balance of fixed and floating interest rate borrowings and the proportion of fixed and floating rate debt is determined by current market interest rates. The borrowings of the Group are principally denominated in Indian Rupees and US dollars with mix of fixed and floating rates of interest. The USD floating rate debt is linked to US dollar LIBOR and INR Floating rate debt to Bank's base rate. The Group has a policy of selectively using interest rate swaps, option contracts and other derivative instruments to manage its exposure to interest rate movements. These exposures are reviewed by appropriate levels of management on a monthly basis. The Group invests cash and liquid investments in short-term deposits and debt mutual funds, some of which generate a tax-free return, to achieve the Group's goal of maintaining liquidity, carrying manageable risk and achieving satisfactory returns.

Floating rate financial assets are largely mutual fund investments which have debt securities as underlying assets. The returns from these financial assets are linked to market interest rate movements; however the counterparty invests in the agreed securities with known maturity tenure and return and hence has manageable risk.

The exposure of the Group's financial assets as at 31 March 2023 to interest rate risk is as follows:

(₹ in Crore)

Funding facility	Total	Floating rate financial assets	Fixed rate financial assets	Non-interest bearing financial assets
Financial Assets	44,585	4,673	16,175	23,737

The exposure of the Group's financial liabilities as at 31 March 2023 to interest rate risk is as follows:

(₹ in Crore)

Funding facility	Total	Floating rate financial liabilities	Fixed rate financial liabilities	Non-interest bearing financial liabilities
Fund/non-fund based	1,18,052	48,140	31,894	38,018

The exposure of the Group's financial assets as at 31 March 2022 to interest rate risk is as follows:

(₹ in Crore)

Funding facility	Total	Floating rate financial assets	Fixed rate financial assets	Non-interest bearing financial assets
Fund/non-fund based	58,134	9,113	24,576	24,445

The exposure of the Group's financial liabilities as at 31 March 2022 to interest rate risk is as follows:

(₹ in Crore)

Funding facility	Total	Floating rate financial liabilities	Fixed rate financial liabilities	Non-interest bearing financial liabilities
Fund/non-fund based	94,072	35,579	29,899	28,594

Considering the net debt position as at 31 March 2023 and the investment in Bank deposits, corporate bonds and debt mutual funds, any increase in interest rates would result in a net loss and any decrease in interest rates would result in a net gain. The sensitivity analysis below has been determined based on the exposure to interest rates for financial instruments at the balance sheet date.

The table below illustrates the impact of a 0.5% to 2.0% movement in interest rates on floating rate financial assets/ liabilities (net) on profit/(loss) and equity assuming that the changes occur at the reporting date and has been calculated based on risk exposure outstanding as of that date. The year end balances are not necessarily representative of the average debt outstanding during the year. This analysis also assumes that all other variables, in particular foreign currency rates, remain constant.

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(₹ in Crore)

Increase in interest rates	Effect on pre-tax profit/(loss) during the year ended 31 March 2023	Effect on pre-tax profit/(loss) during the year ended 31 March 2022
0.50%	(217)	(132)
1.00%	(435)	(265)
2.00%	(869)	(530)

An equivalent reduction in interest rates would have an equal and opposite effect on the Group's financial statements.

(d) Counterparty and concentration of credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Group is exposed to credit risk from trade receivables, contract assets, investments, loans, other financial assets, and derivative financial instruments.

Credit risk on receivables is limited as almost all credit sales are against letters of credit and guarantees of banks of national standing.

Moreover, given the diverse nature of the Group's businesses, trade receivables are spread over a number of customers with no significant concentration of credit risk. The history of trade receivables shows a negligible provision for bad and doubtful debts. Therefore, the Group does not expect any material risk on account of non-performance by any of the Group's counterparties.

The Group has clearly defined policies to mitigate counterparty risks. For short-term investments, counterparty limits are in place to limit the amount of credit exposure to any one counterparty. This, therefore, results in diversification of credit risk for our mutual fund and bond investments. For derivative and financial instruments, the Group attempts to limit the credit risk by only dealing with reputable banks and financial institutions.

The carrying value of the financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk is ₹ 44,585 Crore (31 March 2022: ₹ 58,134 Crore).

The maximum credit exposure on financial guarantees given by the Group for various financial facilities is described in Note 40 on "Contingent liability and capital commitments".

None of the Group's cash equivalents, including time deposits with banks, are past due or impaired. Regarding trade receivables, loans and other financial assets (both current and non-current), there were no indications as at the year end, that defaults in payment obligations will occur except as described in Notes 8 and 10 on allowance for impairment of trade receivables and other financial assets.

Of the year end trade receivables, loans and other financial assets (excluding Bank deposits and site restoration fund) balance the following, though overdue, are expected to be realised in the normal course of business and hence, are not considered impaired as at 31 March 2023 and 31 March 2022:

(₹ in Crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Neither impaired nor past due	13,793	15,828
Past due but not impaired		
- Less than 1 month	1,116	2,108
- Between 1–3 months	235	369
- Between 3–12 months	327	390
- Greater than 12 months	4,581	5,071
Total	**20,052**	**23,766**

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Receivables are deemed to be past due or impaired with reference to the Group's normal terms and conditions of business. These terms and conditions are determined on a case to case basis with reference to the customer's credit quality and prevailing market conditions. Receivables that are classified as 'past due' in the above tables are those that have not been settled within the terms and conditions that have been agreed with that customer. The Group based on past experiences does not expect any material loss on its receivables.

The credit quality of the Group's customers is monitored on an ongoing basis. Where receivables have been impaired, the Group actively seeks to recover the amounts in question and enforce compliance with credit terms.

Movement in allowances for Financial Assets (Trade receivables and Financial assets - others)

The change in the allowance for financial assets (current and non-current) is as follows:

(₹ in Crore)

Funding facility	Trade receivables	Financial assets - Others	Financial assets - Loans
As at 01 April 2021	**883**	**1,020**	**78**
Allowance made during the year	197	13	0
Reversals/ write-off during the year	0	1	-
Exploration cost written off	0	0	-
Exchange differences	0	14	-
As at 31 March 2022	**1,080**	**1,048**	**78**
Allowance made during the year	356	0	0
Reversals/ write-off during the year	(40)	(225)	-
Exploration cost written off	0	0	0
Exchange differences	0	49	9
As at 31 March 2023	**1,396**	**872**	**87**

D Derivative financial instruments

The Group uses derivative instruments as part of its management of exposure to fluctuations in foreign currency exchange rates, interest rates and commodity prices. The Group does not acquire or issue derivative financial instruments for trading or speculative purposes. The Group does not enter into complex derivative transactions to manage the treasury and commodity risks. Both treasury and commodities derivative transactions are normally in the form of forward contracts and these are subject to the Group guidelines and policies.

The fair values of all derivatives are separately recorded in the consolidated balance sheet within current and non-current assets and liabilities. Derivatives that are designated as hedges are classified as current or non-current depending on the maturity of the derivative.

The use of derivatives can give rise to credit and market risk. The Group tries to control credit risk as far as possible by only entering into contracts with reputable banks and financial institutions. The use of derivative instruments is subject to limits, authorities and regular monitoring by appropriate levels of management. The limits, authorities and monitoring systems are periodically reviewed by management and the Board. The market risk on derivatives is mitigated by changes in the valuation of the underlying assets, liabilities or transactions, as derivatives are used only for risk management purposes.

Cash flow hedges

The Group enters into forward exchange and commodity price contracts for hedging highly probable forecast transaction and account for them as cash flow hedges and states them at fair value. Subsequent changes in fair value are recognized in equity through OCI until the hedged transaction occurs, at which time, the respective gain or losses are reclassified to profit or loss. These hedges have been effective for the year ended 31 March 2023 and 31 March 2022.

The Group uses foreign exchange contracts from time to time to optimize currency risk exposure on its foreign currency transactions. The Group hedged part of its foreign currency exposure on capital commitments during the year ended 31 March 2023 and 31 March 2022. Fair value changes on such forward contracts are recognized in other comprehensive income.

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The majority of cash flow hedges taken out by the Group during the year comprise non-derivative hedging instruments for hedging the foreign exchange rate of highly probable forecast transactions and commodity price contracts for hedging the commodity price risk of highly probable forecast transactions.

The cash flows related to above are expected to occur during the year ending 31 March 2024 and consequently may impact profit or loss for that year depending upon the change in the commodity prices and foreign exchange rates movements. For cash flow hedges regarded as basis adjustments to initial carrying value of the property, plant and equipment, the depreciation on the basis adjustments made is expected to affect profit or loss over the expected useful life of the property, plant and equipment.

Fair value hedges

The fair value hedges relate to forward covers taken to hedge currency exposure and commodity price risks.

The Group's sales are on a quotational period basis, generally one month to three months after the date of delivery at a customer's facility. The Group enters into forward contracts for the respective quotational period to hedge its commodity price risk based on average LME prices. Gains and losses on these hedge transactions are substantially offset by the amount of gains or losses on the underlying sales. Net gains and losses are recognized in the consolidated statement of profit and loss.

The Group uses foreign exchange contracts from time to time to optimize currency risk exposure on its foreign currency transactions. Fair value changes on such forward contracts are recognized in the consolidated statement of profit and loss.

Non-designated economic hedges

The Group enters into derivative contracts which are not designated as hedges for accounting purposes, but provide an economic hedge of a particular transaction risk or a risk component of a transaction. Hedging instruments include copper, aluminium future contracts on the LME and certain other derivative instruments. Fair value changes on such derivative instruments are recognized in the consolidated statement of profit and loss.

The fair value of the Group's derivative positions recorded under derivative financial assets and derivative financial liabilities are as follows:

(₹ in Crore)

Derivative Financial Instruments	As at 31 March 2023		As at 31 March 2022	
	Assets	Liabilities	Assets	Liabilities
Current				
Cash flow hedge*				
- Commodity contracts	38	33	232	207
- Interest rate swap	-	-	1	-
Fair Value hedge				
- Commodity contracts	85	71	11	65
- Forward foreign currency contracts	4	18	4	124
Non - qualifying hedges/economic hedge				
- Commodity contracts	52	-	2	10
- Forward foreign currency contracts	35	71	8	125
Sub-total (A)	**214**	**193**	**258**	**531**
Non-current				
Fair Value hedge				
- Forward foreign currency contracts	-	20	-	6
Sub-total (B)	**-**	**20**	**-**	**6**
Total (A+B)	**214**	**213**	**258**	**537**

* Refer the Consolidated Statement of Profit and Loss and the Consolidated Statement of Changes in Equity for the change in the fair value of cash flow hedges.

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25 Provisions

(₹ in Crore)

Particulars	As at 31 March 2023			As at 31 March 2022		
	Non-current	Current	Total	Non-current	Current	Total
Provision for employee benefits [a] (Refer note 33)						
- Retirement benefit	218	63	281	158	100	258
- Others	14	174	188	10	177	187
Provision for restoration, rehabilitation and environmental costs [b]	3,194	30	3,224	3,218	28	3,246
Other provisions [b]	-	114	114	-	112	112
Total	**3,426**	**381**	**3,807**	**3,386**	**417**	**3,803**

a) Provision for employee benefits includes gratuity, compensated absences, deferred cash bonus etc.

(₹ in Crore)

b)

Particulars	Restoration, rehabilitation and environmental costs (Refer c)	Others (Refer d)
As at 01 April 2021	**3,002**	**56**
Additions	35	56
Amounts utilised	(4)	-
Unwinding of discount (Refer note 34)	78	-
Revision in estimates	53	-
Exchange differences	82	-
As at 31 March 2022	**3,246**	**112**
Additions	45	5
Amounts utilised	(20)	-
Unused amounts reversed	-	(2)
Unwinding of discount (Refer note 34)	96	-
Revision in estimates	(296)	(1)
Exchange differences	153	-
As at 31 March 2023	**3,224**	**114**

c) **Restoration, rehabilitation and environmental costs**

The provisions for restoration, rehabilitation and environmental liabilities represent the management's best estimate of the costs which will be incurred in the future to meet the Group's obligations under existing Indian, Australian, Namibian, South African and Irish law and the terms of the Group's exploration and other licences and contractual arrangements.

Within India, the principal restoration and rehabilitation provisions are recorded within Oil & Gas business where a legal obligation exists relating to the oil and gas fields, where costs are expected to be incurred in restoring the site of production facilities at the end of the producing life of an oil field. The Group recognises the full cost of site restoration as a liability when the obligation to rectify environmental damage arises.

These amounts are calculated by considering discount rates within the range of 1% to 10%, and become payable on closure of mines and are expected to be incurred over a period of one to forty-six years. The lower range of discount rate is at ASI, Oil and Gas business and Zinc International operations in Ireland and higher range is at Zinc International operations in African Countries.

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the development or ongoing production from a producing field.

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d) **Other provisions**

Other provisions include provision for disputed cases and claims.

26 Other liabilities

(₹ in Crore)

Particulars	As at 31 March 2023			As at 31 March 2022		
	Non-current	Current	Total	Non-current	Current	Total
Amount payable to owned post-employment benefit trust	-	32	32	-	33	33
Other statutory liabilities [a]	-	3,805	3,805	-	3,157	3,157
Deferred government grants [b]	4,309	282	4,591	4,270	250	4,520
Advance from customer [c]	-	8,931	8,931	404	4,127	4,531
Advance from related party	-	3	3	-	2	2
Other liabilities	-	185	185	-	208	208
Total	**4,309**	**13,238**	**17,547**	**4,674**	**7,777**	**12,451**

a) Statutory liabilities mainly includes payables for Provident fund, ESIC, withholding taxes, goods and services tax, VAT, service tax, etc.

b) Represents government assistance in the form of the duty benefit availed under Export Promotion Capital Goods (EPCG) Scheme and SEZ scheme on purchase of property, plant and equipment accounted for as government grant and being amortised over the useful life of such assets.

c) Advance from customers are contract liabilities to be settled through delivery of goods. The amount of such balances as on 01 April 2021 was ₹ 6,233 Crore. During the current year, the Group has recognised revenue of ₹ 4,380 Crore (31 March 2022: ₹ 6,221 Crore) out of opening balances. All other changes are either due to receipt of fresh advances or exchange differences.

27 Revenue from operations

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Sale of products	1,43,535	1,29,510
Sale of services	326	301
Revenue from contingent rents	1,543	1,381
Total	**1,45,404**	**1,31,192**

a) Revenue from sale of products and from sale of services for the year ended 31 March 2023 includes revenue from contracts with customers of ₹ 1,45,984 Crore (31 March 2022: ₹ 1,31,101 Crore) and a net loss on mark-to-market of ₹ 2,123 Crore (31 March 2022: ₹ 1,290 Crore) on account of gains/ losses relating to sales that were provisionally priced as at 31 March 2022 with the final price settled in the current year, gains/ losses relating to sales fully priced during the year, and marked to market gains/ losses relating to sales that were provisionally priced as at 31 March 2023.

b) Majority of the Group's sales are against advance or are against letters of credit/ cash against documents/ guarantees of banks of national standing. Where sales are made on credit, the amount of consideration does not contain any significant financing component as payment terms are within the normal credit period.

As per the terms of the contract with its customers, either all performance obligations are to be completed within one year from the date of such contracts or the Group has a right to receive consideration from its customers for all completed performance obligations. Accordingly, the Group has availed the practical expedient available under paragraph 121 of Ind AS 115 and dispensed with the additional disclosures with respect to performance obligations that remained unsatisfied (or partially unsatisfied) at the balance sheet date. Further, since the terms of the contracts directly identify the transaction price for each of the completed performance obligations, in all material respects, there are no elements of transaction price which have not been included in the revenue recognised in the financial statements.

Further, there is no material difference between the contract price and the revenue from contract with customers.

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28 Other operating income

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Export incentives	483	488
Scrap sales	781	573
Miscellaneous income	640	479
Total	**1,904**	**1,540**

29 Other Income

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Net gain on investment measured at FVTPL	74	209
Interest income from investments measured at FVTPL	504	392
Interest income from investments measured at FVOCI	281	-
Interest income from financial assets at amortised cost		
- Bank deposits	379	537
- Loans (Refer note 42)	560	708
- Others	372	246
Interest on income tax refund	166	2
Dividend income from		
- financial assets at FVTPL	21	-
- financial assets at FVOCI	-	2
Profit on sale of assets	-	128
Deferred government grant income	273	245
Miscellaneous income	221	131
Total	**2,851**	**2,600**

30 Changes in inventories of finished goods and work-in-progress*

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Opening Stock:		
Finished Goods	829	855
Work in Progress	5,040	3,013
Total	**5,869**	**3,868**
Add: Foreign exchange translation	15	14
(Less): Capitalisation and other adjustments	(152)	(51)
(Less): Raw material sold during the year	-	(11)
Less: Closing Stock		
Finished Goods	1,028	829
Work in Progress	5,081	5,040
Total	**6,109**	**5,869**
Changes in inventory	**(377)**	**(2,049)**

* Inventories include goods-in-transit

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31 Employee benefits expense [a]

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Salaries and wages	2,988	2,776
Share based payments	77	79
Contributions to provident and other funds	268	226
Staff welfare expenses	334	286
Less: Cost allocated/directly booked in joint ventures	(569)	(556)
Total	**3,098**	**2,811**

(a) net of capitalisation of ₹ 158 Crore (31 March 2022: ₹ 115 Crore).

32 Share based payments

The Company offers equity based and cash based option plans to its employees, officers and directors through the Company's stock option plan introduced in 2016 and Cairn India's stock option plan now administered by the Company pursuant to its merger with the Company.

The Vedanta Limited Employee Stock Option Scheme (ESOS) 2016

The Company introduced an Employee Stock Option Scheme 2016 ("ESOS"), which was approved by the Vedanta Limited shareholders to provide equity settled incentive to all employees of the Company including subsidiary companies. The ESOS scheme includes tenure based, business performance based (EBITDA) and market performance based stock options. The maximum value of options that can be awarded to members of the wider management group is calculated by reference to the grade average cost-to-company ("CTC") and individual grade of the employee. The performance conditions attached to the option is measured by comparing Company's performance in terms of Total Shareholder Return ("TSR") over the performance period with the performance of two group of comparator companies (i.e. Indian and global comparator companies) defined in the scheme. The extent to which an option vests will depend on the Company's TSR rank against a group or groups of peer companies at the end of the performance period and as moderated by the Remuneration Committee. The ESOS schemes are administered through VESOS trust and have underlying Vedanta Limited equity shares.

Options granted during the year ended 31 March 2023 and year ended 31 March 2022 includes business performance based, sustained individual performance based, management discretion and fatality multiplier based stock options. Business performances will be measured using Volume, Cost, Net Sales Realisation, EBITDA, Free Cash Flows, ESG & Carbon footprint or a combination of these for the respective business/ SBU entities.

The exercise price of the options is ₹ 1 per share and the performance period is three years, with no re-testing being allowed.

The details of share options for the year ended 31 March 2023 is presented below:

Financial Year of Grant	Exercise Period	Options outstanding 01 April 2022	Options granted during the year	Options forfeited/ lapsed during the year	Options exercised during the year	Options outstanding 31 March 2023	Options exercisable 31 March 2023
2018-19	01 November 2021 - 30 April 2022	3,23,015	-	-	2,81,565	41,450	41,450*
2019-20	29 November 2022 - 28 May 2023	1,14,81,718	-	61,53,328	41,76,303	11,52,087	11,52,087
2019-20	Cash settled	6,80,401	-	3,58,428	3,21,973	-	-
2020-21	06 November 2023 - 05 May 2024	1,08,07,521	-	24,81,770	-	83,25,751	-
2020-21	Cash settled	7,24,923	-	1,07,282	-	6,17,641	-
2021-22	01 November 2024 - 30 April 2025	1,13,04,599	-	17,83,209	-	95,21,390	-
2021-22	Cash settled	8,41,767	-	1,34,067	-	7,07,700	-
2022-23	01 November 2025 - 30 April 2026	-	1,44,37,268	9,10,824	-	1,35,26,444	-
2022-23	Cash settled	-	10,35,172	18,601	-	10,16,571	-
		3,61,63,944	**1,54,72,440**	**1,19,47,509**	**47,79,841**	**3,49,09,034**	**11,93,537**

*Options for some employees could not be exercised within exercise period due to technical issues.

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The details of share options for the year ended 31 March 2022 is presented below:

Financial Year of Grant	Exercise Period	Options outstanding 01 April 2021	Options granted during the year	Options forfeited/ lapsed during the year	Options exercised during the year	Options outstanding 31 March 2022	Options exercisable 31 March 2022
2017-18	01 September 2020 - 28 February 2021	3,76,940	-	23,457	3,53,483	-	-
2018-19	01 November 2021 - 30 April 2022	99,12,240	-	69,06,444	26,82,781	3,23,015	3,23,015
2018-19	Cash settled	7,28,856	-	4,89,731	2,39,125	-	-
2019-20	29 November 2022 - 28 May 2023	1,35,72,278	-	20,90,560	-	1,14,81,718	-
2019-20	Cash settled	8,77,451	-	1,97,050	-	6,80,401	-
2020-21	06 November 2023 - 05 May 2024	1,27,11,112	-	19,03,591	-	1,08,07,521	-
2020-21	Cash settled	10,20,889	-	2,95,966	-	7,24,923	-
2021-22	01 November 2024 - 30 April 2025	-	1,20,83,636	7,79,037	-	1,13,04,599	-
2021-22	Cash settled	-	8,64,537	22,770	-	8,41,767	-
		3,91,99,766	**1,29,48,173**	**1,27,08,606**	**32,75,389**	**3,61,63,944**	**3,23,015**

The fair value of all options has been determined at the date of grant of the option allowing for the effect of any market-based performance conditions. This fair value adjusted by the Group's estimate of the number of options that will eventually vest as a result of non-market conditions is expensed over the vesting period.

Business Performance-Based and Sustained Individual Performance-Based Options:

The fair values of stock options following these types of vesting conditions have been estimating using the Black-Scholes-Merton Option Pricing model. The value arrived at under this model has been then multiplied by the expected % vesting based on business performance conditions (only for business performance-based options) and the expected multiplier on account of sustained individual performance (for both type of options). The inputs used in the Black-Scholes-Merton Option Pricing model include the share price considered as of the valuation date exercise price as per the scheme/ plan of the options expected dividend yield (estimated based on actual/ expected dividend trend of the company) expected tenure (estimated as the remaining vesting period of the options) the risk-free rate (considered as the zero coupon yield as of the valuation date for a term commensurate with the expected tenure of the options) and expected volatility (estimated based on the historical volatility of the return in company's share prices for a term commensurate with the expected tenure of the options). The exercise period of 6 months post vesting period has not been considered as the options are expected to be exercised immediately post the completion of the vesting period.

Total Shareholder Returns-Based Options:

The fair values of stock options following this type of vesting condition has been estimated using the Monte Carlo Simulation method. This method has been used to simulate the expected share prices for Vedanta Limited and the companies of the comparator group over the vesting period of the options. Based on the simulated prices the expected pay-off at the end of the vesting period has been estimated and present valued to the valuation date. Further based on the simulated share prices and expected dividends the relative rank of Vedanta Limited's share price return has been estimated vis-à-vis the Indian and Global Group of the comparator group. This rank has been used to estimate expected % vesting of the options under this type of vesting condition. The inputs to the monte carlo simulation method include expected tenure (estimated as the remaining vesting period of the options) the risk-free rate (considered as the zero coupon yield as of the valuation date for a term commensurate with the expected tenure of the options) expected dividend yield (estimated based on the actual dividend trend of the companies) expected volatility (estimated based on the historical volatility of the return in the company's share prices for a term commensurate with the expected tenure of the options). The exercise period of 6 months post the vesting period has not been considered as the options are expected to be exercised immediately post the completion of the vesting period.

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The assumptions used in the calculations of the charge in respect of the ESOS options granted during the years ended 31 March 2023 and 31 March 2022 are set out below:

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
	ESOS 2022	ESOS 2021
Number of Options	Cash settled - 10,35,172 equity settled - 1,44,37,268	Cash settled - 8,64,537 equity settled - 1,20,83,636
Exercise Price	₹ 1	₹ 1
Share Price at the date of grant	₹ 286.90	₹ 302.15
Contractual Life	3 years	3 years
Expected Volatility	50.95%	49.67%
Expected option life	3 years	3 years
Expected dividends	7.11%	6.80%
Risk free interest rate	7.07%	5.02%
Expected annual forfeitures	10% p.a	10% p.a
Fair value per option granted (Non-market performance based)	₹ 182.46	₹ 193.97

Weighted average share price at the date of exercise of stock options was ₹ 303.80 (31 March 2022: ₹ 339.32)

The weighted average remaining contractual life for the share options outstanding was 1.76 years (31 March 2022: 1.62 years).

The Group recognized total expenses of ₹ 85 Crore (31 March 2022: ₹ 43 Crore) related to equity settled share-based payment transactions for the year ended 31 March 2023. The total expense recognised on account of cash settled share based plan during the year ended 31 March 2023 is ₹ 1 Crore (31 March 2022: ₹ 14 Crore) and the carrying value of cash settled share based compensation liability as at 31 March 2023 is ₹ 11 Crore (31 March 2022: ₹ 19 Crore).

Employee stock option plans of erstwhile Cairn India Limited:

The Company has provided CIESOP share based payment scheme to its employees.

CIESOP plan

There are no specific vesting conditions under CIESOP plan other than completion of the minimum service period of 3 years from the date of grant. Phantom options are exercisable proportionate to the period of service rendered by the employee subject to completion of one year. The exercise period is 7 years from the vesting date.

Details of employees stock option plans is presented below

(₹ in Crore)

CIESOP Plan	Year ended 31 March 2023		Year ended 31 March 2022	
	Number of options	Weighted average exercise price in ₹	Number of options	Weighted average exercise price in ₹
Outstanding at the beginning of the year	10,37,641	286.9	33,15,174	287.3
Granted during the year	Nil	NA	Nil	NA
Expired during the year	Nil	NA	Nil	NA
Exercised during the year	2,66,914	286.85	4,83,085	286.85
Forfeited / cancelled during the year	7,70,727	286.85	17,94,448	287.70
Outstanding at the end of the year	**-**	**-**	**10,37,641**	**286.85**
Exercisable at the end of the year	-	-	10,37,641	286.85

Weighted average share price at the date of exercise of stock options was ₹ 411.80 (31 March 2022: ₹ 375.89)

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(₹ in Crore)

Scheme	Range of exercise price in ₹	Weighted average remaining contractual life of options (in years)	Weighted average exercise price in ₹
The details of exercise price for stock options outstanding as at 31 March 2023 are:			
CIESOP Plan	286.85	-	286.85
The details of exercise price for stock options outstanding as at 31 March 2022 are:			
CIESOP Plan	286.85	0.31	286.85

In respect of one of the Group's subsidiary, the Group has awarded certain cash settled share based options indexed to equity valuation of the subsidiary. The total (reversal)/expense recognised on account of cash settled share based plan during the year ended 31 March 2023 is ₹ (5) Crore (31 March 2022: ₹ 24 Crore) and the carrying value of cash settled share based compensation liability as at 31 March 2023 is ₹ 44 Crore (31 March 2022: ₹ 112 Crore).

Out of the total expense of ₹ 80 Crore (31 March 2022: ₹ 81 Crore) pertaining to equity settled and cash settled options for the year ended 31 March 2023, the Group has capitalised ₹ 3 Crore (31 March 2022: ₹ 2 Crore).

33 Employee Benefit Plans

The Group participates in defined contribution and benefit plans, the assets of which are held (where funded) in separately administered funds.

For defined contribution plans, the amount charged to the consolidated statement of profit and loss is the total amount of contributions payable in the year.

For defined benefit plans, the cost of providing benefits under the plans is determined by actuarial valuation separately each year for each plan using the projected unit credit method by independent qualified actuaries as at the year end. Remeasurement gains and losses arising in the year are recognised in full in other comprehensive income for the year.

i) Defined contribution plans

The Group contributed a total of ₹ 146 Crore and ₹ 139 Crore for the year ended 31 March 2023 and 31 March 2022 respectively to the following defined contribution plans.

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Employer's contribution to recognised provident fund and family pension fund	118	111
Employer's contribution to superannuation	21	23
Employer's contribution to National Pension Scheme	7	5
	146	**139**

Indian pension plans

Central recognised provident fund

In accordance with the 'The Employee's Provident Funds and Miscellaneous Provisions Act, 1952', employees are entitled to receive benefits under the Provident Fund. Both the employee and the employer make monthly contributions to the plan at a predetermined rate (12% for 2023 and 2022) of an employee's basic salary, and includes contribution made to Family Pension fund as explained below. All employees have an option to make additional voluntary contributions. These contributions are made to the fund administered and managed by the Government of India (GOI) or to independently managed and approved funds. The Group has no further obligations under the fund managed by the GOI beyond its monthly contributions which are charged to the consolidated statement of profit and loss in the year they are incurred.

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Family pension fund

The Pension Fund was established in 1995 and is managed by the Government of India. The employee makes no contribution to this fund but the employer makes a contribution of 8.33% of salary each month subject to a specified ceiling per employee (included in the 12% rate specified above). This is provided for every permanent employee on the payroll.

At the age of superannuation, contributions ceases and the individual receives a monthly payment based on the level of contributions through the years, and on their salary scale at the time they retire, subject to a maximum ceiling of salary level. The Government funds these payments, thus the Group has no additional liability beyond the contributions that it makes, regardless of whether the central fund is in surplus or deficit.

Superannuation

Superannuation, another pension scheme, is applicable only to executives above certain grade. However, in case of the oil & gas business (applicable from the second year of employment) and Iron Ore Segment, the benefit is applicable to all executives. Vedanta Limited and each relevant Indian subsidiary holds a policy with Life Insurance Corporation of India ("LIC"), to which each of these entities contributes a fixed amount relating to superannuation and the pension annuity is met by LIC as required, taking into consideration the contributions made. The Group has no further obligations under the scheme beyond its monthly contributions which are charged to the consolidated statement of profit and loss in the year they are incurred.

National Pension Scheme

National Pension Scheme is a retirement savings account for social security and welfare applicable for executives covered under the superannuation benefit of Vedanta Limited and each relevant Indian subsidiary, on a choice basis. It was introduced to enable employees to select the treatment of superannuation component of their fixed salaries and avail the benefits offered by National Pension Scheme launched by Government of India. Vedanta Limited and each relevant entity holds a corporate account with one of the pension fund managers authorized by the Government of India to which each of the entity contributes a fixed amount relating to superannuation and the pension annuity will be met by the fund manager as per rules of National Pension Scheme. The Group has no further obligations under the scheme beyond its monthly contributions which are charged to the consolidated statement of profit and loss in the year they are incurred.

Australian pension scheme

The Group also participates in defined contribution superannuation schemes in Australia. The contribution of a proportion of an employee's salary in a superannuation fund is a compulsory legal requirement in Australia. The employer contributes, into the employee's fund of choice, 10.00% (2022: 10.00%) of an employee's gross remuneration where the employee is covered by an industrial agreement and 13.00% (2022: 13.00%) of the basic remuneration for all other employees. All employees have an option to make additional voluntary contributions. The Group has no further obligations under the scheme beyond its monthly contributions which are charged to the consolidated statement of profit and loss in the year they are incurred.

Skorpion Zinc Provident Fund, Namibia

The Skorpion Zinc Provident Fund is a defined contribution fund and is compulsory to all full time employees under the age of 60. The Group contribution to the fund is a fixed percentage of 9% per month of pensionable salary, whilst the employee contributes 7% with the option of making additional contributions, over and above the normal contribution, up to a maximum of 12%.

Normal retirement age is 60 years and benefit payable is the member's fund credit which is equal to all employer and employee contributions plus interest. The same applies when an employee resigns from Skorpion Zinc. The Fund provides disability cover which is equal to the member's fund credit and a death cover of two times annual salary in the event of death before retirement.

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The Group has no additional liability beyond the contributions that it makes. Accordingly, this scheme has been accounted for on a defined contribution basis and contributions are charged directly to the consolidated statement of profit and loss in the year they are incurred.

Black Mountain (Pty) Limited, South Africa Pension and Provident Funds

Black Mountain Mining (Pty) Ltd has two retirement funds, both administered by Alexander Forbes, a registered financial service provider. The purpose of the funds is to provide retirement and death benefits to all eligible employees.

The Group contributes at a fixed percentage of 10.5% for up to supervisor grade and 15% for others.

Membership of both funds is compulsory for all permanent employees under the age of 60.

The Group has no additional liability beyond the contributions that it makes. Accordingly, this scheme has been accounted for on a defined contribution basis and contributions are charged directly to the consolidated statement of profit and loss in the year they are incurred.

ii) Defined benefit plans

(a) Contribution to provident fund trust (the “trusts”) of Iron ore division, Bharat Aluminium Company Limited (BALCO), Hindustan Zinc Limited (HZL), Sesa Resources Limited (SRL) and Sesa Mining Corporation Limited (SMCL)

The provident funds of Iron ore division, BALCO, HZL, SRL and SMCL are exempted under section 17 of the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952. Conditions for grant of exemption stipulates that the employer shall make good deficiency, if any, between the return guaranteed by the statute and actual earning of the Fund. Based on actuarial valuation in accordance with Ind AS 19 and the Guidance note issued by the Institute of Actuaries of India for interest rate guarantee of exempted provident fund liability of employees, there is no interest shortfall that is required to be met by Iron ore division, BALCO, HZL, SRL, and SMCL as at 31 March 2023 and 31 March 2022. Having regard to the assets of the fund and the return on the investments, the Group does not expect any deficiency in the foreseeable future.

The Group contributed a total of ₹ 78 Crore for the year ended 31 March 2023 and ₹ 47 Crore for the year ended 31 March 2022 in relation to the independently managed and approved funds. The present value of obligation and the fair value of plan assets of the trust are summarised below.

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Fair value of plan assets of trusts	2,626	2,532
Present value of defined benefit obligation	(2,618)	(2,510)
Net liability arising from defined benefit obligation	**NIL**	**NIL**

(₹ in Crore)

Percentage allocation of plan assets of the trust	Year ended 31 March 2023	Year ended 31 March 2022
Assets by category		
Government Securities	45.15%	58.62%
Debentures / bonds	38.32%	35.54%
Equity	16.53%	4.64%
Money Market Instruments	0.00%	1.20%
Fixed deposits	0.00%	0.00%

(b) Post-Retirement Medical Benefits:

The Group has a scheme of medical benefits for employees at BMM and BALCO subsequent to their retirement on completion of tenure including retirement on medical grounds and voluntary retirement on contributory basis. The scheme includes an employee’s spouse as well. Based on an actuarial valuation conducted as at year-end, a provision

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is recognised in full for the benefit obligation. The obligation relating to post-retirement medical benefits as at 31 March 2023 was ₹ 101 Crore (31 March 2022: ₹ 100 Crore). The obligation under this plan is unfunded. The Group considers these amounts as not material and accordingly has not provided further disclosures as required by Ind AS 19 'Employee benefits'. The current service cost for the year ending 31 March 2023 of ₹ 1 Crore (31 March 2022: ₹ 1 Crore) has been recognised in consolidated statement of profit and loss. The remeasurement losses and net interest on the obligation of post-retirement medical benefits of ₹ 1 Crore (31 March 2022: ₹ 7 Crore) and ₹ 9 Crore (31 March 2022: ₹ 9 Crore) for the year ended 31 March 2023 have been recognised in other comprehensive income and finance cost respectively.

(c) Other Post-employment Benefits:

India - Gratuity plan

In accordance with the Payment of Gratuity Act of 1972, Vedanta Limited and its Indian subsidiaries contribute to a defined benefit plan (the "Gratuity Plan") covering certain categories of employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, disability or termination of employment being an amount based on the respective employee's last drawn salary and the number of years of employment with the Group.

Based on actuarial valuations conducted as at year end using the projected unit credit method, a provision is recognised in full for the benefit obligation over and above the funds held in the Gratuity Plan. For entities where the plan is unfunded, full provision is recognised in the consolidated balance sheet.

The iron ore and oil & gas division of Vedanta Limited, SRL, SMCL, HZL and FACOR have constituted a trust recognized by Income Tax Authorities for gratuity to employees and contributions to the trust are funded with the Life Insurance Corporation of India (LIC), ICICI Prudential Life Insurance Company Limited (ICICI) and HDFC Life Insurance Company Limited (HDFC).

Principal actuarial assumptions

Principal actuarial assumptions used to determine the present value of the Other post-employment benefit plan obligation are as follows:

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Discount rate	7.39%	7.16%
Expected rate of increase in compensation level of covered employees	2%-15%	2%-15%
Mortality table	IALM (2012-14)	IALM (2012-14)

Amount recognised in the consolidated balance sheet consists of:

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Fair value of plan assets	443	441
Present value of defined benefit obligations	(623)	(599)
Net liability arising from defined benefit obligation	**(180)**	**(158)**

Amounts recognised in the consolidated statement of profit and loss in respect of Other post-employment benefit plan are as follows:

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Current service cost	43	39
Net interest cost	12	12
Components of defined benefit costs recognised in consolidated statement of profit and loss	**55**	**51**

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Amounts recognised in other comprehensive income in respect of Other post-employment benefit plan are as follows:

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Re-measurement of the net defined benefit obligation:-		
Actuarial losses arising from changes in financial assumptions	1	17
Actuarial losses/ (gains) arising from experience adjustments	9	(5)
Actuarial gains arising from changes in demographic assumptions	(3)	(3)
Actuarial losses on plan assets (excluding amounts included in net interest cost)	3	2
Components of defined benefit costs recognised in Other comprehensive income	**10**	**11**

The movement of the present value of the Other post-employment benefit plan obligation is as follows:

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Opening balance	599	576
Current service cost	43	39
Benefits paid	(71)	(64)
Interest cost	42	39
Actuarial losses / (gains) arising from changes in assumptions	10	9
Closing balance	**623**	**599**

The movement in the fair value of Other post-employment benefit plan assets is as follows:

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Opening balance	441	401
Contributions received	28	69
Benefits paid	(54)	(54)
Re-measurement gain/(loss) arising from return on plan assets	(3)	(2)
Interest income	31	27
Closing balance	**443**	**441**

The above plan assets have been invested in the qualified insurance policies.

The actual return on plan assets was ₹ 28 Crore (31 March 2022: ₹ 25 Crore).

The weighted average duration of the defined benefit obligation is 11.58 years (31 March 2022: 13.25 years).

The Group expects to contribute ₹ 54 Crore to the funded defined benefit plans during the year ending 31 March 2024.

Sensitivity analysis for Defined Benefit Plan

Below is the sensitivity analysis determined for significant actuarial assumptions for the determination of defined benefit obligation and based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period while holding all other assumptions constant.

(₹ in Crore)

Particulars	Increase/(Decrease) in defined benefit obligation	
	Year ended 31 March 2023	Year ended 31 March 2022
Discount rate		
Increase by 0.50%	(24)	(23)
Decrease by 0.50%	26	25
Expected rate of increase in compensation level of covered employees		
Increase by 0.50%	23	22
Decrease by 0.50%	(22)	(21)

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The above sensitivity analysis may not be representative of the actual benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

In presenting the above sensitivity analysis, the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of reporting period, which is the same as that applied in calculating the defined obligation liability recognized in the consolidated balance sheet.

Risk analysis

Group is exposed to a number of risks in the defined benefit plans. Most significant risks pertaining to defined benefit plans and management estimation of the impact of these risks are as follows:

Investment risk

Most of the Indian defined benefit plans are funded with the LIC, ICICI and HDFC. The Group does not have any liberty to manage the fund provided to LIC, ICICI and HDFC.

The present value of the defined benefit plan obligation is calculated using a discount rate determined by reference to Government of India bonds for the Group's Indian operations. If the return on plan asset is below this rate, it will create a plan deficit.

Interest risk

A decrease in the interest rate on plan assets will increase the net plan obligation.

Longevity risk / Life expectancy

The present value of the defined benefit plan obligation is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan obligation.

Salary growth risk

The present value of the defined benefit plan obligation is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan obligation.

Code on Social Security, 2020

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

34 Finance cost

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Interest expense on financial liabilities at amortised cost	6,212	4,712
Other finance costs	380	294
Net interest on defined benefit arrangement	21	21
Unwinding of discount on provisions	96	78
Exchange difference regarded as an adjustment to borrowing cost	-	7
Less: Capitalisation of finance cost/borrowing cost	(483)	(313)
Less: Cost allocated/directly booked in joint ventures	(1)	(2)
Total	**6,225**	**4,797**

a) Interest rate of 6.75 % (31 March 2022: 7.39%) was used to determine the amount of general borrowing costs eligible for capitalization in respect of qualifying asset for the year ended 31 March 2023.

b) Interest expense on income taxes is ₹ 77 Crore (31 March 2022: ₹ 0 Crore).

c) Interest expense on lease liabilities for the year ended is ₹ 14 Crore (31 March 2022: ₹ 14 Crore)

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35 Other expenses

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Cess on crude oil	3,238	3,036
Royalty	5,860	4,385
Consumption of stores and spare parts	3,769	3,304
Share of expenses in producing oil and gas blocks	3,593	2,770
Repairs to plant and equipment	3,332	2,896
Repairs to building	277	215
Repairs others	213	215
Carriage	2,827	2,927
Mine expenses	3,163	2,661
Net loss on foreign currency transactions and translations	554	156
Other selling expenses	29	17
Insurance	292	269
Loss on sale/disposal of fixed asset (net)	9	-
Rent*	61	38
Rates and taxes	39	78
Exploration costs written off	327	-
Bad trade receivables and advances written off	11	11
Provision for doubtful advances/ expected credit loss	415	233
Miscellaneous expenses	7,097	5,797
Less: Cost allocated/directly booked in joint ventures	(418)	(331)
Total	**34,688**	**28,677**

*Rent represents expense on short term/ low value leases.

36 Exceptional items

(₹ in Crore)

Particulars	Year ended 31 March 2023			Year ended 31 March 2022		
	Exceptional items	Tax effect of Exceptional items	Exceptional items after tax	Exceptional items	Tax effect of Exceptional items	Exceptional items after tax
Property, plant and equipment, exploration intangible assets under development, capital work-in-progress and other assets (impaired)/ reversal or (written off)/ written back in:						
- Oil & Gas						
1) Exploration cost written off [a]	-	-	-	(2,618)	1,020	(1,598)
2) Reversal of previously recorded impairment [b]	-	-	-	2,697	(1,059)	1,638
- Iron Ore						
- Reversal of previously recorded impairment of assets in Liberia on commencement of mining operations [c]	644	-	644	-	-	-
- Aluminium [d]	-	-	-	(125)	44	(81)
- Others [e,f]	109	(38)	71	(52)	17	(35)
- Unallocated [g]	-	-	-	(24)	8	(16)
SAED on Oil and Gas sector [h]	(970)	312	(658)			
Provision for legal disputes (including change in law), force majeure and similar incidences in:						
- Aluminium [i]	-	-	-	(288)	80	(208)
- Copper [j]	-	-	-	(217)	19	(198)
- Zinc, Lead and Silver - India [k]	-	-	-	(134)	47	(87)
- Other segment [l]	-	-	-	(7)	2	(5)
Total	**(217)**	**274**	**57**	**(768)**	**178**	**(590)**

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a) During the year ended 31 March 2022, based on the outcome of exploration and appraisal activities in its PSC block RJON-90/1 block and RSC blocks awarded under OALP (Open Acreage Licensing Policy), an amount of ₹ 2,618 Crore towards unsuccessful exploration cost had been charged off to the consolidated statement of profit and loss, as these had proven to be either technically or commercially unviable.

b) During the year ended 31 March 2022, the Group had recognized an impairment reversal of ₹ 2,697 Crore on its assets in the oil and gas segment comprising:

   1) Impairment reversal of ₹ 2,581 Crore relating to Rajasthan oil and gas block ("CGU") mainly due to increase in crude price forecast. Of this, ₹ 1,638 Crore impairment reversal had been recorded against oil and gas producing facilities and ₹ 943 Crore impairment reversal had been recorded against exploration intangible assets under development.

      The recoverable amount of the Company's share in Rajasthan Oil and Gas cash generating unit "RJ CGU" was determined to be ₹ 10,285 Crore (US$ 1,361 million) as at 31 March 2022.

      The recoverable amount of the RJ CGU was determined based on the fair value less costs of disposal approach, a level-3 valuation technique in the fair value hierarchy, as it more accurately reflects the recoverable amount based on the Company's view of the assumptions that would be used by a market participant. This was based on the cash flows expected to be generated by the projected oil and natural gas production profiles up to the expected dates of cessation of production sharing contract (PSC)/cessation of production from each producing field based on the current estimates of reserves and risked resources. Reserves assumptions for fair value less costs of disposal tests consider all reserves that a market participant would consider when valuing the asset, which are usually broader in scope than the reserves used in a value-in-use test. Discounted cash flow analysis used to calculate fair value less costs of disposal uses assumption for short-term oil price of US $ 86 per barrel for the next one year and tapers down to long-term nominal price of US $ 68 per barrel three years thereafter derived from a consensus of various analyst recommendations. Thereafter, these have been escalated at a rate of 2% per annum. The cash flows are discounted using the post-tax nominal discount rate of 9.88% derived from the post-tax weighted average cost of capital after factoring in the risks ascribed to PSC extension including successful implementation of key growth projects. Based on the sensitivities carried out by the Company, change in crude price assumptions by US$ 1/bbl and changes to discount rate by 1% would lead to a change in recoverable value by ₹ 204 Crore (US$ 27 million) and ₹ 311 Crore (US$ 41 million) respectively.

   2) Impairment reversal of ₹ 116 Crore relating to KG-ONN-2003/1 CGU mainly due to increase in crude price forecast and increase in recoverable reserves.

      The recoverable amount of the Company's share in this CGU was determined to be ₹ 208 Crore (US$ 27 million) based on fair value less cost of disposal approach as described in above paragraph. Discounted cash flow analysis used to calculate fair value less costs of disposal uses assumption for short-term oil price of US $ 86 per barrel for the next one year and tapers down to long-term nominal price of US$ 68 per barrel three years thereafter derived from a consensus of various analyst recommendations. Thereafter, these have been escalated at a rate of 2% per annum. The cash flows are discounted using the post-tax nominal discount rate of 10.63%. The sensitivities around change in crude price and discount rate are not material to the financial statements.

c) During the current year, WCL has signed a Memorandum of Understanding with the Government of Liberia to re-start its mining operations and commenced commercial production at its Bomi Mines from July 2022.

   Consequently, the net recoverable value of assets and liabilities of WCL has been assessed at ₹ 891 Crore based on the value-in-use approach, using the Discounted Cash Flow Method, a level 3 valuation technique in the fair value hierarchy as it more accurately reflects the recoverable amount. The impairment assessment is based on a range of estimates and assumptions, including long-term selling price as per the consensus report, volumes based on the mine planning and concentrate plant setup and a post-tax nominal discount rate of 14.45%. Any subsequent changes to cash flows due to changes in the above-mentioned factors could impact the carrying value of the assets.

   Based on the sensitivities carried out by the Company, a decrease in the long-term selling price by 1% would lead to a decrease in the recoverable value by ₹ 50 Crore and an increase in the discount rate by 1% would lead to a decrease in the recoverable value by ₹ 74 Crore.

   Accordingly, the impairment recorded in previous periods has been reversed, to an extent of ₹ 644 Crore pertaining only to the assets of the Bomi Mine.

d) In relation to a mine in Aluminium business of the Company, the Company had deposited ₹ 125 Crore with the Government of India. Thereafter, the MoEF&CC and the Supreme Court declared the mining project inoperable on environmental grounds. Later, in 2017, the mining license lapsed. Accordingly, the deposit was fully provided for during the previous year.

e) During the year ended 31 March 2022, ESL Steel Limited had recognised a provision of ₹ 46 Crore relating to certain items of capital work-in-progress basis the physical verification.

f) During the year ended 31 March 2022, ₹ 6 Crore was written off being the cost of land located outside the plant for which details of original owners/sellers etc., were not available and the physical possession or the registered ownership of the same as such cannot be obtained.

g) During the year ended 31 March 2022, the Company had recognised a loss of ₹ 24 Crore relating to certain items of capital work-in-progress at one of its closed unit in Gujarat, which are no longer expected to be used.

h) The Government of India ("GoI") vide its notification dated 30 June 2022 levied Special Additional Excise Duty ("SAED") on production of crude oil, i.e., cess on windfall gain triggered by increase in crude oil prices which is effective from 01 July 2022. The consequential net impact of the said duty has been presented as an exceptional item.

i) During the year ended 31 March 2022, MoEF&CC notified guidelines for thermal power plants for disposal of fly ash and bottom

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ash produced during power generation process. Effective 01 April 2022, the notification introduced a three-year cycle to achieve average ash utilisation of 100 per cent. The first three-year cycle is extendable by another one year or two years where ash utilisation percentage is in the range of 60-80 per cent or less than 60 per cent, respectively. Further, unutilised accumulated ash, i.e., legacy fly ash stored with such power plants prior to the date of this notification is required to be utilized fully over a ten year period with minimum twenty percent, thirty percent and fifty percent utilisation of annual ash generation in year 1, year 2 and years 3-10 respectively. Such provisions are not applicable where ash pond or dyke has stabilised and the reclamation has taken place with greenbelt or plantation. The Group had performed detailed evaluations for its obligations under this notification and had recorded ₹ 288 Crore as an exceptional item for the year ended 31 March 2022, towards estimated costs of legacy fly ash utilization including reclamation costs.

j) A provisional liquidator ('PL') was appointed to manage the affairs of Konkola Copper Mines plc (KCM) on 21 May 2019, after ZCCM Investments Holdings Plc (ZCCM-IH), an entity majority owned by the Government of Zambia and a 20.6% shareholder in KCM, filed a winding up petition against KCM. KCM's majority shareholder, Vedanta Resources Holdings Limited (VRHL), and its parent company, Vedanta Resources Limited (VRL), are contesting the winding up petition in the Zambian courts and have also commenced arbitration against ZCCM-IH, consistent with their position that arbitration is the agreed dispute resolution process, together with an application to the South African courts to stay the winding up proceedings consistent with the agreement to arbitrate.

Meanwhile, KCM has not been supplying goods to the Company and/ or its subsidiaries, which it was supposed to as per the terms of the advance. During the previous year, the Group recognised provisions for expected credit losses of ₹ 217 Crore. As of 31 March 2023, the Group carries provisions of ₹ 644 Crore (31 March 2022: ₹ 644 Crore). Consequently, receivables from KCM as at 31 March 2023 are ₹ NIL Crore (31 March 2022: ₹ NIL Crore).

k) During the year ended 31 March 2022, HZL had recognised an expense of ₹ 134 Crore relating to amount charged in respect of settlement of entry tax dispute under Amnesty Scheme launched by the Government of Rajasthan.

l) Refer note 3(c)(A)(v).

37 Tax

(a) Tax charge/(credit) recognised in profit or loss (including on exceptional items)

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Current tax:		
Current tax on profit for the year	7,739	6,892
Benefit in respect of current tax for earlier years	(115)	(3)
Benefit in respect of exceptional items (Refer note 36)	(122)	(580)
Total Current Tax (a)	**7,502**	**6,309**
Deferred tax:		
(Benefit)/ Reversal of temporary differences	(1,503)	2,627
Benefit in respect of deferred tax for earlier years	(77)	(83)
(Benefit)/ Reversal in respect of exceptional items (Refer note 36)	(152)	402
Deferred Tax (b)	**(1,732)**	**2,946**
Total income tax expense for the year (a+d)	**5,770**	**9,255**
Profit before tax	20,276	32,964
Effective income tax rate (%)	**28%**	**28%**

Tax expense

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Tax effect on exceptional items	(274)	(178)
Tax expense- others	6,044	9,433
Net tax expense	**5,770**	**9,255**

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(b) A reconciliation of income tax expense applicable to profit before tax at the Indian statutory income tax rate to recognise income tax expense for the year indicated are as follows

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Profit before tax	**20,276**	**32,964**
Indian statutory income tax rate	34.944%	34.944%
Tax at statutory income tax rate	7,085	11,519
Non-taxable income	(94)	(137)
Tax holidays and similar exemptions	(534)	(1,953)
Effect of tax rate differences of subsidiaries operating at other tax rates	97	128
Unrecognised tax assets (net) [(i)]	63	10
Change in deferred tax balances due to change in tax law	(288)	(114)
Capital gains/ Other income subject to lower tax rate [(ii)]	(522)	(344)
Credit in respect of earlier years	(192)	(86)
Other permanent differences	155	233
Total	**5,770**	**9,255**

(i) Current year includes ₹ 180 Crore of deferred tax assets on brought forward losses of Facor Power Limited recognised post its merger with Facor Alloys Corporation Limited. Based on the financial forecasts of the merged entity, it is probable to realise the deferred tax assets. (Refer Note 4)

(ii) Current year majorly includes ₹ 505 Crore on account of dividend received from foreign subsidiary taxable at lower rate of 17.472%

Certain businesses of the Group within India are eligible for specified tax incentives which are included in the table above as tax holidays and similar exemptions. Most of such tax exemptions are relevant for the companies operating in India. These are briefly described as under:

The location based exemption

In order to boost industrial and economic development in undeveloped regions, provided certain conditions are met, profits of newly established undertakings located in certain areas in India may benefit from tax holiday under section 80IC of the Income tax Act, 1961. Such tax holiday works to exempt 100% of the profits for the first five years from the commencement of the tax holiday, and 30% of profits for the subsequent five years. This deduction is available only for units established up to 31 March 2012. However, such undertaking would continue to be subject to the Minimum Alternative tax ('MAT').

Sectoral Benefit - Power Plants and Port Operations

To encourage the establishment of infrastructure certain power plants and ports have been offered income tax exemptions of upto 100% of profits and gains for any ten consecutive years within the 15 year period following commencement of operations subject to certain conditions under section 80IA of the Income tax Act, 1961. The Group currently has total operational capacity of 8.25 Giga Watts (GW) of thermal based power generation facilities and wind power capacity of 274 Mega Watts (MW) and port facilities. However, such undertakings would continue to be subject to MAT provisions.

The Group has power plants which benefit from such deductions, at various locations of Hindustan Zinc Limited, Vedanta Limited (where such benefits has been drawn), Talwandi Sabo Power Limited and Bharat Aluminium Company Limited (where no benefit has been drawn).

Further, tax incentives exist for certain other infrastructure facilities to exempt 100% of profits and gains for any ten consecutive years within the 20 year period following commencement of these facilities' operation, provided certain conditions are met. HZL currently has certain eligible facilities. However, such facilities would continue to be subject to the MAT provisions.

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The Group operates a zinc refinery in Export Processing Zone, Namibia which has been granted tax exempt status by the Namibian government.

In addition, the subsidiaries incorporated in Mauritius are eligible for tax credit to the extent of 80% of the applicable tax rate on foreign source income.

The total effect of such tax holidays and exemptions was ₹ 534 Crore for the year ended 31 March 2023 (31 March 2022: ₹ 1,953 Crore).

(c) Deferred tax assets/liabilities

The Group has accrued significant amounts of deferred tax. The majority of the deferred tax assets represents unabsorbed depreciation and carried forward losses and unused tax credits in the form of MAT credits carried forward, net of deferred tax liability representing accelerated tax relief for the depreciation of property, plant and equipment, depreciation of mining reserves and the fair value uplifts created on acquisitions.

Significant components of Deferred tax (assets) and liabilities recognized in the consolidated balance sheet are as follows:

For the year ended 31 March 2023

(₹ in Crore)

Significant components of Deferred tax (assets) and liabilities	Opening balance as at 01 April 2022	Charged / (credited) to statement of profit or loss	Charged/ (credited) to other comprehensive income	Charged / (credited) to equity	Exchange difference transferred to translation of foreign operation	Closing balance as at 31 March 2023
Property, Plant and Equipment	11,506	957	-	-	(48)	12,415
Voluntary retirement scheme	(39)	14	-	-	-	(25)
Employee benefits	(377)	20	(11)	7	5	(356)
Fair valuation of derivative asset/liability	(97)	28	(6)	-	-	(75)
Fair valuation of other asset/liability	628	126	-	-	6	760
MAT credit entitlement	(6,746)	(2,586)	(50)	-	-	(9,382)
Unabsorbed depreciation and business losses	(4,490)	(398)	-	-	-	(4,888)
Other temporary differences	(1,035)	106	(32)	-	(62)	(1,023)
Total	**(650)**	**(1,733)**	**(99)**	**7**	**(99)**	**(2,574)**

For the year ended 31 March 2022

(₹ in Crore)

Significant components of Deferred tax (assets) and liabilities	Opening balance as at 01 April 2022	Charged / (credited) to statement of profit or loss	Charged/ (credited) to other comprehensive income	Charged / (credited) to equity	Exchange difference transferred to translation of foreign operation	Closing balance as at 31 March 2023
Property, Plant and Equipment	9,683	1,735	-	-	88	11,506
Voluntary retirement scheme	(54)	15	-	-	-	(39)
Employee benefits	(174)	(201)	(1)	10	(11)	(377)
Fair valuation of derivative asset/liability	(37)	(21)	(39)	-	-	(97)
Fair valuation of other asset/liability	701	(31)	-	-	(42)	628
MAT credit entitlement	(8,232)	1,505	(7)	(16)	4	(6,746)
Unabsorbed depreciation and business losses	(4,698)	208	-	-	-	(4,490)
Other temporary differences	(834)	(264)	74	-	(11)	(1,035)
Total	**(3,645)**	**2,946**	**27**	**(6)**	**28**	**(650)**

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Deferred tax assets and liabilities have been offset where they arise in the same taxing jurisdiction with a legal right to offset current income tax assets against current income tax liabilities but not otherwise. Accordingly, the net deferred tax (assets)/liability has been disclosed in the Consolidated Balance Sheet as follows:

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Deferred tax assets	(8,495)	(5,085)
Deferred tax liabilities	5,922	4,435
Net Deferred tax assets	**(2,573)**	**(650)**

Recognition of deferred tax assets on MAT credit entitlement is based on the respective legal entity's present estimates and business plans as per which the same is expected to be utilized within the stipulated fifteen year period from the date of origination (Refer note 3(c)(A)(ii)).

Deferred tax assets in the Group have been recognised to the extent there are sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity which are expected to reverse. For certain components of the Group, deferred tax assets on carry forward unused tax losses have been recognised to the extent of deferred tax liabilities on taxable temporary differences available. It is expected that any reversals of the deferred tax liability would be offset against the reversal of the deferred tax asset at respective entities.

Unused tax losses / unused tax credit for which no deferred tax asset has been recognized amount to ₹ 7,335 Crore and ₹ 9,818 Crore as at 31 March 2023 and 31 March 2022 respectively.

As at 31 March 2023

(₹ in Crore)

Unused tax losses/ unused tax credit	Within one year	Greater than one year, less than five years	Greater than five years	No expiry date	Total
Unutilised business losses	689	2,621	2,040	-	5,350
Unabsorbed depreciation	-	-	-	1,985	1,985
Unutilised R&D credit	-	0	-	-	0
Total	**689**	**2,622**	**2,040**	**1,985**	**7,335**

As at 31 March 2022

(₹ in Crore)

Unused tax losses/ unused tax credit	Within one year	Greater than one year, less than five years	Greater than five years	No expiry date	Total
Unutilised business losses	31	3,217	3,116	2,005	8,369
Unabsorbed depreciation	-	-	-	1,439	1,439
Unutilised R&D credit	-	-	-	10	10
Total	**31**	**3,217**	**3,116**	**3,454**	**9,818**

No deferred tax assets has been recognised on these unused tax losses/ unused tax credit as there is no evidence that sufficient taxable profit will be available in future against which these can be utilised by the respective entities.

The Group has not recognised any deferred tax liabilities for taxes that would be payable on the Group's share in unremitted earnings of certain of its subsidiaries because the Group controls when the liability will be incurred and it is probable that the liability will not be incurred in the foreseeable future. The amount of unremitted earnings are ₹ 24,130 Crore and ₹ 36,947 Crore as at 31 March 2023 and 31 March 2022 respectively.

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(d) Non- current tax assets

Non- current tax assets of ₹ 1,635 Crore (31 March 2022: ₹ 2,762 Crore) mainly represents income tax receivable from Indian tax authorities by Vedanta Limited relating to the refund arising consequent to the Scheme of Amalgamation & Arrangement made effective in August 2013 pursuant to approval by the jurisdiction High Court and receivables relating to matters in tax disputes in Group companies including tax holiday claim.

(e) The tax department had issued demands on account of remeasurement of certain tax incentives, under section 80IA and 80 IC of the Income-tax Act, 1961. During the year ended 31 March 2020, based on the favorable orders from Income Tax Appellate Tribunal relating to AY 09-10 to AY 12-13, the Commissioner of Income Tax (Appeals) has allowed these claims for AY 14-15 to AY 15-16, which were earlier disallowed and has granted refund of amounts deposited under protest. Against the Tribunal order, the department had filed an appeal in Hon'ble Rajasthan High Court in financial year 17-18 which is yet to be admitted. As per the view of external legal counsel, Department's appeal seeks re-examination of facts rather than raising any substantial question of law and hence it is unlikely that appeal will be admitted by the High Court. Accordingly, there is a high probability that the case will go in favour of the Company. The amount involved in this dispute as of 31 March 2023 is ₹ 12,447 Crore (31 March 2022: ₹ 11,369 Crore) plus applicable interest upto the date of settlement of the dispute.

38 Earnings per equity share (EPS)

(₹ in Crore, except otherwise stated)

Particulars		Year ended 31 March 2023	Year ended 31 March 2022
Profit after tax attributable to equity share holders for Basic and Diluted EPS	A	10,574	18,802
Computation of weighted average number of shares			
Weighted average number of ordinary shares outstanding during the year excluding shares acquired for ESOP for basic earnings per share	B	370.97	370.65
Effect of dilution:			
Potential ordinary shares relating to share option awards		2.41	2.56
Adjusted weighted average number of shares of the Company in issue	C	373.38	373.21
Basic earnings per equity share (₹)	A / B	28.50	50.73
Diluted earnings per equity share (₹)	A / C	28.32	50.38
Nominal Value per Share (in ₹)		1.00	1.00

39 Distributions made and proposed

(₹ in Crore, except otherwise stated)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Amounts recognised as distributions to equity share holders:		
Interim dividends: ₹ 101.50/- per share (31 March 2022:₹ 45.00/- per share)	37,658	16,681
Refund of dividend distribution tax	(86)	-
	37,572	**16,681**

40 Commitments, contingencies and guarantees

A) Commitments

The Group has a number of continuing operational and financial commitments in the normal course of business including:

- Exploratory mining commitments;
- Oil and gas commitments;
- Mining commitments arising under production sharing agreements; and
- Completion of the construction of certain assets.

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a) Estimated amount of contracts remaining to be executed on capital accounts and not provided for:

(₹ in Crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Oil & Gas sector		
Cairn India	1,412	2,169
Aluminium sector		
Lanjigarh Refinery (Phase II)	2,439	2,861
Jharsuguda 1.25 MTPA smelter	1,266	1,577
BALCO smelter expansion 0.57 MTPA to 1 MTPA	6,700	4,643
Zinc sector		
Zinc India (mines expansion and smelter)	1,750	507
Gamsberg mining and milling project	-	206
Gamsberg mining and milling project (Phase II)	1,950	-
Copper sector		
Tuticorin Smelter 400 KTPA*	3,066	3,051
Others	3,843	3,843
Total	**22,426**	**18,857**

*currently contracts are under suspension under the force majeure clause as per the contract

b) Committed work programme (Other than capital commitment):

(₹ in Crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Oil & Gas sector		
Cairn India (OALP - New Oil and Gas blocks)	5,184	5,615

c) Other Commitments

(i) The Power Division of the Group has signed a long term power purchase agreement (PPA) with GRIDCO Limited for supply of 25% of power generated from the power station with additional right to purchase power (5%/7%) at variable cost as per the conditions referred to in PPA. The PPA has a tenure of twenty five years, expiring in FY 2037. The Group received favourable order from OERC dated 05 October 2021 for conversion of Independent Power Plant ("IPP") to Captive Power Plant ("CPP") w.e.f from 01 January 2022 subject to certain terms and conditions. However, OERC vide order dated 19 February 2022 directed the Group to supply power to GRIDCO from 19 February 2022 onwards. Thereafter, the Group has resumed supplying power to GRIDCO from 01 April 2022 as per GRIDCO's requisition.

The OERC vide its order dated 03 May 2023 has reviewed its previous order dated 05 October 2021 and directed the Group to operate Unit 2 as an IPP. The Group is in process of filing an appeal against the said order.

(ii) TSPL has signed a long term PPA with the Punjab State Power Corporation Limited (PSPCL) for supply of power generated from the power plant. The PPA has tenure of twenty five years, expiring in FY 2042.

(iii) During the current year ended 31 March 2023, the Group has executed new Power Delivery Agreements ("PDA") with Serentica group companies (Serentica Renewables India 1 Private Limited, Serentica Renewables India 3 Private Limited, Serentica Renewables India 4 Private Limited, Serentica Renewables India 5 Private Limited, Serentica Renewables India 6 Private Limited, Serentica Renewables India 7 Private Limited and Serentica Renewables India 9 Private Limited), which are associates of Volcan, for procuring renewable power over twenty five years from date of commissioning of the combined renewable energy power projects ("the Projects") on a group captive basis. These Serentica group companies were incorporated for building the Projects of approximately 1,246 MW (31 March 2022: 380 MW). During the current year, the Group has invested ₹ 249 Crore in Optionally Convertible Redeemable Preference shares ("OCRPS") of ₹ 10 each of Serentica group companies. These OCRPS will be converted into equity basis conversion terms of the PDA, resulting in Vedanta Group holding

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twenty six percent stake in its equity. As at 31 March 2023, total outstanding commitments related to PDA with Serentica Group Companies are ₹ 1,598 Crore (31 March 2022: ₹ 480 Crore).

B) Guarantees

The aggregate amount of indemnities and other guarantees on which the Group does not expect any material losses, was ₹ 8,470 Crore (31 March 2022: ₹ 6,564 Crore).

a) Guarantees and bonds advanced to the customs authorities in India of ₹ 1,339 Crore relating to the export and payment of import duties on purchases of raw material and capital goods (31 March 2022: ₹ 492 Crore).

b) Guarantees issued for Group's share of minimum work programme commitments of ₹ 2,742 Crore (31 March 2022: ₹ 2,881 Crore).

c) Guarantees of ₹ 80 Crore issued under bid bond (31 March 2022: ₹ 98 Crore).

d) Bank guarantees of ₹ 115 Crore (31 March 2022: ₹ 115 Crore) has been provided by the Group on behalf of Volcan Investments Limited to Income tax department, India as a collateral in respect of certain tax disputes. Other guarantees worth ₹ 4,194 Crore (31 March 2022: ₹ 2,978 Crore) issued for securing supplies of materials and services, in lieu of advances received from customers, litigation, for provisional valuation of custom duty and also to various agencies, suppliers and government authorities for various purposes. The Group does not anticipate any liability on these guarantees.

C) Export Obligations

The Indian entities of the Group have export obligations of ₹ 1,381 Crore (31 March 2022: ₹ 950 Crore) on account of concessional rates of import duty paid on capital goods under the Export Promotion Capital Goods Scheme and under the Advance Licence Scheme for the import of raw material laid down by the Government of India.

In the event of the Group's inability to meet its obligations, the Group's liability would be ₹ 322 Crore (31 March 2022: ₹ 207 Crore) reduced in proportion to actual exports, plus applicable interest.

The Group has given bonds of ₹ 809 Crore (31 March 2022: ₹ 1,915 Crore) to custom authorities against these export obligations.

D) Contingent Liabilities

a) Hindustan Zinc Limited (HZL): Department of Mines and Geology

The Department of Mines and Geology of the State of Rajasthan issued several show cause notices to HZL in August, September and October 2006 aggregating ₹ 334 Crore (31 March 2022: ₹ 334 Crore) claiming unlawful occupation and unauthorised mining of associated minerals other than zinc and lead at HZL's Rampura Agucha, Rajpura Dariba and Zawar mines in Rajasthan during the period from July 1968 to March 2006. In response, HZL filed a writ petition against these show cause notices before the High Court of Rajasthan in Jodhpur. In October 2006, the High Court issued an order granting a stay and restrained the Department of Mines and Geology from undertaking any coercive measures to recover the penalty. In January 2007, the High Court issued another order granting the Department of Mines and Geology additional time to file their reply and also ordered the Department of Mines and Geology not to issue any orders cancelling the lease. The State Government filed for an early hearing application in the High Court. The High Court has passed an order rejecting the application stating that Central Government should file their replies. HZL believes it is unlikely that the claim will lead to a future obligation and thus no provision has been made in these financial statements.

b) Ravva Joint Operations arbitration proceedings

The Ravva Production Sharing Contract (PSC) obliges the contractor parties (including the Company (Cairn India Limited which subsequently merged with the Company, accordingly now referred to as the Company)) to pay a proportionate share of ONGC's exploration, development, production and contract costs in consideration for ONGC's

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payment of costs related to the construction and other activities it conducted in Ravva prior to the effective date of the Ravva PSC (the ONGC Carry). The question as to how the ONGC Carry is to be recovered and calculated, along with other issues, was submitted to an International Arbitration Tribunal in August 2002 which rendered a decision on the ONGC Carry in favour of the contractor parties whereas four other issues were decided in favour of Government of India (GOI) in October 2004 (Partial Award).

The GOI then proceeded to challenge the ONGC Carry decision before the Malaysian courts, as Kuala Lumpur was the seat of the arbitration. The Federal Court of Malaysia upheld the Partial Award. As the Partial Award did not quantify the sums, therefore, contractor parties approached the same Arbitration Tribunal to pass a Final Award in the subject matter since it had retained the jurisdiction to do so. The Arbitral Tribunal was reconstituted and the Final Award was passed in October 2016 in Group's favour. GOI's challenge of the Final Award has been dismissed by the Malaysian High Court and the next appellate court in Malaysia i.e. Malaysian Court of Appeal. GOI then filed an appeal at Federal Court of Malaysia. The matter was heard on 28 February 2019 and the Federal Court dismissed GOI's leave to appeal. The Group has also filed for the enforcement of the Partial Award and Final Award before the Hon'ble Delhi High Court. The matter is currently being heard.

While the Group does not believe the GOI will be successful in its challenge, if the Arbitral Awards in above matters are reversed and such reversals are binding, Group would be liable for approximately ₹ 526 Crore (US$ 64 million) plus interest. (31 March 2022: ₹ 484 Crore (US$ 64 million) plus interest).

c) Proceedings related to the imposition of entry tax

Vedanta Limited and other Group companies, i.e., BALCO and HZL challenged the constitutional validity of the local statutes and related notifications in the states of Odisha and Rajasthan pertaining to the levy of entry tax on the entry of goods brought into the respective states from outside.

Post some contradictory orders of High Courts across India adjudicating on similar challenges, the Supreme Court referred the matters to a nine judge bench. Post a detailed hearing, although the bench rejected the compensatory nature of tax as a ground of challenge, it maintained status quo with respect to all other issues which have been left open for adjudication by regular benches hearing the matters.

Following the order of the nine judge bench, the regular bench of the Supreme Court heard the matters and remanded the entry tax matters relating to the issue of discrimination against domestic goods bought from other States to the respective High Courts for final determination but retained the issue of jurisdiction for levy on imported goods, for determination by the regular bench of the Supreme Court. Following the order of the Supreme Court, the Group filed writ petitions in respective High Courts.

On 09 October 2017, the Supreme Court has held that states have the jurisdiction to levy entry tax on imported goods. With this Supreme Court judgement, imported goods will rank pari-passu with domestic goods for the purpose of levy of Entry tax. Vedanta Limited and its subsidiaries have amended their appeals (writ petitions) in Odisha and Chhattisgarh to include imported goods as well.

The issue pertaining to the levy of entry tax on the movement of goods into a Special Economic Zone (SEZ) remains pending before the Odisha High Court. The Group has challenged the levy of entry tax on any movement of goods into SEZ based on the definition of 'local area' under the Odisha Entry Tax Act which is very clear and does not include a SEZ. In addition, the Government of Odisha further through its SEZ Policy 2015 and the operational guidelines for administration of this policy dated 22 August 2016, exempted the entry tax levy on SEZ operations.

During the previous year, HZL has, under an Amnesty Scheme, settled the entry tax matter by making a payment of ₹ 134 Crore against total claims of ₹ 200 Crore.

The total claims against Vedanta Limited and its subsidiaries (net of provisions made) are ₹ 823 Crore (31 March 2022: ₹ 825 Crore) including interest and penalty till the date of order. Further interest and penalty if any, would be additional.

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d) BALCO: Challenge against imposition of Energy Development Cess

"BALCO challenged the imposition of Energy Development Cess levied on generators and distributors of electrical energy @ 10 paise per unit on the electrical energy sold or supplied before the High Court on the grounds that the Cess is effectively on production and not on consumption or sale since the figures of consumption are not taken into account and the Cess is discriminatory since captive power plants are required to pay @ 10 paise while the State Electricity Board is required to pay @ 5 paise. The High Court of Chhattisgarh by order dated 15 December 2006 declared the provisions imposing ED Cess on CPPs as discriminatory and therefore ultra vires the Constitution. BALCO has sought refund of ED Cess paid till March 2006 amounting to ₹ 35 Crore.

The State of Chhattisgarh moved an SLP in the Supreme Court and whilst issuing notice has stayed the refund of the Cess already deposited and the Supreme Court has also directed the State of Chhattisgarh to raise the bills but no coercive action be taken for recovery for the same. Final argument in this matter has started before the Supreme Court. Considering the high court judgement in Group's favor, we do not believe the state will succeed in their claims. However, should the Supreme Court reverse the judgement, the Group will be liable to pay an additional amount of ₹ 1,091 Crore (31 March 2022: ₹ 1,017 Crore). As at 31 March 2023, an amount of ₹ 1,126 Crore relating to principal has been considered as a contingent liability (31 March 2022: ₹ 1,052 Crore).

e) BALCO: Electricity Duty

The Group operates a 1,200 MW power plant ("the Plant") which commenced production in July 2015. Based on the Memorandum of Understanding signed between the Group and the Chhattisgarh State Government, the management believes that the Plant is covered under the Chhattisgarh Industrial policy 2004-09 which provides exemption of electricity duty for 15 years. In June 2021, the Chief Electrical Inspectorate, Raipur ("CIE") issued a demand notice for electricity duty and interest thereon of ₹ 888 Crore and ₹ 588 Crore respectively for the period March 2015 to March 2021.

The Group carries an accrual for electricity duty of ₹ 639 Crore (31 March 2022: ₹ 817 Crore), net of ₹ 570 Crore (31 March 2022: ₹ 226 Crore) paid under protest. BALCO has requested the CIE to allow payment of the principal amount over a period of 5 years along with a waiver of interest demand. BALCO has received a reply from CIE that the matter will be discussed with appropriate authorities. As at 31 March 2023, no confirmation has been received on this matter and therefore an amount of ₹ 916 Crore (31 March 2022: ₹ 731 Crore) relating to interest is considered as a contingent liability.

f) ESL: MDPA

Mine Development and Production Agreement (MDPA) entered into by ESL with respect to the Nadidihi Iron Ore Block (74.50 Ha) and the Nadidihi Iron & Manganese Ore Block (117.206 Ha) in Orissa obligates certain minimum despatch requirement for each year from the commencement of mining, as prescribed under Sub Rule-1 of Rule 12(A) of the Minerals (other than Atomic and Hydrocarbon Energy Minerals) Concession Rules, 2016 (MCR 2016).

ESL has received demand notices dated 03 December 2022 aggregating ₹ 1,708 Crore towards penalty for annual shortfall in minimum despatch required under Sub Rule-1 of Rule 12(A) of MCR 2016, for the first year of the lease for both the mines. Management believes that the aforesaid demands are unreasonable and arbitrary to the law on various grounds including the fact that the State Government has erroneously considered the wrong period to calculate the MDPA requirement as per Sub Rule 1 of Rule 12 (A) of MCR 2016. Further, ESL was unable to carry out mining operation for significant part of the first year owing to reasons beyond its control (Force Majeure) and for the said the period, is entitled to be afforded an additional period in terms of Section 12(1)(ff) of the Mineral (Other than Atomic and Hydrocarbons Energy Minerals) Concession Rules, to meet the said minimum despatch requirement. Based on aforesaid grounds that are supported by a legal opinion obtained in this regard, Inter-alia, the Group has filed the Revision Application under Section 30 of the Mines and Minerals (Development and Regulation) Act, 1957 (MMDR Act) to keep the above demand notice in abeyance during the pendency of the proceedings before the Revisional Authority, Ministry of Mines and the same has been informed to Office of the Deputy Director of mines through intimation letter. The Revisional Authority vide its order dated 14 March 2023 has put stay on the impugned demand notices and directed the State Government not to take any coercive action to realize the demand till further orders.

Also, ESL has received the demand notices dated 11 April 2023 aggregating ₹ 50 Crore for the first quarter of the second-year lease period from 20 November 2022 till 19 November 2023 for both the mines, to which ESL has replied stating that these demand notices shall be kept in abeyance till the pendency of the proceedings before the Revisionary

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Authority, Ministry of Mines as the similar contentions were taken by the Management in the revision application filed against the earlier demand notices for shortfall in the first year of lease period. Management believes that the aforesaid demands are unreasonable and arbitrary to the law on various grounds including the fact that the State Government has erroneously considered the wrong period to calculate the MDPA requirement as per Sub Rule 1 of Rule 12 (A) of MCR 2016.

Basis MDPA and legal opinion received, any obligation in this regard can be termed as a remote. As a matter of prudence, aforesaid demand notices of ₹ 1,758 Crore have been disclosed as contingent liability in the financial statements.

g) Miscellaneous disputes- Income tax

"The Group is involved in various tax disputes amounting to ₹ 1,455 Crore (31 March 2022: ₹ 1,359 Crore) relating to income tax. It also includes similar matters where initial assessment is pending for subsequent periods and where the Group has made claims and assessments are in progress. These mainly relate to the disallowances of tax holidays and depreciation under the Income-tax Act, 1961 and interest thereon which are pending at various appellate levels. Penalties, if any, may be additional.

Based on detailed evaluations and supported by external legal advice, where necessary, the Group believes that it has strong merits and no material adverse impact is expected.

h) Miscellaneous disputes- Others

The Group is subject to various claims and exposures which arise in the ordinary course of its operations, from indirect tax authorities and others, pertaining to the assessable values of sales and purchases or incomplete documentation supporting the Company's returns or other claims.

The approximate value of claims (excluding the items as set out separately above) against the Group companies total ₹ 4,907 Crore (31 March 2022: ₹ 4,655 Crore).

Based on evaluations of the matters and legal advice obtained, the Group believes that it has strong merits in its favor. Accordingly, no provision is considered at this stage.

Except as described above, there are no pending litigations which the Group believes could reasonably be expected to have a material adverse effect on the results of operations, cash flows or the financial position of the Group.

41 Other Matters

a) The Group purchases bauxite under long term linkage arrangement with Orissa Mining Corporation Ltd (hereafter referred as "OMC") at provisional price of ₹ 1,000/MT from October 2020 onwards based on interim order dated 08 October 2020 of the High Court of Odisha, which is subject to final outcome of the writ petition filed by the Group.

The last successful e-auction based price discovery was done by OMC in April 2019 at ₹ 673/MT and supplied bauxite at this rate from September 2019 to September 2020 against an undertaking furnished by the Group to compensate any differential price discovered through future successful national e-auctions. Though OMC conducted the next e-auction on 31 August 2020 with floor price of ₹ 1,707/MT determined on the basis of Rule 45 of Minerals Concession Rules, 2016 (hereafter referred as the 'Rules'), no bidder participated at that floor price and hence the auction was not successful. However, OMC raised demand of ₹ 281 Crore on the Group towards differential pricing and interest for bauxite supplied till September 2020 considering the auction base price of ₹ 1,707/MT.

The Group had then filed a writ petition before High Court of Odisha in September 2020, which issued an interim Order dated 08 October 2020 directing that the petitioner shall be permitted to lift the quantity of bauxite mutually agreed on payment of ₹ 1,000/MT and furnishing an undertaking for the differential amount, subject to final outcome of the writ petition.

OMC re-conducted e-auction on 09 March 2021 with floor price of ₹ 2,011/MT, which again was not successful. On 18 March 2021, Cuttack High Court issued an order that the current arrangement of bauxite price @ ₹ 1,000/MT will

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continue for the FY 2021-22. Further, on 06 April 2022, the Cuttack High Court directed that the current arrangement will continue for the FY 2022-23 also.

Supported by legal opinions, management believes that the provisions of Rule 45 of the Rules are not applicable to commercial sale of bauxite ore and hence, it is not probable that the Group will have any financial obligation towards the aforesaid commitments over and above the price of ₹ 673/MT discovered vide last successful e-auction.

However, as an abundant precaution, the Group has recognised purchase of Bauxite from September 2019 onwards at the aforesaid rate of ₹ 1,000/MT.

b) The Department of Mines and Geology (DMG) of the State of Rajasthan initiated the royalty assessment process from January 2008 to 2019 and issued a show cause notice vide an office order dated 31 January 2020 amounting to ₹ 1,925 Crore. Further, an additional demand was issued vide an office order dated 14 December 2020 for ₹ 311 Crore. The Group has challenged the show cause notice and computation mechanism of the royalty itself, and the High Court has granted a stay on the notice and directed DMG not to take any coercive action. State Government has also been directed to not take any coercive action to recover such miscomputed dues. Further, Revisionary Authority(RA), has granted a stay on the recovery under the March 2022 notice of ₹ 1,423 Crore & the recovery of ₹ 311 Crore vide its order dated 15 June 2022 & 07 September 2022 respectively. Based on the opinion of external counsel, the Group believes that it has strong grounds of a successful appeal, and the chances of an outcome which is not in favor of the Group is remote.

c) The Scheme of Amalgamation and Arrangement amongst Sterlite Energy Limited ('SEL'), Sterlite Industries (India) Limited ('Sterlite'), Vedanta Aluminium Limited ('VAL'), Ekaterina Limited ('Ekaterina'), Madras Aluminium Group Limited ('Malco') and the Group (the "Scheme") had been sanctioned by the Honourable High Court of Madras and the Honourable High Court of Judicature of Bombay at Goa and was given effect to in the year ended 31 March 2014.

Subsequently, the above orders of the honourable High Court of Bombay and Madras have been challenged by Commissioner of Income Tax, Goa and Ministry of Corporate Affairs through a Special Leave Petition before the honourable Supreme Court and also by a creditor and a shareholder of the Group. The said petitions are currently pending for hearing.

d) **Flue-gas desulfurization (FGD) implementation:**

The Ministry of Environment, Forest and Climate Change (MoEF&CC) has revised emission norms for coal based power plants in India. Accordingly, both captive and independent coal-based power plants in India are required to comply with these revised norms for reduction of sulphur oxide (SOx) emissions for which the current plant infrastructure is to be modified or new equipment have to be installed. Timelines for compliance to the revised norm for various plants in the Group range from December 2024 to December 2026. Different power plants are at different stages of the implementation process.

TSPL filed a petition before Punjab State Electricity Regulatory Commission (PSERC) for approval of MoEF&CC notification as change in law in terms of Article 13 of PPA on 30 June 2017. PSERC vide its order dated 21 December 2018 has held that MoEF&CC notification is not a change in law as it does not impose any new requirements. TSPL had filed an appeal before Hon'ble Appellate Tribunal for Electricity (APTEL) challenging the said order of PSERC. APTEL has pronounced the order dated 28 August 2020 in favour of TSPL allowing the cost pass through.

PSPCL has filed an appeal against this order in the Supreme Court. The matter was listed on 03 February 2022 wherein respondents including TSPL have been directed to file counter affidavits in the matter. On 09 November 2022, TSPL filed its Counter Affidavit. The matter is pending for hearing.

e) i) Pursuant to the Government of India's policy of disinvestment, the Group in April 2002 acquired 26% equity interest in Hindustan Zinc Limited (HZL) from the Government of India. Under the terms of the Shareholder's Agreement ('SHA'), the Group had two call options to purchase all the Government of India's shares in HZL at fair market value. The Group exercised the first call option on 29 August 2003 and acquired an additional 18.9% of HZL's issued share capital. The Group also acquired an additional 20% of the equity capital in HZL through an open

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offer, increasing its shareholding to 64.9%. The second call option provides the Group the right to acquire the Government of India's remaining 29.5% share in HZL. This call option was subject to the right of the Government of India to sell 3.5% of HZL shares to HZL employees. The Group exercised the second call option on 21 July 2009. The Government of India disputed the validity of the call option and refused to act upon the second call option. Consequently, the Group invoked arbitration which is in the early stages. The next date of hearing is to be notified. The Government of India without prejudice to the position on the Put/Call option issue has received approval from the Cabinet for divestment and the Government is looking to divest through the auction route. In January 2016, the Supreme Court had directed status quo pertaining to disinvestment of Government of India's residual shareholding in a public interest petition filed.

On 13 August 2020, the Supreme Court passed an order partially removing the status quo order in place and has allowed the arbitration proceedings to continue via its order passed on 18 November 2021, the Supreme Court of India allowed the GOI's proposal to divest its entire stake in HZL in the open market in accordance with the rules and regulations of SEBI and also directed the Central Bureau of India to register a regular case in relation to the process followed for the disinvestment of HZL in the year 2002 by the GOI. In line with the said order, the Group has withdrawn its arbitration proceedings.

ii) Pursuant to the Government of India's policy of divestment, the Group in March 2001 acquired 51% equity interest in BALCO from the Government of India. Under the terms of the SHA, the Group had a call option to purchase the Government of India's remaining ownership interest in BALCO at any point from 02 March 2004. The Group exercised this option on 19 March 2004. However, the Government of India contested the valuation and validity of the option and contended that the clauses of the SHA violate the erstwhile Companies Act, 1956 by restricting the rights of the Government of India to transfer its shares and that as a result such provisions of the SHA were null and void. In the arbitration filed by the Group, the arbitral tribunal by a majority award rejected the claims of the Group on the ground that the clauses relating to the call option, the right of first refusal, the "tag along" rights and the restriction on the transfer of shares violate the erstwhile Companies Act, 1956 and are not enforceable.

The Group has challenged the validity of the majority award before the Hon'ble High Court at Delhi and sought for setting aside the arbitration award to the extent that it holds these clauses ineffective and inoperative. The Government of India also filed an application before the High Court to partially set aside the arbitral award in respect of certain matters involving valuation. The matter is currently scheduled for hearing at the Delhi High Court. Meanwhile, the Government of India without prejudice to its position on the Put/Call option issue has received approval from the Cabinet for divestment and the Government is looking to divest through the auction route.

On 09 January 2012, the Group offered to acquire the Government of India's interests in HZL and BALCO for ₹ 15,492 Crore and ₹ 1,782 Crore respectively. This offer was separate from the contested exercise of the call options, and the Group proposed to withdraw the ongoing litigations in relation to the contested exercise of the options should the offer be accepted. To date, the offer has not been accepted by the Government of India and therefore, there is no certainty that the acquisition will proceed.

In view of the lack of resolution on the options, the non-response to the exercise and valuation request from the Government of India, the resultant uncertainty surrounding the potential transaction and the valuation of the consideration payable, the Group considers the strike price of the options to be at the fair value, which is effectively nil, and hence the call options have not been recognized in the financial statements.

iii) During the year, BALCO has paid remuneration to an erstwhile whole-time director (ceased to be a whole-time director with effect from 15 February 2023) for the year ended 31 March 2023, which is in excess of the limits applicable under section 197 of the Companies Act, 2013 ("Act"), read with Schedule V thereto, by ₹ 4 Crore. The waiver of recovery of excess remuneration has already been approved by Board of Directors of BALCO in their meeting held on 20 April 2023 and is subject to approval of BALCO shareholders (comprising the Company and the Government of India) in its ensuing Annual General Meeting ('AGM'). BALCO is in the process of obtaining such approval from its shareholders at its ensuing AGM in compliance of provisions of Section 197, Schedule V and other applicable provisions of the Act.

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Further, a whole-time director has been appointed by the Board of Directors of BALCO with effect from 15 February 2023. The terms and conditions of the appointment and remuneration of such whole-time director is approved by the Board of Directors of BALCO and is pending approval of the shareholders at its ensuing AGM as required under Sections 196 and 197 and Schedule V of the Act read with the rules thereunder and other applicable provisions of the Act. During the year ended 31 March 2023, a sum of ₹ 0 Crore was paid as remuneration to such whole-time director.

f) On 26 October 2018, the Government of India (GoI), acting through the Directorate General of Hydrocarbons (DGH) granted its approval for a ten-year extension of the Production Sharing Contract (PSC) for the Rajasthan Block (RJ), with effect from 15 May 2020 subject to certain conditions and pay additional 10% profit petroleum. Pending the outcome of arbitration and petition filed with Supreme Court on applicability of policy, MoPNG vide letter dated 21 October 2022 has conveyed the grant of approval of extension of PSC for 10 years from 15 May 2020 to 14 May 2030 and the PSC addendum has been executed by the parties on 27 October 2022.

DGH, in September 2022, has trued up the earlier demand raised till 31 March 2018 upto 14 May 2020 for Government's additional share of Profit oil based on its computation of disallowance of cost incurred over retrospective re-allocation of certain common costs between Development Areas (DAs) of Rajasthan Block and certain other matters aggregating to ₹ 9,545 Crore (US$ 1,162 million) applicable interest thereon representing share of Vedanta Limited and its subsidiary.

The Group has disputed the aforesaid demand and the other audit exceptions, notified till date, as in the Group's view the audit notings are not in accordance with the PSC and are entirely unsustainable. Further, as per PSC provisions, disputed notings do not prevail and accordingly do not result in creation of any liability. The Group believes it has reasonable grounds to defend itself which are supported by independent legal opinions. In accordance with PSC terms, the Group had commenced arbitration proceedings. The final hearing and arguments were concluded in September 2022. Post hearing briefs was filed by both the parties and award is awaited.

For reasons aforesaid, the Group is not expecting any material liability to devolve on account of these matters.

42 Related party Disclosures

List of related parties and relationships

A) Entities controlling the Company (Holding Companies)

Volcan Investments Limited (Volcan)
Volcan Investments Cyprus Limited

Intermediate Holding Companies

Vedanta Resources Limited (VRL)
Finsider International Company Limited#
Richter Holdings Limited#
Twin Star Holdings Limited#
Vedanta Resources Cyprus Limited#
Vedanta Resources Finance Limited#
Vedanta Resources Holdings Limited#
Welter Trading Limited#
Westglobe Limited#
Vedanta Holdings Mauritius II Limited#
Vedanta Holdings Mauritius Limited#
Vedanta Holdings Jersey Limited#
Vedanta Netherlands Investments BV#
Vedanta UK Investments Limited#

B) Fellow subsidiaries (with whom transactions have taken place)

Sterlite Iron and Steel Company Limited
Sterlite Power Transmission limited
Sterlite Technologies Limited
Sterlite Power Grid Ventures Limited
STL Digital Limited
Sterlite Grid 16 Limited
Twin Star Technologies Limited

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C) Associate of ultimate parent (with whom transactions have taken place)

Serentica Renewables India 1 Private Limited*
Serentica Renewables India 3 Private Limited*
Serentica Renewables India 4 Private Limited*
Serentica Renewables India 9 Private Limited*
Serentica Renewables India 5 Private Limited*
Serentica Renewables India 6 Private Limited*
Serentica Renewables India 7 Private Limited*

D) Post retirement benefit plans

BALCO Employees Provident Fund Trust
HZL Employee Group Gratuity Trust
HZL Superannuation Trust
Hindustan Zinc Ltd Employees Contributory Provident Fund Trust
Sesa Group Employees Gratuity Fund and Sesa Group Executives Gratuity Fund
Sesa Group Employees Provident Fund
Sesa Group Executives Superannuation Scheme Fund
Sesa Mining Corporation Limited Employees Gratuity Fund
Sesa Mining Corporation Limited Employees Provident Fund Trust
Sesa Resources Limited Employees Gratuity Fund
Sesa Resources Limited and Sesa Mining Corporation Limited Employees Superannuation Fund
Sesa Resources Limited Employees Provident Fund Trust
FACOR Superannuation Trust
FACOR Employees Gratuity Scheme

E) Associates and Joint Ventures (with whom transactions have taken place)

RoshSkor Township (Pty) Limited
Gaurav Overseas Private Limited
Goa Maritime Private Limited
Madanpur South Coal Company Limited
Gergarub Exploration and Mining (Pty) Limited

F) Others (with whom transactions have taken place)

Enterprises over which key management personnel/their relatives have control or significant influence

Anil Agarwal Foundation Trust
Cairn Foundation
Caitlyn India Private Limited
Fujairah Gold Ghana
Fujairah Metals LLC
Janhit Electoral Trust
Voorspoed Trust
Minova Runaya Private Limited
Runaya Refining LLP
Sesa Community Development Foundation
Vedanta Foundation
Vedanta Limited ESOS Trust
Vedanta Medical Research Foundation

These entities are subsidiary companies of VRL and VRL through its subsidiaries holds 68.11% in the Company.

* During the current year, due to change in shareholding of the intermediate holding company of Serentica group companies, the relationship of Vedanta group with these companies has changed from fellow subsidiaries to associates of Volcan.

Ultimate Controlling party

Vedanta Limited is a majority-owned and controlled subsidiary of Vedanta Resources Limited ('VRL'). Volcan Investments Limited ('Volcan') and its wholly owned subsidiary together hold 100 % of the share capital and 100 % of the voting rights of VRL. Volcan is 100 % beneficially owned and controlled by the Anil Agarwal Discretionary Trust ('Trust'). Volcan Investments Limited, Volcan Investments Cyprus Limited and other intermediate holding companies except VRL do not produce Group financial statements.

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G) A summary of significant related party transactions for the year ended 31 March 2023 are noted below.

Transactions and balances with own subsidiaries are eliminated on consolidation.

(₹ in Crore)

	Particulars	Entities controlling the Company/ Fellow subsidiaries	Associates/ Joint ventures	Others	Total
	Income:				
(i)	Revenue from operations	1,831	-	56	**1,887**
(ii)	Other income				
	a) Interest and guarantee commission	420	-	-	**420**
	b) Outsourcing service fees	5	-	-	**5**
	c) Dividend income	0	-	-	**0**
	d) Miscellaneous income	-	-	1	**1**
	Expenditure and other transactions:				
(i)	Purchase of goods/ services	13	4	283	**300**
(ii)	Stock options (recovery)	-	-	-	**-**
(ii)	Management and brand fees [J]	2,082	-	-	**2,082**
(iii)	Reimbursement for other expenses (net of recovery)	(2)	-	(1)	**(3)**
(iv)	Corporate social responsibility expenditure/ Donation	-	-	77	**77**
(v)	Contribution to post retirement employee benefit trust/fund	-	-	78	**78**
(vi)	Remuneration to relatives of key management personnel	-	-	20	**20**
(vii)	Purchase of fixed assets	(19)	-	-	**(19)**
(viii)	Commission/sitting fees				
	- To Non executive directors	-	-	5	**5**
	- To key management personnel	-	-	0	**0**
	- To relatives of key management personnel	-	-	1	**1**
(ix)	Dividend paid				
	- To holding companies	26,171	-	-	**26,171**
	- To key management personnel and their relatives	-	-	2	**2**
	- To Non executive directors and their relatives	-	-	0	**0**
(x)	Interest and guarantee commission expense [N]	177	-	-	**177**
	Other Transactions during the year:				
(i)	Loans given/ (repayment thereof) [L]	(2,408)	5	-	**(2,403)**
(ii)	Financial guarantees relinquished during the year	-	-	(0)	**(0)**
(iii)	Investment purchased during the year (refer note 40)	-	1	249	**250**
	Balances as at period end:				
(i)	Trade receivables	11	-	-	**11**
(ii)	Loan given [L, K]	3,749	9	-	**3,758**
(iii)	Other receivables and advances (including brand fee prepaid) [J, N]	1,664	9	33	**1,706**
(iv)	Trade payables	29	0	31	**60**
(v)	Other payables (including brand fee payable) [J]	270	-	44	**314**
(vi)	Bank guarantee given [I]	115	-	-	**115**
(vii)	Sitting fee, remuneration, commission and consultancy fees payable to KMP and their relatives	-	-	7	**7**
(viii)	Dividend payable				
	- To Holding companies	4,887	-	0	**4,887**
	- To key management personnel and their relatives	-	-	1	**1**
	- To Non executive directors and their relatives	-	-	0	**0**

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Remuneration of key management personnel

(₹ in Crore)

Particulars	For the year ended 31 March 2023
Short-term employee benefits	36
Post employment benefits*	1
Share based payments	4
	41

* Does not include the provision made for gratuity and leave benefits, as they are determined on an actuarial basis for all the employees together.

H) A summary of significant related party transactions for the year ended 31 March 2022 are noted below.

Transactions and balances with own subsidiaries are eliminated on consolidation.

(₹ in Crore)

	Particulars	Entities controlling the Company/ Fellow subsidiaries	Associates/ Joint ventures	Others	Total
	Income :				
(i)	Revenue from operations	1,395	-	59	**1,454**
(ii)	Other income				
a)	Interest and guarantee commission	721	-	-	**721**
b)	Outsourcing service fees	4	-	-	**4**
c)	Dividend income	1	-	-	**1**
d)	Miscellaneous income	-	-	1	**1**
	Expenditure and other transactions:				
(i)	Purchase of goods/ services	75	-	165	**240**
(ii)	Stock options (recovery)	-	-	-	**-**
(ii)	Management and brand fees [J]	1,617	-	-	**1,617**
(iii)	Reimbursement for other expenses (net of recovery)	13	-	0	**13**
(iv)	Corporate social responsibility expenditure/ Donation	-	-	45	**45**
(v)	Contribution to post retirement employee benefit trust/fund	-	-	114	**114**
(vi)	Remuneration to relatives of key management personnel	-	-	23	**23**
(vii)	Commission/sitting fees				
	- To Non executive directors	-	-	4	**4**
	- To key management personnel	-	-	2	**2**
	- To relatives of key management personnel	-	-	0	**0**
(viii)	Dividend paid				
	- To holding companies	11,346	-	-	**11,346**
	- To key management personnel	-	-	0	**0**
	- To relatives of key management personnel	-	-	1	**1**
(ix)	Interest and guarantee commission expense [N]	147	-	-	**147**
	Other Transactions during the year:				
(i)	Loans given/ (repayment thereof) [L]	(1,623)	-	-	**(1,623)**
(ii)	Financial guarantees relinquished during the year	1	-	4	**5**
(iii)	Investment purchased/ (redeemed) during the year	-	0	-	**0**
(iv)	Loan taken/ (repayment thereof)	(0)	-	-	**(0)**
	Balances as at period end:				
(i)	Trade receivables	13	-	5	**18**
(ii)	Loan given [L,K]	5,457	5	-	**5,462**

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(₹ in Crore)

	Particulars	Entities controlling the Company/ Fellow subsidiaries	Associates/ Joint ventures	Others	Total
(iii)	Other receivables and advances (including brand fee prepaid) [J,N]	294	10	2	**306**
(iv)	Trade payables	67	-	31	**98**
(v)	Other payables (including brand fee payable) [J]	168	-	38	**206**
(vi)	Financial guarantee given	-	-	0	**0**
(vii)	Bank guarantee given [I]	115	-	-	**115**
(viii)	Sitting fee, remuneration, commission and consultancy fees payable to KMP and their relatives	-	-	8	**8**

Remuneration of key management personnel

(₹ in Crore)

Particulars	For the year ended 31 March 2022
Short-term employee benefits	34
Post employment benefits *	1
Share based payments	1
	36

* Does not include the provision made for gratuity and leave benefits, as they are determined on an actuarial basis for all the employees together.

I) Bank guarantee given by Vedanta Limited on behalf of Volcan Investments Limited in favour of Income Tax department, India as collateral in respect of certain tax disputes of Volcan Investments Limited.

J) The Group has a Brand license and strategic service fee agreement ("the Agreement") with Vedanta Resources Ltd ("VRL") for the use of brand 'Vedanta' and providing strategic services which envisaged payment to VRL ranging from 0.75%-2% of turnover of the Company and certain subsidiaries. During the previous year, the Agreement was extended for a further period of fifteen years. The Group has recorded an expense of ₹ 1,718 Crore (31 March 2022: ₹ 1,553 Crore) for the year ended 31 March 2023. Further, during the current year, based on updated benchmarking analysis conducted by independent experts, the brand license and strategic service fee has been re-negotiated at 3% of the turnover of the Company with effect from 01 April 2023, while the previous rates remain unchanged for the subsidiaries. The Group generally pays such fee in advance, at the beginning of the year based on estimated annual turnover.

Furthermore, during the current year, the Company executed a sub-licensing agreement for its existing Agreement with VRL consequent to which it has sub-licensed the brand and strategic services to its subsidiary Hindustan Zinc Limited ("HZL") with effect from 01 October 2022. Based on independent benchmarking analysis, the Group has agreed a net sub-licensing fee of 1.70% of HZL's annual consolidated turnover with VRL, resulting in an expense of ₹ 270 Crore for the year ended 31 March 2023.

K) During the current year ended 31 March 2023, the Group has renewed loan provided to Sterlite Iron and Steel Company Limited for a further period of 12 months. The loan balance as at 31 March 2023 is ₹ 5 Crore (31 March 2022: ₹ 5 Crore). The loan is unsecured in nature and carries an interest rate of 11.13% per annum.

In 2016, a subsidiary of the Company had executed an agreement with Twin Star Holding Limited, the intermediate parent of the Group, to provide an unsecured loan at an interest rate of 2.1% per annum. The loan balance of the loan as at 31 March 2023 is ₹ 82 Crore (US $10 million) (31 March 2022: ₹ 74 Crore (US $10 million)). These loans including accrued interest thereon have been fully provided for in the books of accounts.

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L) During the year ended 31 March 2021, as part of its cash management activities, the overseas subsidiaries of the Company extended certain loans and guarantee facilities to Vedanta Resources Limited ("VRL") and its subsidiaries (collectively "the VRL group").

During the previous year, the overseas subsidiaries of the Company, executed agreements with Twin Star Holdings Limited, "TSH", to novate ₹ 2,408 Crore (US$ 300 million) due for repayment in June 2022 to another subsidiary of VRL, which is guaranteed by VRL, at an interest rate of 10.1% pursuant to novation. The said loan has been fully repaid during the current year.

As of 31 March 2023, loans having contractual value of ₹ 3,689 Crore (US$ 449 million) (31 March 2022: ₹ 5,661 Crore (US$ 749 million)) were outstanding from the VRL group at an interest rate of 9.6%.

M) During the current year ended 31 March 2023, the Group executed an agency contract with VRL pursuant to which, the Group procured calcined alumina amounting to ₹ 735 Crore on which an agency commission of ₹ 4 Crore was paid to VRL.

N) Vedanta Resources Limited ("VRL"), as a parent company, has provided financial and performance guarantee to the Government of India for erstwhile Cairn India group's ("Cairn") obligations under the Production Sharing Contract ('PSC') provided for onshore block RJ-ON-90/1, for making available financial resources equivalent to Cairn's share for its obligations under the PSC, personnel and technical services in accordance with industry practices and any other resources in case Cairn is unable to fulfil its obligations under the PSC.

Similarly, VRL has also provided financial and performance guarantee to the Government of India for the Group's obligations under the Revenue Sharing Contract ('RSC') in respect of 51 Blocks awarded under the Open Acreage Licensing Policy ("OALP") by the Government of India.

As a consideration for the guarantee with respect to the PSC, the Group pays an annual charge of 1.2% of net exploration and development spend, subject to a minimum annual fee of ₹ 41 Crore (US$ 5 million), in ratio of participating interests held equally by the Company and its step-down subsidiary, Cairn Energy Hydrocarbons Ltd ("CEHL"). As regards the RSC, the Group paid a one-time charge of ₹ 183 Crore (US$ 25 million), i.e., 2.5% of the total estimated cost of initial exploration phase of approximately ₹ 7,330 Crore (US$ 1 billion), in the year ended 31 March 2021, and pays an annual charge of 1% of spend, subject to a minimum fee of ₹ 80 Crore (US$ 10 million) and maximum fee of ₹ 160 Crore (US$ 20 million) per annum.

Accordingly, the Group has recorded a guarantee commission expense of ₹ 177 Crore (US$ 23 million) (31 March 2022: ₹ 147 Crore (US$ 20 million)) for the period ended 31 March 2023 and ₹ 75 Crore (US$ 9 million) (31 March 2022: ₹ 126 Crore (US$ 17 million) is outstanding as a pre-payment as at 31 March 2023.

O) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Group (Ultimate Beneficiaries). The Group has not received any fund from any party(s) (Funding Party) with the understanding that the Group shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Group (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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forming part of the financial statements as at and for the year ended 31 March 2023

43 Interest in other entities

a) Subsidiaries

The Group consists of a parent company, Vedanta Limited, incorporated in India and a number of subsidiaries held directly and indirectly by the Group which operate and are incorporated around the world. Following are the details of shareholdings in the subsidiaries.

S. No	Subsidiaries	Principal activities	Country of Incorporation	Immediate holding company	The Company's / Immediate holding company's percentage holding (in %)	
					As at 31 March 2023	As at 31 March 2022
1	Copper Mines of Tasmania Pty Limited ("CMT")	Copper Mining	Australia	Monte Cello BV	100.00	100.00
2	Thalanga Copper Mines Pty Limited ("TCM")	Copper Mining	Australia	Monte Cello BV	100.00	100.00
3	Athena Chattisgarh Power Limited [(a)]	Power Generation	India	Vedanta Limited	N/A	-
4	Bharat Aluminium Company Limited ("BALCO")	Aluminium mining and smelting	India	Vedanta Limited	51.00	51.00
5	Desai Cement Company Private Limited	Cement	India	Sesa Mining Corporation Limited	100.00	100.00
6	ESL Steel Limited	Manufacturing of Steel & DI Pipe	India	Vedanta Limited	95.49	95.49
7	FACOR Power Ltd (Refer Note 4(b))	Power generation	India	Ferro Alloy Corporation Limited ("FACOR")	-	90.00
8	Facor Realty and Infrastructure Limited [(b)]	Real estate	India	FACOR	-	100.00
9	Ferro Alloy Corporation Limited ("FACOR") (Refer Note 4(b))	Manufacturing of Ferro Alloys and Mining and generation of power	India	Vedanta Limited	99.99	100.00
10	Goa Sea Port Private Limited [2]	Infrastructure	India	Sterlite Ports Limited	100.00	100.00
11	Hindustan Zinc Alloys Private Limited	Manufacturing of metals and its alloys	India	Hindustan Zinc Limited	100.00	100.00
12	Hindustan Zinc Fertilizers Private Limited [(c)]	Manufacturing of phosphatic fertilisers	India	Hindustan Zinc Limited	100.00	-
13	Hindustan Zinc Limited ("HZL")	Exploring, extracting, processing of minerals and manufacturing of metals	India	Vedanta Limited	64.92	64.92
14	MALCO Energy Limited ("MEL")	Power Generation	India	Vedanta Limited	100.00	100.00
15	Maritime Ventures Private Limited [2]	Infrastructure	India	Sterlite Ports Limited	100.00	100.00
16	Paradip Multi Cargo Berth Private Limited [2]	Infrastructure	India	Sesa Resources Limited	100.00	100.00
17	Sesa Mining Corporation Limited [2]	Iron ore mining	India	Sesa Resources Limited	100.00	100.00
18	Sesa Resources Limited ("SRL")	Iron ore mining	India	Vedanta Limited	100.00	100.00
19	Sterlite Ports Limited [2]	Infrastructure	India	Sesa Resources Limited	100.00	100.00
20	Talwandi Sabo Power Limited ("TSPL")	Power Generation	India	Vedanta Limited	100.00	100.00
21	Vedanta Zinc Football & Sports Foundation	Sports Foundation	India	Hindustan Zinc Limited	100.00	100.00
22	Vizag General Cargo Berth Private Limited	Infrastructure	India	Vedanta Limited	100.00	100.00
23	Zinc India Foundation [(d)]	CSR Activities	India	Hindustan Zinc Limited	100.00	-
24	AvanStrate Inc. ("ASI")	Manufacturing of LCD Glass Substrate	Japan	Cairn India Holdings Limited	51.63	51.63
25	Cairn India Holdings Limited	Investment company	Jersey	Vedanta Limited	100.00	100.00

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S. No	Subsidiaries	Principal activities	Country of Incorporation	Immediate holding company	The Company's / Immediate holding company's percentage holding (in %) As at 31 March 2023	As at 31 March 2022
26	AvanStrate Taiwan Inc	Manufacturing of LCD Glass Substrate	Taiwan	ASI	100.00	100.00
27	Western Cluster Limited	Iron ore mining	Liberia	Bloom Fountain Limited	100.00	100.00
28	Bloom Fountain Limited	Operating (Iron ore) and Investment Company	Mauritius	Vedanta Limited	100.00	100.00
29	CIG Mauritius Holdings Private Limited (e)	Investment Company	Mauritius	Cairn Energy Hydrocarbons Ltd.	-	100.00
30	CIG Mauritius Private Limited (e)	Investment Holding Company and to provide services and resources relevant to oil & gas exploration, production and development	Mauritius	CIG Mauritius Holding Private Ltd.	-	100.00
31	THL Zinc Ltd	Investment Company	Mauritius	THL Zinc Ventures Limited	100.00	100.00
32	THL Zinc Ventures Limited	Investment Company	Mauritius	Vedanta Limited	100.00	100.00
33	Amica Guesthouse (Proprietary) Limited	Accommodation and catering services	Namibia	Skorpion Zinc (Proprietary) Limited	100.00	100.00
34	Namzinc (Proprietary) Limited	Owns and operates a zinc refinery	Namibia	Skorpion Zinc (Proprietary) Limited	100.00	100.00
35	Skorpion Mining Company (Proprietary) Limited ('NZ')	Exploration, development, treatment, production and sale of zinc ore	Namibia	Skorpion Zinc (Proprietary) Limited	100.00	100.00
36	Skorpion Zinc (Proprietary) Limited ("SZPL")	Operating (zinc) and investing company	Namibia	THL Zinc Namibia Holdings (Proprietary) Ltd	100.00	100.00
37	THL Zinc Namibia Holdings (Proprietary) Limited ("VNHL")	Mining and Exploration and Investment company	Namibia	THL Zinc Ltd	100.00	100.00
38	Killoran Lisheen Mining Limited	Development of a zinc/lead mine	Republic of Ireland	Vedanta Lisheen Holdings Limited	100.00	100.00
39	Lisheen Milling Limited	Manufacturing (f)	Republic of Ireland	Vedanta Lisheen Holdings Limited	100.00	100.00
40	Lisheen Mine Partnership	Development and operation of a zinc/lead mine	Republic of Ireland	50% each held by Killoran Lisheen Mining Limited and Vedanta Lisheen Mining Limited	100.00	100.00
41	Vedanta Lisheen Mining Limited	Zinc and lead mining	Republic of Ireland	Vedanta Lisheen Holdings Limited	100.00	100.00
42	Cairn Energy Gujarat Block 1 Limited (g)	Oil and gas exploration, development and production	Scotland	Cairn India Holdings Limited	-	100.00
43	Cairn Energy Hydrocarbons Limited	Oil and gas exploration, development and production	Scotland (h)	Cairn India Holdings Limited	100.00	100.00
44	Black Mountain Mining (Proprietary) Limited	Exploration, development, production and sale of zinc, lead, copper and associated mineral concentrates	South Africa	THL Zinc Ltd	74.00	74.00
45	Cairn Lanka Private Limited	Oil and gas exploration, development and production	Sri Lanka	Cairn Energy Hydrocarbons Limited	100.00	100.00
46	AvanStrate Korea Inc	Manufacturing of LCD Glass Substrate	Korea	ASI	100.00	100.00
47	Lakomasko BV (i)	Investment company	The Netherlands	THL Zinc Holding BV	-	100.00
48	Monte Cello BV ("MCBV")	Holding company	The Netherlands	Vedanta Limited	100.00	100.00

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S. No	Subsidiaries	Principal activities	Country of Incorporation	Immediate holding company	The Company's / Immediate holding company's percentage holding (in %)	
					As at 31 March 2023	As at 31 March 2022
49	THL Zinc Holding BV	Investment company	The Netherlands	Vedanta Limited	100.00	100.00
50	Vedanta Lisheen Holdings Limited	Investment company	The Netherlands	THL Zinc Holding BV	100.00	100.00
51	Fujairah Gold FZC	Manufacturing of Copper Rod and Refining of Precious Metals (Gold & Silver)	United Arab Emirates	Malco Energy Limited	100.00	100.00

(a) Acquired on 21 July 2022 under the liquidation proceedings of the Insolvency and Bankruptcy Code, 2016, subject to National Company Law Tribunal ("NCLT") approval which is pending as on the balance sheet date (refer note 4)

(b) Struck off on 13 January 2023

(c) Incorporated on 07 September 2022

(d) Incorporated on 05 August 2022

(e) Dissolved on 01 March 2023

(f) Activity of the company ceased in February 2016

(g) Deregistered effective from 05 July 2022

(h) Principal place of business in India

(i) Liquidated on 03 March 2023.

1 The Group also has interest in certain trusts which are neither significant nor material to the Group.

2 The Mumbai NCLT and Chennai NCLT has passed orders dated 06 June 2022 and 22 March 2023 respectively sanctioning the scheme of amalgamation of Sterlite Ports Limited ('SPL'), Paradip Multi Cargo Berth Private Limited ('PMCB'), Maritime Ventures Private Limited ('MVPL'), Goa Sea Port Private Limited ('GSPL'), wholly owned subsidiaries/step down subsidiaries of Sesa Resources Limited ('SRL'), with Sesa Mining Corporation Limited ('SMCL'). Statutory filing with MCA is in progress.

b) Joint operations

The Group participates in several unincorporated joint operations which involve the joint control of assets used in oil and gas exploration and producing activities which are as follows:

Oil & Gas blocks/fields	Area	(%) Participating Interest	
		As at 31 March 2023	As at 31 March 2022
Operating Blocks			
Ravva block-Exploration, Development and Production	Krishna Godavari	22.50	22.50
CB-OS/2 – Exploration	Cambay Offshore	60.00	60.00
CB-OS/2 - Development & production	Cambay Offshore	40.00	40.00
RJ-ON-90/1 – Exploration	Rajasthan Onshore	100.00	100.00
RJ-ON-90/1 – Development & production	Rajasthan Onshore	70.00	70.00
KG-OSN-2009/3 – Exploration	Krishna Godavari Offshore	100.00	100.00
Non-Operating Blocks			
KG-ONN-2003/1	Krishna Godavari Onshore	49.00	49.00

c) Interest in associates and joint ventures

Set out below are the associates and joint ventures of the Group as at 31 March 2023 and 31 March 2022 which, in the opinion of the management, are not material to the Group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

S. No.	Associates and Jointly controlled entities	Country of incorporation	% Ownership interest	
			As at 31 March 2023	As at 31 March 2022
1	Gaurav Overseas Private Limited	India	50.00	50.00
2	Madanpur South Coal Company Limited	India	17.62	17.62
3	Goa Maritime Private Limited	India	50.00	50.00
4	Rosh Pinah Health Care (Proprietary) Limited	Namibia	69.00	69.00
5	Gergarub Exploration and Mining (Pty) Limited	Namibia	51.00	51.00
6	RoshSkor Township (Pty) Limited	Namibia	50.00	50.00

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44 Oil & gas reserves and resources

The Group's gross reserve estimates are updated atleast annually based on the forecast of production profiles, determined on an asset-by-asset basis, using appropriate petroleum engineering techniques. The estimates of reserves and resources have been derived in accordance with the Society for Petroleum Engineers "Petroleum Resources Management System (2018)". The changes to the reserves are generally on account of future development projects, application of technologies such as enhanced oil recovery techniques and true up of the estimates. The management's internal estimates of hydrocarbon reserves and resources at the year end, are as follows:

Particulars	Country	Gross proved and probable hydrocarbons initially in place (mmboe)		Gross proved and probable reserves and resources (mmboe)		Net working interest proved and probable reserves and resources (mmboe)	
		As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Rajasthan Block	India	4,806	5,910	933	1,006	653	704
Ravva PKGM-1	India	704	704	18	23	4	5
CB-OS/2 Fields	India	298	298	22	25	9	10
KG-ONN-2003/1	India	260	260	32	32	16	16
KG-OSN-2009/3	India	32	32	4	4	4	4
DSF	India	30	4	86	2	86	2
OALP	India	530	530	60	60	60	60
Total		**6,660**	**7,738**	**1,155**	**1,152**	**832**	**801**

The Group's net working interest proved and probable reserves is as follows:

Particulars	Proved and probable reserves		Proved and probable reserves (developed)	
	Oil (mmstb)	Gas (bscf)	Oil (mmstb)	Gas (bscf)
Reserves as of 01 April 2021*	**261**	**259**	**162**	**166**
Revisions/ Additions during the year	(19)	(34)	5	(9)
Production during the year	(32)	(36)	(32)	(36)
Reserves as of 31 March 2022**	**210**	**189**	**135**	**121**
Revisions/ Additions during the year	(15)	(3)	14	18
Production during the year	(28)	(34)	(28)	(34)
Reserves as of 31 March 2023***	**167**	**152**	**121**	**105**

* Includes probable oil reserves of 111.14 mmstb (of which 23.08 mmstb is developed) and probable gas reserves of 128.41 bscf (of which 52.06 bscf is developed)

** Includes probable oil reserves of 78.48 mmstb (of which 18.15 mmstb is developed) and probable gas reserves of 75.98 bscf (of which 26.30 bscf is developed)

*** Includes probable oil reserves of 55.68 mmstb (of which 18.99 mmstb is developed) and probable gas reserves of 46.91 bscf (of which 16.91 bscf is developed)

mmboe = million barrels of oil equivalent

mmstb = million stock tank barrels

bscf = billion standard cubic feet

1 million metric tonnes = 7.4 mmstb

1 standard cubic meter =35.315 standard cubic feet

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45 Financial information pursuant to Schedule III of the Companies Act, 2013

S. No	Name of the entity	Net Assets (Total assets less total liabilities)		Share in profit and loss		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
		As at 31 March 2023		Year ended 31 March 2023		Year ended 31 March 2023		Year ended 31 March 2023	
		As % of consolidated net assets	Amount (₹ in Crore)	As % of consolidated profit	Amount (₹ in Crore)	As % of consolidated OCI	Amount (₹ in Crore)	As % of consolidated TCI	Amount (₹ in Crore)
	Parent								
	Vedanta Limited	172.01%	67,812	258.71%	27,356	42.45%	419	240.25%	27,775
	Indian Subsidiaries								
1	Hindustan Zinc Limited	32.83%	12,942	99.48%	10,519	4.18%	41	91.34%	10,560
2	Bharat Aluminium Company Limited	19.65%	7,748	0.40%	42	3.32%	33	0.65%	75
3	MALCO Energy Limited	0.05%	20	(2.53%)	(267)	(0.43%)	(4)	(2.35%)	(271)
4	Talwandi Sabo Power Limited	7.66%	3,020	(0.66%)	(70)	0.00%	-	(0.61%)	(70)
5	Sesa Resources Limited	1.09%	428	3.56%	376	0.00%	-	3.25%	376
6	Sesa Mining Corporation Limited(1)	0.04%	16	0.96%	101	0.16%	2	0.89%	103
7	Sterlite Ports Limited(1)	0.00%	-	0.00%	-	0.00%	-	0.00%	-
8	Vizag General Cargo Berth Private Limited	0.05%	20	0.29%	31	0.00%	0	0.27%	31
9	Paradip Multi Cargo Berth Private Limited(1)	0.00%	-	0.00%	-	0.00%	-	0.00%	-
10	Maritime Ventures Private Limited(1)	0.00%	-	0.00%	-	0.00%	-	0.00%	-
11	Goa Sea Port Private Limited(1)	0.00%	-	0.00%	-	0.00%	-	0.00%	-
12	Vedanta Limited ESOS Trust	0.13%	51	0.04%	4	0.00%	-	0.03%	4
13	ESL Steel Limited	14.12%	5,567	(5.28%)	(558)	(0.30%)	(3)	(4.85%)	(561)
14	Ferro Alloy Corporation Limited (FACOR)(2)	1.43%	565	2.47%	261	(0.10%)	(1)	2.25%	260
15	Facor Realty and Infrastructure Limited (a)	0.00%	-	0.00%	-	0.00%	-	0.00%	-
16	FACOR Power Ltd (2)	0.00%	-	0.00%	-	0.00%	-	0.00%	-
17	Desai Cement Company Private Limited	(0.03%)	(10)	(0.04%)	(4)	(0.10%)	(1)	(0.04%)	(5)
18	Hindustan Zinc Alloys Private Limited	0.00%	0	(0.01%)	(1)	0.00%	-	(0.01%)	(1)
19	Vedanta Zinc Football & Sports Foundation	0.00%	0	(0.01%)	(1)	0.00%	-	(0.01%)	(1)
20	Hindustan Zinc Fertilizers Private Limited (c)	0.00%	0	0.00%	0	0.00%	-	0.00%	0
21	Zinc India Foundation (c)	(0.01%)	(3)	(0.03%)	(3)	0.00%	-	(0.03%)	(3)
Foreign Subsidiaries									
1	Copper Mines of Tasmania Pty Limited	(1.63%)	(644)	(0.80%)	(85)	0.00%	-	(0.74%)	(85)
2	Thalanga Copper Mines Pty Limited	0.12%	48	(0.02%)	(2)	0.00%	-	(0.02%)	(2)

NOTES

forming part of the financial statements as at and for the year ended 31 March 2023

S. No	Name of the entity	Net Assets (Total assets less total liabilities)		Share in profit and loss		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
		As at 31 March 2023		Year ended 31 March 2023		Year ended 31 March 2023		Year ended 31 March 2023	
		As % of consolidated net assets	Amount (₹ in Crore)	As % of consolidated profit	Amount (₹ in Crore)	As % of consolidated OCI	Amount (₹ in Crore)	As % of consolidated TCI	Amount (₹ in Crore)
3	Monte Cello BV	0.55%	218	0.04%	4	0.00%	-	0.03%	4
4	Bloom Fountain Limited	(25.91%)	(10,216)	5.49%	580	0.00%	-	5.02%	580
5	Western Cluster Limited	(0.80%)	(315)	6.65%	703	0.00%	-	6.08%	703
6	Fujairah Gold FZC	(1.80%)	(711)	(0.51%)	(54)	0.10%	1	(0.46%)	(53)
7	THL Zinc Ventures Limited	(10.33%)	(4,072)	(0.01%)	(1)	0.00%	-	(0.01%)	(1)
8	THL Zinc Limited	(8.49%)	(3,346)	0.05%	5	0.00%	-	0.04%	5
9	THL Zinc Holding BV	(6.67%)	(2,631)	0.51%	54	0.00%	-	0.47%	54
10	THL Zinc Namibia Holdings (Proprietary) Limited	2.81%	1,107	(0.63%)	(67)	0.00%	-	(0.58%)	(67)
11	Skorpion Zinc (Proprietary) Limited	0.02%	9	(0.20%)	(21)	0.00%	-	(0.18%)	(21)
12	Skorpion Mining Company (Proprietary) Limited	(3.65%)	(1,440)	(0.20%)	(21)	0.00%	-	(0.18%)	(21)
13	Namzinc (Proprietary) Limited	1.51%	595	(0.43%)	(45)	0.00%	-	(0.39%)	(45)
14	Amica Guesthouse (Proprietary) Limited	0.01%	2	0.00%	-	0.00%	-	0.00%	-
15	Black Mountain Mining Proprietary Limited	9.45%	3,726	10.52%	1,112	1.61%	16	9.76%	1,128
16	Vedanta Lisheen Holdings Limited	0.52%	204	0.23%	24	0.00%	-	0.21%	24
17	Vedanta Lisheen Mining Limited	0.20%	79	0.07%	7	0.00%	-	0.06%	7
18	Killoran Lisheen Mining Limited	0.06%	25	0.09%	9	0.00%	-	0.08%	9
19	Lisheen Milling Limited	0.25%	100	0.09%	10	0.00%	-	0.09%	10
20	Lisheen Mine Partnership	0.38%	150	0.05%	5	0.00%	-	0.04%	5
21	Lakomasko BV (d)	0.00%	-	0.00%	-	0.00%	-	0.00%	-
22	Cairn India Holdings Limited	21.38%	8,429	(0.49%)	(52)	0.00%	-	(0.45%)	(52)
23	Cairn Energy Hydrocarbons Limited	10.04%	3,957	9.82%	1,038	0.00%	-	8.98%	1,038
24	Cairn Lanka (Private) Limited	0.00%	-	0.11%	12	0.00%	-	0.10%	12
25	CIG Mauritius Holding Private Limited[(e)]	0.00%	-	0.00%	-	0.00%	-	0.00%	-
26	CIG Mauritius Private Limited[(e)]	0.00%	-	0.00%	-	0.00%	-	0.00%	-
27	Cairn Energy Gujarat Block 1 Limited[(f)]	0.00%	-	0.00%	-	0.00%	-	0.00%	-
28	AvanStrate Inc	(5.80%)	(2,287)	(2.99%)	(316)	0.00%	-	(2.73%)	(316)
29	AvanStrate Korea Inc	(5.44%)	(2,143)	(1.94%)	(205)	0.00%	-	(1.77%)	(205)
30	AvanStrate Taiwan Inc	6.34%	2,498	(0.84%)	(89)	0.00%	-	(0.77%)	(89)

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forming part of the financial statements as at and for the year ended 31 March 2023

S. No	Name of the entity	Net Assets (Total assets less total liabilities)		Share in profit and loss		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
		As at 31 March 2023		Year ended 31 March 2023		Year ended 31 March 2023		Year ended 31 March 2023	
		As % of consolidated net assets	Amount (₹ in Crore)	As % of consolidated profit	Amount (₹ in Crore)	As % of consolidated OCI	Amount (₹ in Crore)	As % of consolidated TCI	Amount (₹ in Crore)
	Non-controlling interests in all subsidiaries	(25.38%)	(10,004)	(37.16%)	(3,929)	6.69%	66	(33.41%)	(3,863)
	Associates and Joint ventures (per Equity method)								
	Indian								
1	Gaurav Overseas Private Limited	0.00%	1	(0.00%)	(0)	(0.05%)	(1)	(0.01%)	(1)
2	Madanpur South Coal Company Limited	0.01%	5	0.03%	4	0.00%	-	0.03%	4
3	Goa Maritime Private Limited	0.00%	0	0.00%	0	0.00%	-	0.00%	0
	Foreign								
1	Rosh Pinah Health Care (Proprietary) Limited	0.01%	4	(0.01%)	(1)	0.00%	-	(0.01%)	(1)
2	Gergarub Exploration and Mining (Pty) Limited	0.00%	0	0.00%	-	0.00%	-	0.00%	-
3	RoshSkor Township (Pty) Ltd	0.00%	2	(0.01%)	(1)	0.00%	-	(0.01%)	(1)
	Consolidation Adjustments/ Eliminations [g]	(106.80%)	(42,103)	(244.85%)	(25,891)	42.47%	419	(220.32%)	(25,472)
	Total	**100.00%**	**39,423**	**100.00%**	**10,574**	**100.00%**	**987**	**100.00%**	**11,561**

[a]Struck off during the year [b] Acquired during the year [c] Incorporated during the year [d] Liquidated during the year [e] Dissolved during the year [f] De-registered during the year.

[g] Consolidation adjustments/eliminations include intercompany eliminations, consolidation adjustments and GAAP differences.

1. The Mumbai NCLT and Chennai NCLT has passed orders dated 06 June 2022 and 22 March 2023 respectively sanctioning the scheme of amalgamation of Sterlite Ports Limited (SPL), Paradip Multi Cargo Berth Private Limited (PMCB), Maritime Ventures Private Limited (MVPL), Goa Sea Port Private Limited (GSPL), wholly owned subsidiaries/step down subsidiaries of Sesa Resources Limited (SRL), with Sesa Mining Corporation Limited (SMCL). Statutory filing with MCA is in progress.

2. During the current year, Hon'ble National Company Law Tribunal, Cuttack Bench vide its Order dated 15 November 2022 approved the Scheme of Amalgamation of Facor Power Limited ("FPL") into Ferro Alloys Corporation Limited ("FACOR"). FPL was a subsidiary of FACOR which in turn is a subsidiary of the Company. Post the amalgamation becoming effective on 21 November 2022, the Company directly holds 99.99% in FACOR. There is no material impact on the consolidated financial statements of the Group due to this amalgamation.

   Exchange Rates as at 31 March 2023: 1 AUD= ₹ 55.0383, 1 USD = ₹ 82.1643, 1 AED = ₹ 22.3668, 1 NAD = ₹ 4.6176, 1 ZAR = ₹ 4.6176, 1 JPY = ₹ 0.617788

   Average Exchange Rates for the year ended 31 March 2023: 1 AUD= ₹ 54.9328, 1 USD = ₹ 80.2724, 1 AED = ₹ 21.8517, 1 NAD = ₹ 4.5020, 1 ZAR = ₹ 4.7239, 1 JPY = ₹0.593777

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forming part of the financial statements as at and for the year ended 31 March 2023

S. No	Name of the entity	Net Assets (Total assets less total liabilities)		Share in profit and loss		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
		As at 31 March 2022		Year ended 31 March 2022		Year ended 31 March 2022		Year ended 31 March 2022	
		As % of consolidated net assets	Amount (₹ in Crore)	As % of consolidated profit	Amount (₹ in Crore)	As % of consolidated OCI	Amount (₹ in Crore)	As % of consolidated TCI	Amount (₹ in Crore)
	Parent								
	Vedanta Limited	118.76%	77,649	91.72%	17,245	40.46%	333	89.57%	17,578
	Indian Subsidiaries								
1	Hindustan Zinc Limited	52.43%	34,282	51.22%	9,630	(6.68%)	(55)	48.79%	9,575
2	Bharat Aluminium Company Limited	11.74%	7,673	14.55%	2,736	(2.01%)	(17)	13.86%	2,719
3	MALCO Energy Limited	0.45%	291	0.08%	15	(0.00%)	(0)	0.08%	15
4	Talwandi Sabo Power Limited	4.73%	3,092	(0.65%)	(122)	0.00%	-	(0.62%)	(122)
5	Sesa Resources Limited	0.08%	52	0.13%	24	0.00%	-	0.12%	24
6	Sesa Mining Corporation Limited(1)	(0.17%)	(110)	0.29%	54	(0.12%)	(1)	0.27%	53
7	Sterlite Ports Limited(1)	(0.01%)	(6)	(0.00%)	(0)	0.00%	-	(0.00%)	(0)
8	Vizag General Cargo Berth Private Limited	(0.02%)	(11)	(0.12%)	(23)	0.02%	0	(0.12%)	(23)
9	Paradip Multi Cargo Berth Private Limited(1)	(0.00%)	(2)	(0.00%)	(0)	0.00%	-	(0.00%)	(0)
10	Maritime Ventures Private Limited(1)	0.06%	36	0.08%	15	0.00%	-	0.08%	15
11	Goa Sea Port Private Limited(1)	(0.00%)	(3)	0.00%	-	0.00%	-	0.00%	-
12	Vedanta Limited ESOS Trust	0.08%	51	0.00%	-	0.00%	-	0.00%	-
13	ESL Steel Limited	9.37%	6,128	(0.51%)	(95)	(0.36%)	(3)	(0.50%)	(98)
14	Ferro Alloy Corporation Limited (FACOR)(2)	0.96%	629	1.35%	253	(0.24%)	(2)	1.28%	251
15	Facor Realty and Infrastructure Limited (a)	0.00%	-	(0.00%)	(0)	0.00%	-	(0.00%)	(0)
16	FACOR Power Ltd (2)	(1.09%)	(715)	(0.27%)	(50)	0.00%	-	(0.26%)	(50)
17	Desai Cement Company Private Limited(b)	0.02%	13	(0.02%)	(3)	0.00%	-	0.00%	-
18	Hindustan Zinc Alloys Private Limited(c)	0.00%	-	0.00%	-	0.00%	-	0.00%	-
19	Vedanta Zinc Football & Sports Foundation(c)	0.00%	-	0.00%	-	0.00%	-	0.00%	-
	Foreign Subsidiaries								
1	Copper Mines of Tasmania Pty Limited	(0.93%)	(605)	(0.34%)	(64)	0.00%	-	(0.33%)	(64)
2	Thalanga Copper Mines Pty Limited	0.11%	75	0.54%	102	0.00%	-	0.52%	102
3	Monte Cello BV	0.30%	197	0.02%	3	0.00%	-	0.02%	3
4	Bloom Fountain Limited	(12.64%)	(8,265)	(1.27%)	(239)	0.00%	-	(1.22%)	(239)
5	Western Cluster Limited	(1.45%)	(951)	(0.17%)	(32)	0.00%	-	(0.16%)	(32)
6	Sterlite (USA) Inc. (d)	0.00%	-	0.00%	-	0.00%	-	0.00%	-
7	Fujairah Gold FZC	(0.92%)	(604)	(1.23%)	(232)	(0.36%)	(3)	(1.20%)	(235)
8	THL Zinc Ventures Limited	(5.73%)	(3,745)	(0.01%)	(2)	0.00%	-	(0.01%)	(2)

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forming part of the financial statements as at and for the year ended 31 March 2023

S. No	Name of the entity	Net Assets (Total assets less total liabilities)		Share in profit and loss		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
		As at 31 March 2022		Year ended 31 March 2022		Year ended 31 March 2022		Year ended 31 March 2022	
		As % of consolidated net assets	Amount (₹ in Crore)	As % of consolidated profit	Amount (₹ in Crore)	As % of consolidated OCI	Amount (₹ in Crore)	As % of consolidated TCI	Amount (₹ in Crore)
9	THL Zinc Limited	(4.72%)	(3,083)	0.03%	6	0.00%	-	0.03%	6
10	THL Zinc Holding BV	(3.78%)	(2,471)	0.15%	29	0.00%	-	0.15%	29
11	THL Zinc Namibia Holdings (Proprietary) Limited	0.99%	646	0.00%	-	0.00%	-	0.00%	-
12	Skorpion Zinc (Proprietary) Limited	0.02%	10	0.00%	0	0.00%	-	0.00%	0
13	Skorpion Mining Company (Proprietary) Limited	(2.44%)	(1,597)	(0.05%)	(9)	0.00%	-	(0.05%)	(9)
14	Namzinc (Proprietary) Limited	1.10%	719	(0.07%)	(14)	0.00%	-	(0.07%)	(14)
15	Amica Guesthouse (Proprietary) Limited	0.00%	2	(0.00%)	(0)	0.00%	-	(0.00%)	(0)
16	Black Mountain Mining Proprietary Limited	4.51%	2,951	4.12%	775	(1.54%)	(13)	3.88%	762
17	Vedanta Lisheen Holdings Limited	0.25%	165	0.02%	3	0.00%	-	0.02%	3
18	Vedanta Lisheen Mining Limited	0.12%	79	(0.01%)	(1)	0.00%	-	(0.01%)	(1)
19	Killoran Lisheen Mining Limited	0.04%	24	0.01%	2	0.00%	-	0.01%	2
20	Killoran Lisheen Finance Limited(d)	0.00%	-	0.00%	-	0.00%	-	0.00%	-
21	Lisheen Milling Limited	0.12%	76	(0.02%)	(3)	0.00%	-	(0.02%)	(3)
22	Lisheen Mine Partnership	(0.03%)	(21)	(0.01%)	(2)	0.00%	-	(0.01%)	(2)
23	Lakomasko BV	(0.00%)	(1)	(0.00%)	(0)	0.00%	-	(0.00%)	(0)
24	Vedanta Exploration Ireland Limited(d)	0.00%	-	0.00%	-	0.00%	-	0.00%	-
25	Cairn India Holdings Limited	13.96%	9,129	4.83%	909	0.00%	-	4.63%	909
26	Cairn Energy Hydrocarbons Limited	4.33%	2,828	3.77%	709	0.00%	-	3.61%	709
27	Cairn Lanka (Private) Limited	(0.75%)	(491)	0.03%	5	0.00%	-	0.03%	5
28	Cairn South Africa (Pty) Limited(d)	0.00%	-	0.00%	-	0.00%	-	0.00%	-
29	CIG Mauritius Holding Private Limited(e)	0.00%	-	0.00%	-	0.00%	-	0.00%	-
30	CIG Mauritius Private Limited(e)	0.00%	-	0.00%	-	0.00%	-	0.00%	-
31	Cairn Energy Gujarat Block 1 Limited(e)	0.00%	-	0.00%	-	0.00%	-	0.00%	-
32	AvanStrate Inc	(3.01%)	(1,968)	(0.03%)	(5)	0.00%	-	(0.03%)	(5)
33	AvanStrate Korea Inc	(2.96%)	(1,938)	(0.72%)	(135)	0.00%	-	(0.69%)	(135)
34	AvanStrate Taiwan Inc	3.98%	2,602	(0.37%)	(69)	0.00%	-	(0.35%)	(69)
	Non-controlling interests in all subsidiaries	(26.49%)	(17,321)	(26.10%)	(4,908)	(4.86%)	(40)	(25.21%)	(4,948)

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forming part of the financial statements as at and for the year ended 31 March 2023

S. No	Name of the entity	Net Assets (Total assets less total liabilities)		Share in profit and loss		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
		As at 31 March 2022		Year ended 31 March 2022		Year ended 31 March 2022		Year ended 31 March 2022	
		As % of consolidated net assets	Amount (₹ in Crore)	As % of consolidated profit	Amount (₹ in Crore)	As % of consolidated OCI	Amount (₹ in Crore)	As % of consolidated TCI	Amount (₹ in Crore)
	Associates and Joint ventures (per Equity method) [g]								
	Indian								
1	Gaurav Overseas Private Limited	0.00%	0	(0.00%)	(0)	(0.06%)	(1)	(0.00%)	(1)
2	Madanpur South Coal Company Limited	0.00%	1	0.00%	0	0.00%	-	0.00%	0
3	Goa Maritime Private Limited	(0.00%)	(0)	0.00%	0	0.00%	-	0.00%	0
	Foreign								
1	Rosh Pinah Health Care (Proprietary) Limited	0.00%	1	(0.00%)	(0)	0.00%	-	(0.00%)	(0)
2	Gergarub Exploration and Mining (Pty) Limited	0.00%	0	0.00%	-	0.00%	-	0.00%	-
3	RoshSkor Township (Pty) Ltd	0.00%	2	(0.00%)	(1)	0.00%	-	(0.00%)	(1)
	Consolidation Adjustments/ Eliminations [f]	(61.35%)	(40,114)	(40.97%)	(7,704)	75.76%	624	(36.09%)	(7,083)
	Total	**100.00%**	**65,383**	**100.00%**	**18,802**	**100.00%**	**823**	**100.00%**	**19,625**

[a] Passed a resolution for striking off [b] Acquired during the year [c] Incorporated during the year [d] Liquidated during the year [e] Under Liquidation

[f] Consolidation adjustments/eliminations include intercompany eliminations, consolidation adjustments and GAAP differences. [g] Excludes Rampia Coal Mines & Energy Private Limited which was struck off by Ministry of Corporate Affairs ("MCA") on 19 April 2021.

1. The Group has filed an application at Mumbai NCLT on 25 September 2021 and at Chennai NCLT on 29 September 2021 for the merger of Maritime Ventures Private Limited, Sterlite Ports Limited, Paradip Multi Cargo Berth Private Limited, Goa Sea Port Private Limited with Sesa Mining Corporation Limited.
2. The Group has filed an application at NCLT Cuttack on 16 September 2021 for the merger of FACOR Power Limited with Ferro Alloy Corporation Limited ("FACOR") .

   Exchange Rates as at 31 March 2022: 1 AUD= ₹ 56.6197, 1 USD = ₹ 75.5874, 1 AED = ₹ 20.5764, 1 NAD = ₹ 5.1941, 1 ZAR = ₹ 5.1941, 1 JPY = ₹ 0.620436

   Average Exchange Rates for the year ended 31 March 2022: 1 AUD= ₹ 55.0435, 1 USD = ₹ 74.4623, 1 AED = ₹ 20.2701, 1 NAD = ₹ 5.0119, 1 ZAR = ₹ 5.0119, 1 JPY = ₹ 0.663175

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forming part of the financial statements as at and for the year ended 31 March 2023

46 Other Statutory Information

a) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

b) The Group has not been declared wilful defaulter by any bank or financial Institution or other lender.

c) The Group does not have any transactions with companies struck off as per Companies Act, 2013.

d) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

e) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

f) The Group has no any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

47 Subsequent events

There are no other material adjusting or non-adjusting subsequent events, except as already disclosed.

As per our report of even date

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

per **Vikas Pansari**
Partner
Membership No: 093649

Place: Mumbai
Date: 12 May 2023

For and on behalf of the Board of Directors

Navin Agarwal
Executive Vice-Chairman and Whole-Time Director
DIN 00006303

Sunil Duggal
Whole-Time Director and Group Chief Executive Officer
DIN 07291685

Prerna Halwasiya
Company Secretary and Compliance Officer
ICSI Membership No. A20856

Place: Mumbai
Date: 12 May 2023

Form AOC-I

Salient features of Subsidiaries pursuant to first proviso to sub section (3) of section 129 read with rule 5 of the Companies (Accounts) Rules, 2014

(₹ in Crore)

Sl. No.	Name of the Subsidiary	Reporting Period	Reporting currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments (excluding Investment in Subsidiary)	Turnover	Profit/ (Loss) Before Taxation	Provision for Taxation/ (credit)	Profit/ (Loss) After Taxation	Proposed Dividend - Proposed Final Dividend	% of shareholding
1	Bharat Aluminium Company Limited	April to March	INR - INDIAN RUPEE	221	7,526	14,654	6,906	141	13,249	73	31	42	-	51
2	Copper Mines of Tasmania Pty Limited	April to March	AUD - Australian Dollar	-	(644)	113	757	-	50	(84)	1	(85)	-	100
3	Thalanga Copper Mines Pty Limited	April to March	AUD - Australian Dollar	3	44	83	35	-	3	(2)	-	(2)	-	100
4	Monte Cello BV	April to March	USD - United States Dollar	0	218	245	27	-	-	6	1	4	-	100
5	Hindustan Zinc Limited	April to March	INR - INDIAN RUPEE	845	12,096	35,454	22,512	9,850	34,098	15,296	4,777	10,519	-	64.92
6	MALCO Energy Limited	April to March	INR - INDIAN RUPEE	5	15	1,053	1,033	16	538	(267)	-	(267)	-	100
7	Fujairah Gold FZC	April to March	AED - Emirati Dirham	7,513	(8,224)	595	1,307	-	5,206	(54)	-	(54)	-	100
8	Talwandi Sabo Power Limited	April to March	INR - INDIAN RUPEE	3,207	(186)	11,308	8,288	-	5,801	(93)	(23)	(70)	-	100
9	THL Zinc Ventures Limited	April to March	USD - United States Dollar	82	(4,154)	1,685	5,756	-	-	(1)	-	(1)	-	100
10	THL Zinc Ltd	April to March	USD - United States Dollar	74	(3,420)	4,078	7,424	-	-	5	-	5	-	100
11	THL Zinc Holding BV	April to March	USD - United States Dollar	42	(2,673)	1,889	4,519	-	-	54	(0)	54	-	100
12	THL Zinc Namibia Holdings (Proprietary) Ltd	April to March	NAD - Namibian Dollar	7	1,100	1,452	345	-	-	(67)	-	(67)	-	100
13	Skorpion Zinc (Proprietary) Limited	April to March	NAD - Namibian Dollar	2	7	463	454	-	-	(21)	-	(21)	-	100
14	Skorpion Mining Company (Proprietary) Limited	April to March	NAD - Namibian Dollar	0	(1,440)	1,480	2,920	-	-	(21)	-	(21)	-	100
15	Namzinc (Proprietary) Limited	April to March	NAD - Namibian Dollar	0	596	2,257	1,662	-	-	(45)	-	(45)	-	100
16	Amica Guesthouse (Proprietary) Limited	April to March	NAD - Namibian Dollar	0	2	3	1	-	3	-	-	-	-	100
17	Black Mountain Mining (Proprietary) Limited	April to March	ZAR - South African Rand	0	3,726	6,119	2,393	-	5,224	1,463	351	1,112	-	74
18	Vedanta Lisheen Holdings Limited	April to March	USD - United States Dollar	0	204	232	28	-	-	25	1	24	-	100

(₹ in Crore)

Sl. No.	Name of the Subsidiary	Reporting Period	Reporting currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments (excluding Investment in Subsidiary)	Turnover	Profit/ (Loss) Before Taxation	Provision for Taxation/ (credit)	Profit/ (Loss) After Taxation	Proposed Dividend - Proposed Final Dividend	% of shareholding
19	Vedanta Lisheen Mining Limited	April to March	USD - United States Dollar	28	52	79	-	-	-	7	(0)	7	-	100
20	Killoran Lisheen Mining Limited	April to March	USD - United States Dollar	1	24	25	-	-	-	8	(0)	9	-	100
21	Lisheen Milling Limited	April to March	USD - United States Dollar	0	100	110	10	-	-	11	1	10	-	100
22	Lisheen Mine Partnership	April to March	USD - United States Dollar	-	-	75	(75)	-	-	5	1	5	-	100
23	Sterlite Ports Limited[6]	April to March	INR - INDIAN RUPEE	-	-	-	-	-	-	-	-	-	-	100
24	Vizag General Cargo Berth Private Limited	April to March	INR - INDIAN RUPEE	47	(27)	542	522	3	177	(27)	(58)	31	-	100
25	Cairn India Holdings Limited	April to March	USD - United States Dollar	4,696	3,733	11,396	2,967	74	-	(39)	13	(52)	-	100
26	Cairn Energy Hydrocarbons Limited	April to March	USD - United States Dollar	3,911	46	9,418	5,461	1,122	7,000	1,779	741	1,038	-	100
27	Cairn Lanka (Private) Limited	April to March	USD - United States Dollar	1,921	(1,921)	-	-	-	-	12	-	12	-	100
28	CIG Mauritius Holding Private Limited[1]	April to March	USD - United States Dollar	-	-	-	-	-	-	-	-	-	-	100
29	CIG Mauritius Private Limited[1]	April to March	USD - United States Dollar	-	-	-	-	-	-	-	-	-	-	100
30	Cairn Energy Gujarat Block[1] Limited[2]	April to March	USD - United States Dollar	-	-	-	-	-	-	-	-	-	-	
31	Paradip Multi Cargo Berth Private Limited[6]	April to March	INR - INDIAN RUPEE	-	-	-	-	-	-	-	-	-	-	100
32	Bloom Fountain Limited	April to March	USD - United States Dollar	18,084	(28,300)	856	11,072	-	-	580	-	580	-	100
33	Western Cluster Limited	April to March	USD - United States Dollar	-	(315)	1,093	1,408	-	105	703	-	703	-	100
34	Sesa Resources Limited	April to March	INR - INDIAN RUPEE	1	427	465	37	-	97	376	-	376	-	100
35	Sesa Mining Corporation Limited[6]	April to March	INR - INDIAN RUPEE	22	(6)	342	325	-	177	79	(21)	101	-	100
36	Maritime Ventures Private Limited[6]	April to March	INR - INDIAN RUPEE	-	-	-	-	-	-	-	-	-	-	100
37	Lakomasko BV[1]	April to March	USD - United States Dollar	-	-	-	-	-	-	-	-	-	-	
38	Goa Sea Port Private Limited[6]	April to March	INR - INDIAN RUPEE	-	-	-	-	-	-	-	-	-	-	100

(₹ in Crore)

Sl. No.	Name of the Subsidiary	Reporting Period	Reporting currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments (excluding Investment in Subsidiary)	Turnover	Profit/ (Loss) Before Taxation	Provision for Taxation/ (credit)	Profit/ (Loss) After Taxation	Proposed Dividend - Proposed Final Dividend	% of shareholding
39	Vedanta Limited ESOS Trust	April to March	INR - INDIAN RUPEE	0	51	230	179	0	6	6	2	4	-	100
40	AvanStrate Inc	April to March	JPY - Japanese Yen	6	(2,294)	2,854	5,141	-	-	(316)	-	(316)	-	51.63
41	AvanStrate Korea Inc	April to March	JPY - Japanese Yen	791	(2,935)	560	2,703	-	36	(205)	-	(205)	-	100
42	AvanStrate Taiwan Inc	April to March	JPY - Japanese Yen	323	2,175	3,077	579	-	255	(89)	-	(89)	-	100
43	Ferro Alloy Corporation Limited (FACOR)[5]	April to March	INR - INDIAN RUPEE	34	531	908	343	-	778	62	(199)	261	-	99.99
44	Facor Realty and Infrastructure Limited[3]	April to March	INR - INDIAN RUPEE	-	-	-	-	-	-	-	-	-	-	-
45	FACOR Power Ltd[5]	April to March	INR - INDIAN RUPEE	-	-	-	-	-	-	-	-	-	-	-
46	ESL Steel Limited	April to March	INR - INDIAN RUPEE	1,849	3,718	11,246	5,679	20	8,008	(471)	87	(558)	-	95.49
47	Desai Cement Company Private Limited	November to March	INR - INDIAN RUPEE	2	(12)	15	25	-	7	(4)	-	(4)	-	100
48	Hindustan Zinc Alloys Private Limited	November to March	INR - INDIAN RUPEE	0	(1)	144	145	-	-	(1)	-	(1)	-	100
49	Vedanta Zinc Football & Sports Foundation	November to March	INR - INDIAN RUPEE	0	(1)	-	1	-	6	(1)	-	(1)	-	100
50	Hindustan Zinc Fertilizers Private Limited[4]	September to March	INR - INDIAN RUPEE	0	(0)	0	0	-	-	0	-	0	-	100
51	Zinc India Foundation[4]	August to March	INR - INDIAN RUPEE	0	(3)	1	4	-	-	(3)	-	(3)	-	100

A. Exchange Rates as at 31 March 2023: 1 AUD= ₹55.0383 , 1 USD = ₹ 82.1673, 1 AED = ₹ 22.3668, 1 NAD = ₹ 4.6176, 1 ZAR = ₹ 4.6176, 1 JPY = ₹ 0.617788

B. Average Exchange Rates for the year ended 31 March 2023: 1 AUD= ₹ 54.9382, 1 USD = ₹ 80.2724, 1 AED = ₹ 21.8517, 1 NAD = ₹ 4.7239, 1 ZAR = ₹ 4.7239, 1 JPY = ₹ 0.593777

[1] Liquidated during the year.

[2] Deregistered during the year.

[3] Struck off during the year.

[4] Incorporated during the year.

[5] During the current year, Hon'ble National Company Law Tribunal, Cuttack Bench vide its Order dated 15 November 2022 approved the Scheme of Amalgamation of Facor Power Limited ("FPL") into Ferro Alloys Corporation Limited ("FACOR"). FPL was a subsidiary of FACOR which in turn is a subsidiary of the Company. Post the amalgamation becoming effective on 21 November 2022, the Company directly holds 99.99% in FACOR. There is no material impact on the consolidated financial statements of the Group due to this amalgamation.

[6] The Mumbai NCLT and Chennai NCLT has passed orders dated 06 June 2022 and 22 March 2023 respectively sanctioning the scheme of amalgamation of Sterlite Ports Limited (SPL), Paradip Multi Cargo Berth Private Limited (PMCB), Maritime Ventures Private Limited (MVPL), Goa Sea Port Private Limited (GSPL), wholly owned subsidiaries/step down subsidiaries of Sesa Resources Limited (SRL), with Sesa Mining Corporation Limited (SMCL). Statutory filing with MCA is in progress..

Form AOC-I

Salient features of Subsidiaries pursuant to first proviso to sub section (3) of section 129 read with rule 5 of the Companies (Accounts) Rules, 2014

S.No	Name of Associates/Joint Ventures [a]	RoshSkor Township (Pty) Ltd	Gaurav Overseas Private Limited	Madanpur South Coal Company Limited	Goa Maritime Private Limited	Rosh Pinah Health Care (Proprietary) Limited	Gergarub Exploration and Mining (Pty) Limited
1	Latest audited Balance sheet date	30 June 2022	31 March 2023	31 March 2023	31 March 2023	31 December 2022	30 December 2020
2	Shares of Associate/Joint Ventures held by the Company at the year end						
	- Number	50	3,23,000	1,14,421	5,000	69	51
	- Amount of investment (₹ in Crore)	0.00	0.32	1.96	0.01	0.00	0.00
	- % of holding	50.00%	50.00%	17.62%	50.00%	69.00%	51.00%
3	Description of how there is significant influence	By way of ownership	By way of ownership	N.A.	N.A.	Joint control of the entity	Joint control of the entity
4	Networth attributable to shareholding as per latest audited Balance sheet (₹ in Crore)	1.69	1.21	4.84	0.01	4.09	0.00
5	(Loss)/ Profit for the year (₹ in Crore)	(0.58)	(0.12)	3.62	0.06	(1.44)	-

a) Excludes Rampia Coal Mines & Energy Private Limited which was struck off by Ministry of Corporate Affairs ("MCA") on 19 April 2021.

For and on behalf of the Board of Directors

Navin Agarwal
Executive Vice-Chairman and Whole-Time Director
DIN 00006303

Sunil Duggal
Whole-Time Director and Group Chief Executive Officer
DIN 07291685

Prerna Halwasiya
Company Secretary and Compliance Officer
ICSI Membership No. A20856

Place: Mumbai

Date: 12 May 2023

ABBREVIATIONS

ABH	Aishwariya Barmer Hill
ACT-UP	Accelerated Tracking and Upgradation Process
ADB	Asian Development Bank
AGI	Above Ground Installations
AI	Artificial Intelligence
AIML	Artificial Intelligence and Machine Learning
APC	Advanced Process Control
APH	Air Pre-heaters
ASP	Alkaline Surfactant Polymer
ASSOCHAM	The Associated Chambers of Commerce & Industry of India
BALCO	Bharat Aluminium Company Limited
BDZ	Bio Degradable Zone
BEV	Battery Electric Vehicles
BMM	Black Mountain Mining
BMP	Biodiversity Management Plan
BOA	Biodiversity Offset Agreement
boe	Barrel of Oil Equivalent
Boz	Billion ounces
BRSR	Business Responsibility and Sustainability Reporting
BU	Business Unit
CAGR	Compound Annual Growth Rate
CAPA	Corrective and Preventive Actions
CAPEX	Capital Expenditure
CARES	Certification Authority for Reinforcing Steels
CBM	Coal Bed Methane
CCP	Charge Chrome Plant
CDP	Carbon Disclosure Project
CEIC	Census and Economic Information Centre
CEO	Chief Executive Officer
CFD	Condensed Flash Drum
CFO	Chief Financial Officer
CHRO	Chief Human Resource Officer
CII	Confederation of Indian Industry
CIO	Chief Information Officer
CISO	Chief Information Security Officer
CLZS	Chanderiya Lead Zinc Smelter
CMDPA	Coal Mine Development and Production Agreement
CMIE	Centre for Monitoring Indian Economy
CNG	Compressed Natural Gas
COD	Committee of Directors
COE	Centre of Excellence
CoP	Cost of Production
CRM	Critical Risk Management
CRRI	Central Road Research Institute
CSO	Chief Security Officer
CSR	Corporate Social Responsibility
CSUSP	Cairn Sustainability & Safety Performance Program
CTE	Consent to Establish
CTO	Consent to Operate
CXO	Chief Experience Officer
CY	Calendar Year
DAERDLR	Department of Agriculture, Environmental Affairs, Rural Development and Land Reform
DGH	Directorate General of Hydrocarbons
DGPO	Data Governance Professionals Organization
DJSI	Dow Jones Sustainability Indices
DLP	Data Leakage Prevention
DSC	Dariba Smelting Complex
DSF	Discovered Small Field
E&Y	Ernst & Young Pvt. Ltd.
EBITDA	Earnings before interest, taxes, depreciation, and amortisation
EC	Environmental Clearance
EOR	Enhanced Oil Recovery
EPS	Earnings Per Share
ESG	Environmental, Social and Governance
ESL	Electrosteel Limited
ESOP	Employees' Stock Option Scheme
ETF	Exchange Traded Fund
EU	The European Union
EV	Electric Vehicle
ExCo	Executive Committee
FACOR	Ferro Alloys Corporation Limited
FCF	Free Cash Flow
FDI	Foreign Direct Investment
FGD	Flue Gas Desulfurization
FICCI	Federation of Indian Chambers of Commerce & Industry
FIMI	Federation of Indian Mineral Industries
FMCG	Fast-moving Consumer Goods
FOG	Fall of Ground
FRHC	Fire-refined High Conductivity
FTSE	Financial Times Stock Exchange
FY	Financial Year
GCC	Gulf Cooperation Council
GDP	Gross Domestic Product
GHG	Greenhouse Gas
GISTM	Global Industry Standard on Tailing Management
GoI	Government of India
GRI	Global Reporting Initiative
GRMC	Group Risk Management Committee
GW	Giga Watt

HCFC	High Carbon Ferro Chrome
HR	Human Resource
HSE	Health, Safety and Environment
HVLT	High Volume Low Toxicity
HZAPL	Hindustan Zinc Alloys Private Limited
HZL	Hindustan Zinc Limited
IBAT	Integrated Biodiversity Assessment Tool
IBBI	Indian Biodiversity Business Initiative
ICMM	International Council on Mining and Metals
ICSI	Institute of Company Secretaries of India
IFC	International Finance Corporation
IHS	Information Handling Services
IIM	Indian Institute of Management
IIME	Indian Institute of Mineral Engineers
IIRC	International Integrated Reporting
IMD	International Institute for Management Development
IMF	International Monetary Fund
Ind AS	Indian Accounting Standards
IOB	Iron Ore Business
IR	Integrated Reporting
ISO	International Organization for Standardization
ISP	Integrated Steel Plant
ICP	Internal carbon pricing
ITGC	IT General Control
IUCN	International Union for Conservation of Nature
JPC	Joint Plant Committee
kA	kiloampere
kboepd	thousand barrels of oil equivalent per day
KLD	Kilo Litres Per Day
KPI	Key Performance Indicator
KPMG	Klynveld Peat Marwick Goerdeler International Limited
KRA	Key Responsibility Area
kt	Kilo Tonnes
KTPA	Kilo-Tonnes Per Annum
kWh	Kilowatt hours
LBMA	London Bullion Metals Association
LEAP	Leadership Execution and Action Planning
LF	Lower Fatehgarh
LGBTQ+	Lesbian, Gay, Bisexual, Transgender, Queer or Questioning Persons or the Community
LME	London Metal Exchange
LMV	Light Motor Vehicle
LOI	Letter of Intent
LTIFR	Lost Time Injury Frequency Rate
M&A	Mergers and Acquisitions
MALCO	The Madras Aluminium Company Limited
ManCom	Management Committee
MAS	Management Assurance Services
MBA	Master of Business Administration
mbpd	million barrels per day
MD	Managing Director
MEAI	Mining Engineers Association of India
MGMI	Mining Geological & Metallurgical Institute of India
MIS	Management Information Systems
mmboe	Million barrels of oil equivalent
mmscfd	million standard cubic feet per day
mnt	Million tonnes
MoEF&CC	Ministry of Environment, Forests and Climate Change
MOSPI	Ministry of Statistics and Program Implementation
MoU	Memorandum of Understanding
Moz	Million ounces
MSCI	Morgan Stanley Capital International.
MSME	Ministry of Micro, Small & Medium Enterprises
MT	Management Trainees
MTPA	Metric Tonnes Per Annum
MW	Megawatt
NELP	New Exploration and Licensing Policy
NGO	Non-governmental Organization
NHAI	National Highway Authority of India
NiSo4	Nickel sulphate
NNL	No Net Loss
NPI	Net Positive Impact
NPWI	Net Water Positive Impact
O&G	Oil and Gas
O&M	Operations and Maintenance
OALP	Open Acreage Licensing Programme
OECD	The Organization for Economic Cooperation and Development
OLAP	Online Analytical Processing
OMS	Operational Maintenance and Surveillance
OPEC	Organization of the Petroleum Exporting Countries
PAT	Profit After Tax
PDA	Power Delivery Agreements
PLF	Plant Load Factor
PLI	Production Linked Incentives
PMI	Purchasing Managers Index
PPP	Purchasing Power Parity
PSC	Production Sharing Contract
PT	Penetration Testing
PTS	Plant Technical System
PwC	PricewaterhouseCoopers
R&R	Reserves & Resources
RBI	Reserve Bank of India
RCA	Root Cause Analysis
RCM	Risk Control Matrix
RDG	Raageshwari Deep Gas
RE	Renewable Energy
RE RTC	Round the Clock Renewable Energy
ROCE	Return on Capital Employed
RoW	Rest of the world
SANBI	South Africa Biodiversity Institute

SAPS	South Africa Police Services
SBTi	Science Based Targets initiative
SDG	Sustainable Development Goals
SEBI	Securities and Exchange Board of India
SEL	Sterlite Energy Ltd
SFSS	Semi Fire Suppression System
SHFE	Shanghai Futures Exchange
SIEM	Security Incident and Event Management
SLP	Special Leave Petition
SOP	Standard Operating Procedure
SOx	Sarbanes-Oxley Act
SPSC	Social Performance Steering Committee
SR	Sustainability Report
SSC	Specific Stream Consumption
SSR	Slope Stability Radars
SWOT	Strengths, Weaknesses, Opportunities, and Threats analysis
TACO	The Animal Care Organization
TC/RC	Treatment Charges and Refining Charges
TCFD	Taskforce on Climate-related Financial Disclosures
tCO2e	Tonnes of carbon dioxide equivalent
TERI	The Energy and Resources Institute
TMT	Thermo Mechanically Treated
TNFD	Taskforce on Nature-Related Financial Disclosures
TNPCB	Tamil Nadu Pollution Control Board
TO	Transformation Office
toz	troy ounce
TRIFR	Total Recordable Injury Frequency Rate
TSF	Tailing Storage Facility
TSPL	Talwandi Sabo Power Limited
TTR	Tax Transparency Report
UAE	United Arab Emirates
UF	Upper Fatehgarh
UN	United Nations
UNEP	United Nations Environment Programme
UNGC	United Nations Global Compact
US	United States
USGS	United States Geological Survey
VA	Vulnerability Assessment
VAB	Value Added Businesses
VAL	Vedanta Aluminium Limited
VAPT	Vulnerability Assessment and Penetration Testing
VEDL	Vedanta Limited
V-EXCEL	Vedanta Exemplary Campus Emerging Leaders
VGCB	Vizag General Cargo Berth
VLDP	Vedanta Leadership Development Program
VPI	Vehicle Pedestrian Interaction
VPSHR	Voluntary Principles on Security and Human Rights
VSAP	Vedanta Sustainability Assurance Programme
VSAP	Vedanta Sustainability Assurance Framework
VSAP	Vedanta Sustainability Assurance Process
VSF	Vedanta Sustainability Framework
WAH	Work At Height
WBCSD	The World Business Council for Sustainable Development
WCL	Western Coalfields Limited
WEO	World Economic Outlook
WIP	Work In Progress
YoY	Year on Year
YUVA	Young Upcoming Vedanta Achievers
ZLD	Zero Liquid Discharge
ZM	Zawar Mine
ZSD	Zinc Smelter Debari

NOTES

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