IMPORTANT NOTICE

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE NON-US PERSONS IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") ("REGULATION S").

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached offering circular (the "**Offering Circular**") following this page, whether received by e-mail or other electronic communication, and you are therefore advised to read this carefully before reading, accessing or making any other use of the Offering Circular.

In accessing the Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from Vedanta Resources Finance II plc (the "**Issuer**"), Vedanta Resources Limited (the "**Company**"), Twin Star Holdings Ltd. ("**Twin Sta**r") and Welter Trading Limited ("**Welter**", and together with the Company and Twin Star, the "**Guarantors**") or from us as a result of such access.

Each of Barclays Bank PLC, Citigroup Global Markets Limited, Deutsche Bank AG, Singapore Branch, J.P. Morgan Securities plc and Standard Chartered Bank as joint global coordinators and managers (the "**Joint Global Coordinators and Managers**") or any person who controls any of them or any of their respective affiliates, directors, officers, employees, agents, representatives or advisers accepts any liability whatsoever for any loss howsoever arising from any use of this e-mail or the Offering Circular or their respective contents or otherwise arising in connection therewith.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT, OR WITH ANY OTHER SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ANY APPLICABLE STATE OR LOCAL SECURITIES LAWS. ANY INVESTMENT DECISION SHOULD BE MADE ON THE BASIS OF THE FINAL TERMS AND CONDITIONS OF THE SECURITIES AND THE INFORMATION CONTAINED IN THE FINAL OFFERING CIRCULAR. IF YOU DO NOT AGREE TO THE TERMS CONTAINED IN THIS NOTICE, YOU SHOULD NOT OPEN THE OFFERING CIRCULAR AND SHOULD DELETE THIS E-MAIL. THIS E-MAIL AND ITS ATTACHMENTS ARE PERSONAL TO YOU, ARE CONFIDENTIAL AND MAY ONLY BE READ BY THE ADDRESSEE AND MAY NOT BE REPRODUCED OR REDISTRIBUTED ELECTRONICALLY OR OTHERWISE TO ANY OTHER PERSON.

Confirmation of Your Representation: The Offering Circular is being sent at your request and by accepting the e-mail and accessing the Offering Circular, you shall be deemed to have represented to the Issuer, the Guarantors, the Joint Global Coordinators and Managers that (1) you and any customer you represent are either (a) a QIB or (b) not a US person and that the e-mail address that you have given and to which this e-mail has been delivered is not located in the United States, its territories, its possessions and other areas subject to its jurisdiction and, to the extent you purchase the securities described in the Offering Circular, you will be doing so in offshore transactions in reliance on Regulation S; and (2) you consent to delivery of the Offering Circular and any amendments or supplements thereto by electronic transmission.

The Offering Circular has been delivered to you on the basis that you are a person into whose possession the Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located. If this is not the case, you must delete the e-mail in which the Offering Circular is attached and destroy any printed copies of the Offering Circular. You may not, nor are you authorised to, deliver or forward the Offering Circular, electronically or otherwise, or disclose the contents of the Offering Circular, to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law and access has been limited so that it shall not constitute a general advertisement or solicitation in the United States or elsewhere. No action has been or will be taken in any jurisdiction by the Issuer, the Guarantors or the Joint Global Coordinators and Managers that would, or is intended to, permit a public offering of the securities, or possession or distribution of the Offering Circular (in preliminary, proof or final form) or any other offering or publicity material relating to the securities, in any jurisdiction where action for that purpose is required. If a jurisdiction requires that the offering be made by a licenced broker or dealer and any of the Joint Global Coordinators and Managers or any affiliate of any of them is a licenced broker or dealer in that jurisdiction, the offering shall be deemed to be made by such Joint Global Coordinators and Managers or affiliate on behalf of the Issuer in such jurisdiction.

This communication is directed only at persons who (a) are outside the United Kingdom, or (b) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Financial Promotion Order**"), or (c) are persons falling within Article 49(2)(a) to (d) ("**high net worth companies, unincorporated associations, etc.**") of the Financial Promotion Order, or (d) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000, as amended (the "**FSMA**")) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "**relevant persons**"). This communication must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which the Offering Circular relates is available only to relevant persons and will be engaged in only with relevant persons.

Nothing in this Offering Circular shall be interpreted or deemed as containing an offer or invitation to, or solicitation of, any such circulation, distribution, placement, sale or other transfer of any securities in the territory of the Republic of Cyprus. The communication (i) is addressed solely to qualified investors within the meaning of the Prospectus Regulation (Regulation 2017/1129/EU), as amended, and, to the extent that it applies following the entry into force of the Prospectus Regulation, the Cyprus Prospectus Law L. 114(I)/2005, as amended (together, the "**Cyprus Prospectus Laws**"), (ii) does not constitute an offer or solicitation to the public, or any segment of the public, in Cyprus within the meaning of the Cyprus Prospectus Laws or the Companies Law Cap. 113 of the statute laws of Cyprus, (iii) has not nor will be submitted for clearance to nor approved by the Cyprus Securities and Exchange Commission as a prospectus within the meaning of the Cyprus Prospectus Laws and (iv) must not be distributed or circulated into Cyprus unless and to the extent permitted under the laws of the Republic of Cyprus.

The Offering Circular has been sent to you in an electronic form. Documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Issuer, the Guarantors or the Joint Global Coordinators and Managers or any person who controls any of them or any director, officer, employee, agent or affiliate of any such persons accepts any liability or responsibility whatsoever in respect of any difference between the Offering Circular distributed to you in electronic format and the hard copy version available to you on request from the Joint Global Coordinators and Managers.

THE OFFERING CIRCULAR MAY NOT BE DOWNLOADED, FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY DOWNLOADING, FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS ELECTRONIC TRANSMISSION AND THE OFFERING CIRCULAR IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE THE SECURITIES DESCRIBED IN THE OFFERING CIRCULAR.

You are responsible for protecting against viruses and other destructive items. Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

$300,000,000 10.875 per cent. Guaranteed Senior Bonds due 2029

(to be consolidated and form a single series with
$900,000,000 10.875 per cent. Guaranteed Senior Bonds due 2029)

Issued by

VEDANTA RESOURCES FINANCE II PLC

(incorporated with limited liability in England and Wales)

A subsidiary of

VEDANTA RESOURCES LIMITED

(incorporated with limited liability in England and Wales)

This is an offering of $300,000,000 10.875 per cent. guaranteed senior bonds due 2029 (the "**New Bonds**") by Vedanta Resources Finance II plc (the "**Issuer"**). The New Bonds shall constitute a further issuance of, and be fungible with and be consolidated and form a single series with the $900,000,000 10.875 per cent. guaranteed senior bonds due 2029 issued by the Issuer on September 17, 2024 (the "**Original Bonds**", and together with the New Bonds, the "**Bonds**"). The New Bonds have the same terms and conditions as the Original Bonds in all respects except for issue date and issue price ***provided that*** the New Bonds sold pursuant to Regulation S under the United States Securities Act of 1933, as amended (the "**Securities Act**") will be fungible with the Original Bonds currently held through the Unrestricted Global Certificates (as defined herein) after the 40th day following the date of delivery of such New Bonds. The New Bonds will have temporary CUSIP and ISIN numbers during the 40 days following the delivery of such New Bonds.

Upon the issue of the New Bonds, the aggregate principal amount of outstanding Bonds will be $1,200,000,000. The Bonds will be unconditionally guaranteed (the "**Guarantees**") by Vedanta Resources Limited (the "**Company**" or the "**Parent Guarantor**"), Twin Star Holdings Ltd. ("**Twin Star**") and Welter Trading Limited ("**Welter**", together with Twin Star, the "**Subsidiary Guarantors**" and each a "**Subsidiary Guarantor**"). The Parent Guarantor and the Subsidiary Guarantors are collectively referred to as the "**Guarantors**" and each of them is a "**Guarantor**".

The Bonds will bear interest from (and including) September 17, 2024 (the "**Closing Date**") at the rate of 10.875 per cent. per annum, payable semi-annually in arrear on March 17 and September 17 of each year, commencing on March 17, 2025. Payments on the Bonds will be made without deduction for or on account of taxes of the United Kingdom, Mauritius and Cyprus to the extent described under "*Terms and Conditions of the Bonds — Taxation*".

The Bonds will mature on September 17, 2029.

At any time and from time to time prior to September 17, 2026, the Issuer may redeem the Bonds, in whole or in part, at a redemption price equal to their principal amount plus the Applicable Premium (as defined in the terms and conditions of the Bonds) plus accrued and unpaid interest, if any, to (but excluding) the redemption date. At any time and from time to time on and after September 17, 2026, the Issuer may redeem the Bonds, in whole or in part, at the applicable redemption prices set forth in Condition 5(b), plus accrued and unpaid interest, if any, to (but excluding) the redemption date.

The Issuer may redeem the Bonds, in whole but not in part, at a redemption price equal to their principal amount, plus accrued and unpaid interest, if any, to (but excluding) the redemption date, in the event of certain changes affecting taxes of the United Kingdom, Mauritius and Cyprus. Upon the occurrence of a Change of Control Triggering Event (as defined in the terms and conditions of the Bonds), the Issuer must make an offer to purchase all of the Bonds outstanding at a purchase price equal to 101 per cent. of their principal amount, plus accrued and unpaid interest, if any, to (but excluding) the purchase date. See the section entitled "*Terms and Conditions of the Bonds — Redemption and Purchase*".

The Bonds will be direct, unconditional, unsubordinated and (subject to Condition 1(e) and Condition 3(a)) of the Bonds) unsecured obligations of the Issuer. The Guarantees will be the direct, unconditional, unsubordinated and (subject to Condition 1(e) and Condition 3(a)) of the Bonds) unsecured obligations of the Guarantors.

Issue Price: 102.75 per cent.
(plus accrued interest from, and including, September 17, 2024 to, but excluding the Settlement Date (as defined herein))

The Bonds and the Guarantees have not been and will not be registered under the Securities Act. The New Bonds are being offered to non-US persons outside the United States as defined in and in reliance on Regulation S under the Securities Act ("**Regulation S**"). Prospective purchasers are hereby notified that sellers of the Bonds may be relying on exemptions from the provisions of Section 5 of the Securities Act. The New Bonds will be initially represented by a temporary global certificate (the "**Temporary Global Certificate**") with a temporary CUSIP number, Common Code and ISIN number during the 40 days following the delivery of such New Bonds (the "**Distribution Compliance Period**"). On the first business day after the Distribution Compliance Period, such Temporary Global Certificate will be exchanged into a permanent global certificate (the "**Permanent Global Certificate**" and, together with the Temporary Global Certificate, the "**Unrestricted Global Certificates**") with the same CUSIP number, Common Code and ISIN number as the Original Bonds sold pursuant to Regulation S (together with the New Bonds, the "**Regulation S Bonds**"). The New Bonds which were offered and sold in the United States to qualified institutional buyers ("**QIBs**") in reliance on Rule 144A under the Securities Act ("**Rule 144A**") (the "**Rule 144A Bonds**") bear the Securities Act Legend (as defined in the trust deed dated the Closing Date constituting the Bonds, (the "**Trust Deed**") and were initially represented by restricted global certificates in registered form (the "**Restricted Global Certificates**" and, together with the Unrestricted Global Certificates, the "**Global Certificates**"). The Temporary Global Certificate will be deposited with a custodian for, and registered in the name of, a nominee of Cede & Co., as nominee of The Depository Trust Company ("**DTC**") for the accounts of Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream**") on the Settlement Date (as defined below). Beneficial interests in the Global Certificates will be shown on, and transfers thereof will be effected only through, records maintained by DTC and its account holders. For a description of certain further restrictions on offers, sales and transfers of the Bonds and distribution of this Offering Circular, see the sections entitled "*Plan of Distribution*" and "*Transfer Restrictions*". Delivery of the New Bonds is expected to be made against payment through the facilities of DTC on or about October 25, 2024 (the "**Settlement Date**"), which is the fourth business day after the date of this Offering Circular.

Approval in-principle has been received from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the listing of and quotation for the New Bonds on the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Admission to the Official List of the SGX-ST and quotation of the New Bonds on the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Guarantors, the Group, any of their subsidiaries, their associated companies or the Bonds. The New Bonds, if so listed, will be traded on the SGX-ST in a minimum board lot size of S$200,000 (or its equivalent in other currencies) for so long as the Bonds are listed on the SGX-ST and the rules of the SGX-ST so require. There is no public market for the Bonds.

Investing in the New Bonds involves risks. For a discussion of certain factors to be considered in connection with an investment in the Bonds, see the section entitled "*Risk Factors*".

Our Company has corporate credit rating of "B-" (with stable outlook) from S&P Global Ratings, a division of S&P Global, Inc. ("**S&P**"). The Bonds are rated "CCC+" by S&P. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation.

This Offering Circular has not been, nor will it be filed, registered, produced or published as an offer document (whether a prospectus in respect of a public offer, a statement in lieu of a prospectus or information memorandum, private placement offer cum application letter, an offering circular, an offering memorandum or other offering materials in respect of any private placement under the Companies Act, 2013, as amended, regulations formulated by Securities and Exchange Board of India or any other applicable Indian laws) with any Registrar of Companies, the Securities and Exchange Board of India, the Reserve Bank of India or any Indian stock exchange or any other statutory or regulatory body of like nature in India, save and except for any information which is mandatorily required to be disclosed or filed in India under any applicable Indian laws (including, but not limited to, the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015, as amended, and under the listing agreement with any Indian stock exchange pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended) or pursuant to the sanction of any regulatory and adjudicatory body in India. The securities mentioned herein will not be offered or sold, and have not been offered or sold, to any person resident in India by means of any document or otherwise, whether as a principal or agent. The securities mentioned herein have not been offered or sold, and will not be offered or sold to any person, in India in circumstances which would constitute an advertisement, invitation, offer, sale or solicitation of an offer to subscribe for or purchase any securities (whether to the public or by way of private placement) within the meaning of the Companies Act, 2013 or any other applicable Indian laws for the time being in force.

Joint Global Coordinators and Managers

Barclays **Citigroup** **Deutsche Bank** **J.P. Morgan** **Standard Chartered Bank**

Offering Circular dated October 21, 2024

NOTICE TO INVESTORS

This Offering Circular does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Guarantors, Barclays Bank PLC, Citigroup Global Markets Limited, Deutsche Bank AG, Singapore Branch, J.P. Morgan Securities plc or Standard Chartered Bank as joint global coordinators and managers (the "**Joint Global Coordinators and Managers**") to subscribe for or purchase, any of the New Bonds. The distribution of this Offering Circular and the offering of the New Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer, the Guarantors and the Joint Global Coordinators and Managers to inform themselves about and observe any such restrictions. This Offering Circular does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

For a description of certain further restrictions on offers and sales of the Bonds and distribution of this Offering Circular, see the sections entitled "*Plan of Distribution*" and "*Transfer Restrictions*".

No person is authorised to give any information or to make any representation not contained in this Offering Circular and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Issuer, the Guarantors or the Joint Global Coordinators and Managers. The delivery of this Offering Circular or the offering, sale and delivery of the New Bonds at any time does not imply that the information contained in this Offering Circular is correct at any time subsequent to its date.

To the fullest extent permitted by law, none of the Joint Global Coordinators and Managers, the Trustee, the Paying Agent, the Transfer Agent and the Registrar (each as defined herein) accept any responsibility for the accuracy and completeness of the contents of this Offering Circular or for any statement, made or purported to be made by the Joint Global Coordinators and Managers, the Trustee, the Paying Agent, the Transfer Agent or the Registrar or on its or their behalf in connection with the Issuer, the Guarantors or the issue and offering of the New Bonds. The Joint Global Coordinators and Managers, the Trustee, the Paying Agent, the Transfer Agent and the Registrar accordingly disclaim all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this Offering Circular or any such statement.

This Offering Circular should not be considered as a recommendation by the Issuer, the Guarantors, the Joint Global Coordinators and Managers the Trustee, the Paying Agent, the Transfer Agent or the Registrar that any recipient of this Offering Circular should purchase any of the Bonds. Each investor contemplating a purchase of the Bonds should make its own independent investigation of the Issuer's and the Guarantors' financial condition and affairs and its own appraisal of the Issuer's and the Guarantors' creditworthiness.

Investors may not reproduce or distribute this Offering Circular, in whole or in part, and investors may not disclose any of the contents of this Offering Circular or use any information herein for any purpose other than considering an investment in the Bonds. Investors agree to the foregoing by accepting delivery of this Offering Circular.

If a jurisdiction requires that the offering be made by a licenced broker or dealer and any of the Joint Global Coordinators and Managers or any affiliate of any of it is a licenced broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Joint Global Coordinators and Managers or such affiliate on behalf of the Issuer in such jurisdiction.

Market data and certain industry forecasts (where applicable) used in this Offering Circular have been obtained from internal surveys, market research, publicly available information and industry publications. Industry publications generally state that the information that they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of that information is not guaranteed. Similarly, internal surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified, and none of the Issuer, the Guarantors, the Joint Global Coordinators and Managers, the Trustee, the Paying Agent, the Transfer Agent or the Registrar make any representation as to the accuracy of the statement.

The Bonds and the Guarantees have not been and will not be registered under the Securities Act, or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered, sold, pledged or otherwise transferred except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable state securities laws.

The Bonds and the Guarantees have not been approved or disapproved by the United States Securities and Exchange Commission (the "**SEC**"), any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy or adequacy of this Offering Circular. Any representation to the contrary is a criminal offence in the United States.

STABILISATION

In connection with this offering, J.P. Morgan Securities plc will act as the stabilising manager (the "**Stabilising Manager**") and it or any of its affiliates (or persons acting on behalf of the Stabilising Manager), may, to the extent permitted by applicable laws and regulations, over allot or effect transactions with a view to supporting the market price of the New Bonds at a level higher than that which might otherwise prevail for a limited time after the Settlement Date. However, there is no assurance that the Stabilising Manager or any of its affiliates (or persons acting on behalf of the Stabilising Manager) will undertake any stabilising action. Any stabilising action may begin on or after the date on which adequate public disclosure of the terms of the offer of the New Bonds is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the Settlement Date and 60 days after the date of the allotment of the New Bonds. Any stabilisation action must be conducted by the Stabilising Manager or any of its affiliates (or persons acting on behalf of the Stabilising Manager) in accordance with all applicable laws and rules.

NOTICE TO UK INVESTORS

This Offering Circular is for distribution only to persons who (i) are outside the United Kingdom (the "**UK**"), (ii) have professional experience in matters relating to investments falling within Article 19(5) the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Financial Promotion Order**"), (iii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000, as amended (the "**FSMA**")) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "**relevant persons**"). This Offering Circular is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this document relates is available only to relevant persons and will be engaged in only with relevant persons.

This Offering Circular has been prepared on the basis that any offer of the Bonds in the UK will be made pursuant to an exemption under Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**") (the "**UK Prospectus Regulation**") from a requirement to publish a prospectus for offers of Bonds. This Offering Circular is not a prospectus for the purpose of the UK Prospectus Regulation.

UK MIFIR PRODUCT GOVERNANCE/PROFESSIONAL INVESTORS AND ECPs ONLY TARGET MARKET

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA ("**UK MiFIR**"); and (ii) all channels for distribution of the Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Bonds (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

UK PRIIPs REGULATION/PROHIBITION OF SALES TO UK RETAIL INVESTORS

The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Bonds or otherwise making them available to retail investors in the UK has been prepared and, therefore, offering or selling the Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

MIFID II PRODUCT GOVERNANCE/PROFESSIONAL INVESTORS AND ECPs ONLY TARGET MARKET

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Bonds (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

PRIIPs REGULATION/PROHIBITION OF SALES TO EEA RETAIL INVESTORS

The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014, as amended (the "**PRIIPs Regulation**") for offering or selling the Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

NOTICE TO CAPITAL MARKET INTERMEDIARIES AND PROSPECTIVE INVESTORS PURSUANT TO PARAGRAPH 21 OF THE HONG KONG SFC CODE OF CONDUCT

Prospective investors should be aware that certain intermediaries in the context of this offering of the bonds, including certain Joint Global Coordinators and Managers, are "capital market intermediaries" ("**CMIs**") subject to Paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the "**SFC Code**"). This notice to prospective investors is a summary of certain obligations the SFC Code imposes on such CMIs, which require the attention and cooperation of prospective investors. Certain CMIs may also be acting as "overall coordinators" ("**OCs**") for this offering and are subject to additional requirements under the SFC Code. Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the SFC Code as having an association (Association) with the Issuer, the CMI or the relevant group company. Prospective investors associated with the Issuer or any CMI (including its group companies) should specifically disclose this when placing an order for the bonds and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to this offering. Prospective investors who do not disclose their Associations are hereby deemed not to be so associated. Where prospective investors disclose their Associations but do not disclose that such order may negatively impact the price discovery process in relation to this offering, such order is hereby deemed not to negatively impact the price discovery process in relation to this offering.

Prospective investors should ensure, and by placing an order prospective investors are deemed to confirm, that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). If a prospective investor is an asset management arm affiliated with any Joint Global Coordinators and Managers, such prospective investor should indicate when placing an order if it is for a fund or portfolio where the Joint Global Coordinators and Managers or its group company has more than 50% interest, in which case it will be classified as a "proprietary order" and subject to appropriate handling by CMIs in accordance with the SFC Code and should disclose, at the same time, if such "proprietary order" may negatively impact the price discovery process in relation to this offering. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not such a "proprietary order". If a prospective investor is otherwise affiliated with any Joint Global Coordinators and Managers, such that its order may be considered to be a "proprietary order" (pursuant to the Code), such prospective investor should indicate to the relevant Joint Global Coordinators and Managers when placing such order. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not such a "proprietary order". Where prospective investors disclose such information but do not disclose that such "proprietary order" may negatively impact the price discovery process in relation to this offering, such "proprietary order" is hereby deemed not to negatively impact the price discovery process in relation to this offering.

Prospective investors should be aware that certain information may be disclosed by CMIs (including Private Banks) which is personal and/or confidential in nature to the prospective investor. By placing an order, prospective investors are deemed to have understood and consented to the collection, disclosure, use and transfer of such information by the Joint Global Coordinators and Managers and/or any other third parties as may be required by the SFC Code, including to the Issuer, any OCs, relevant regulators and/or any other third parties as may be required by the SFC Code, it being understood and agreed that such information shall only be used for the purpose of complying with the SFC Code, during the bookbuilding process for this offering. Failure to provide such information may result in that order being rejected.

NOTICE TO MAURITIUS INVESTORS AND MAURITIUS LAW DISCLOSURES

The Bonds may not be offered or sold, directly or indirectly, to the public in Mauritius except as permitted by the Mauritius Securities Act 2005. Neither this Offering Circular, nor any offering material or information contained herein relating to the offer of Bonds and the Guarantees, may be treated as a prospectus for the purposes of the Mauritius Securities Act 2005 or be released or issued to the public in Mauritius or used in connection with any such offer. Nothing in this Offering Circular shall be construed as, and under no circumstances shall this Offering Circular constitute, an offer to sell the Bonds to the public. This Offering Circular has not and will not be registered with the Financial Services Commission of Mauritius ("**FSC**") and the FSC expresses no opinion as to the matters contained in this Offering Circular and as to the merits on an investment in the Bonds. There is no statutory compensation scheme in Mauritius in the event of the Issuer's failure and the FSC does not vouch for the financial soundness of the Issuer.

NOTICE TO CYPRUS INVESTORS

Nothing in this Offering Circular shall be interpreted or deemed as containing an offer or invitation to, or solicitation of, any such circulation, distribution, placement, sale or other transfer of any securities in the territory of the Republic of Cyprus. This Offering Circular (i) is addressed solely to qualified investors within the meaning of the Prospectus Regulation (Regulation 2017/1129/EU), as amended, and, to the extent that it applies following the entry into force of the Prospectus Regulation, the Cyprus Prospectus Law L. 114(I)/2005, as amended (together, the "**Cyprus Prospectus Laws**"), (ii) does not constitute an offer or solicitation to the public, or any segment of the public, in Cyprus within the meaning of the Cyprus Prospectus Laws or the Companies Law Cap. 113 of the statute laws of Cyprus, (iii) has not nor will be submitted for clearance to nor approved by the Cyprus Securities and Exchange Commission as a prospectus within the meaning of the Cyprus Prospectus Laws and (iv) must not be distributed or circulated into Cyprus unless and to the extent permitted under the laws of the Republic of Cyprus.

AVAILABLE INFORMATION

For so long as any of the Bonds and the Guarantees remain outstanding and are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer will, during any period in which it is neither subject to Section 13 or Section 15(d) of the US Securities Exchange Act of 1934 (the "**Exchange Act**") nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide to any holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner or to the Trustee for delivery to such holder, beneficial owner or prospective purchaser, in each case upon the request of such holder, beneficial owner, prospective purchaser or the Trustee, the information required to be provided by Rule 144A(d)(4) under the Securities Act.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Offering Circular contains "forward-looking statements" that are based on our expectations, assumptions, estimates and projections about our business and industry. These forward-looking statements are subject to various risks and uncertainties. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "*anticipate*", "*believe*", "*estimate*", "*expect*", "*intend*", "*will*", "*project*", "*seek*", "*should*" and similar expressions. These statements include the discussions of our business strategy and expectations concerning its market position, future operations, margins, profitability, liquidity and capital resources. Such forward-looking statements involve risks and uncertainties and, although we believe that the assumptions on which such forward-looking statements are based are reasonable, any of those assumptions could prove to be inaccurate and, as a result, the forward-looking statements based on those assumptions could be materially incorrect.

Factors which could cause these assumptions to be incorrect include:

- the Proposed Demerger remains subject to regulatory approvals and lender consents. It may not be consummated or result in the expected benefits;
- we have a significant amount of indebtedness and our ability to refinance our existing indebtedness is dependent on fees and distributions received from our Group;
- our ability to refinance our existing indebtedness is dependent upon our ability to raise capital or obtain funding;
- our future expansions and acquisitions are dependent upon our ability to raise capital;
- the volatility of commodity prices may cause a material adverse effect on our revenue, results of operations, cash flows and financial condition;
- our results of operations have been and are expected to continue to be substantially dependent on the reserves, production and the cost of production at certain key assets; if we cannot secure additional reserves at competitive costs, our profitability and operating margins could decline;
- our businesses depend upon certain third parties for the supply of our raw material, equipment and services, the execution of projects and, as well as the offtake of our production;
- we are subject to covenants under our credit facilities that limit the flexibility in managing our business; and
- we depend on the experience and management skill of certain of our key managerial personnel and senior management.

These and other factors are more fully discussed in the sections entitled "*Risk Factors*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations"* and elsewhere in this Offering Circular. In light of these and other uncertainties, you should not conclude that we will necessarily achieve any plans, objectives or projected results referred to in any of the forward-looking statements. Except as required by law, we do not undertake to release revisions of any of these forward-looking statements to reflect future events or circumstances.

PRESENTATION OF INFORMATION

Certain Conventions

In this Offering Circular, unless otherwise specified or the context otherwise indicates or implies, references to "**Company**" are to Vedanta Resources Limited and references to "**Vedanta**", "**Group**", "**we**", "**us**" or "**our**" are to our Company together with its subsidiaries, joint ventures and its associates, on a consolidated basis.

In this Offering Circular, references to "**US**" or the "**United States**" are to the United States of America, its territories and its possessions. References to "**UK**" are to the United Kingdom; references to "**India**" are to the Republic of India; references to "**Australia**" are to the Commonwealth of Australia; references to "**Zambia**" are to the Republic of Zambia; references to "**South Africa**" are to the Republic of South Africa; references to "**EU**" are to the European Union as established by the Treaty on European Union.

In this Offering Circular, references to the London Metal Exchange Limited ("**LME**") price of copper, zinc or aluminium are to the average cash seller and settlement price on the LME for copper, zinc or aluminium for the period indicated.

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Presentation of Financial Information

Vedanta Resources Limited

Our audited consolidated financial statements as of and for Fiscal Year 2024 (the "**Fiscal Year 2024 Financial Statements**") and as of and for Fiscal Year 2023 (the "**Fiscal Year 2023 Financial Statements**" and together with the Fiscal Year 2024 Financial Statements, the "**Audited Financial Statements**"), included elsewhere in this Offering Circular, have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as adopted by the United Kingdom. The Audited Financial Statements have been audited by MHA (a trading name of MacIntyre Hudson LLP), independent auditors, as stated in their reports included elsewhere in this Offering Circular. MHA is a member of the Institute of Chartered Accountants in England & Wales. The consolidated financial information for our Company as of and for Fiscal Years 2023 and 2024, included elsewhere in this Offering Circular has been derived from the Audited Financial Statements. The consolidated financial information as of and for Fiscal Year 2022 has been extracted from the comparative information included in the Fiscal Year 2023 Financial Statements. The Audited Financial Statements should be read in conjunction with the respective notes and audit reports thereto.

Vedanta Limited

As we have not prepared or published any financial statements (on a consolidated or a standalone basis), including interims, up to any date subsequent to March 31, 2024, we have included Vedanta Limited's unaudited consolidated interim financial statements for the three months ended June 30, 2024 ("**Vedanta Limited's Unaudited Consolidated Condensed Interim Financial Statements**") together with Vedanta Limited's audited consolidated financial statements for Fiscal Year 2024 ("**Vedanta Limited's Audited Financial Statements**") elsewhere in this Offering Circular. Vedanta Limited is the primary operating subsidiary of our Company and includes all of our operating assets except for KCM. Following the loss of control, KCM was deconsolidated on May 21, 2019. However, the board of KCM was subsequently reinstated on July 31, 2024, and accordingly we regain control from such date. For Fiscal Year 2024, Vedanta Limited, on a consolidated basis together with its subsidiaries, joint ventures and its associates, contributed 99% of our EBITDA. Whilst we believe that the financial conditions, cash flow and results of operation of Vedanta Limited (on a consolidated basis) as reflected in Vedanta Limited's Unaudited Consolidated Condensed Interim Financial Statements provides a meaningful reflection of our financial conditions, cash flow and results of operations expected for same period, there can be no assurance and none of the Joint Global Coordinators and Managers or any of their respective affiliates, directors or advisors makes any representation or warranty, express or implied that Vedanta Limited's Unaudited Consolidated Condensed Interim Financial Statements would be sufficiently representative of our financial condition and results of operations expected for the same period. See the section entitled "*Risk Factors — Risks Relating to Business — Vedanta Limited's Unaudited Consolidated Condensed Interim Financial Statements may not be representative of our financial condition, results of operations and cash flow for the same period*.". In addition, certain items, such as total indebtedness of certain of our offshore subsidiaries, including the Subsidiary Guarantors, would not be reflected in Vedanta Limited's consolidated financial statements.

Vedanta Limited's Audited Financial Statements have been prepared in accordance with Indian Accounting Standards ("**Ind AS**") and Vedanta Limited's Unaudited Consolidated Condensed Interim Financial Statements have been prepared in accordance with Ind AS – 34 "*Interim Financial Reporting*" prescribed under Section 133 of the Companies Act and other accounting principles generally accepted in India. Significant differences exist between Ind AS and IFRS, hence the adjustments that are ultimately required to convert from Ind AS to IFRS could be significant. For a summary of the significant differences between Ind AS and IFRS, see the section entitled "*Summary of Significant Differences Between IFRS and Ind AS*". Potential investors should consult their own professional advisers for an understanding of the differences between Ind AS and IFRS, and how these differences might affect their understanding of the financial information contained herein.

Vedanta Limited's Unaudited Consolidated Condensed Interim Financial Statements has been reviewed by S.R. Batliboi & Co. LLP in accordance with the Standard on Review Engagements (SRE) 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*" issued by the Institute of Chartered Accountants of India, as stated in their reports included elsewhere in this Offering Circular. S.R. Batliboi & Co. LLP, Chartered Accountants is registered with the Institute of Chartered Accountants of India. In addition, Vedanta Limited's Audited Financial Statements have been audited by S.R. Batliboi & Co. LLP as stated in their reports included elsewhere in this Offering Circular.

The financial information of Vedanta Limited for the three months ended June 30, 2024 has been derived from Vedanta Limited's Unaudited Consolidated Condensed Interim Financial Statements. The financial information of Vedanta Limited for the three months ended June 30, 2023 has been derived from the comparative information included in Vedanta Limited's Unaudited Consolidated Condensed Interim Financial Statements. Vedanta Limited's Unaudited Consolidated Condensed Interim Financial Statements should not be relied upon by investors to provide the same quality of information associated with information that has been subject to an audit. In addition, Vedanta Limited's Unaudited Consolidated Condensed Interim Financial Statements are not necessarily indicative of results expected for a full Fiscal Year of for any future period and should not be taken as an indication of the expected financial condition and results of operations of Vedanta Limited for Fiscal Year 2025. Vedanta Limited's Unaudited Consolidated Condensed Interim Financial Statements should be read in conjunction with the notes and the review report thereto.

General

Rounding adjustments have been made in calculating some of the information included in this Offering Circular. As a result, amounts shown as totals in some tables may not be exact arithmetic aggregations of the figures that precede them.

References to a particular "**Fiscal Year**" or "**FY**" are to a financial year ended or ending March 31 of that year. References to a year other than a "**Fiscal Year**" are to the calendar year or "**CY**" ended December 31.

Currencies and Conversions

In this Offering Circular, references to "**$**", "**US$**" or "**US dollars**" are to the legal currency of the United States; references to "**GBP**" or "**£**" are to the legal currency of the United Kingdom; references to "**₹**", "**INR**", "**Rupee**" or "**Indian Rupee**" are to the legal currency of India.

Unless otherwise indicated, the financial information contained in this Offering Circular has been expressed in US dollars. The US dollar equivalent information presented in this Offering Circular for Indian Rupee has been calculated based on the Oanda Rate on June 30, 2024 which was ₹83.4198 per $1.00. The exchange rates presented in this Offering Circular for each period may have differed from the exchange rates used in the preparation of financial statements included elsewhere in this Offering Circular.

References to "**crores**" in this Offering Circular are to the following:

One lakh	100,000 (one hundred thousand)
One crore	10,000,000 (ten million)
Ten crores	100,000,000 (one hundred million)
One hundred crores	1,000,000,000 (one thousand million or one billion)

Basis of Presentation of Our Reserves and Resources

Ore Reserves and Mineral Resources

The reported reserves are defined as being either "**Ore Reserves**" if reported in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 Edition, prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (the "**JORC Code**"). The reported mineral resources are defined as "**Mineral Resources**" if reported in accordance with the JORC Code (2012).

The reported Ore Reserves of each project, and Mineral Resources for certain projects, are derived following a systematic evaluation of geological data and a series of technical and economic studies by our geologists and engineers. The results and procedures used in the majority of these studies have been periodically reviewed by independent consultants.

- The Mineral Resources and Ore Reserves of HZL's mines were audited as of March 31, 2024 by SRK Consulting (UK) Limited and are reported in accordance with the terms and definitions of the JORC Code (2012). The details of the responsible Competent Persons are included in "*Annex C – Mineral Resource and Ore Reserve Reporting*".
- The Mineral Resources and Ore Reserves of Black Mountain Mining's Black Mountain mine were audited as of March 31, 2024 by SRK Consulting (UK) Limited and are reported in accordance with the terms and definitions of the JORC Code (2012). The details of the responsible Competent Persons are included in "*Annex C – Mineral Resource and Ore Reserve Reporting*".
- The Mineral Resources and Ore Reserves of Black Mountain Mining's Gamsberg mines were audited as of March 31, 2024 by SRK Consulting (UK) Limited and are reported in accordance with the terms and definitions of the JORC Code (2012). The details of the responsible Competent Persons are included in "*Annex C – Mineral Resource and Ore Reserve Reporting*".
- The Mineral Resources and Ore Reserves of Skorpion were audited as of March 31, 2024 by SRK Consulting (UK) Limited and are reported in accordance with the terms and definitions of the JORC

Code (2012). The details of the responsible Competent Persons are included in "*Annex C – Mineral Resource and Ore Reserve Reporting*".

- The Mineral Resources and Ore Reserves of the iron ore mines of Vedanta Limited were audited as of March 31, 2024 by SRK Mining Services (India) Private Limited and are reported in accordance with the terms and definitions of the JORC Code (2012). The details of the responsible Competent Persons are included in "*Annex C – Mineral Resource and Ore Reserve Reporting*".

The estimation of the quantity and quality of the mineral occurrence is defined in two stages. In the first stage, the location, quantity, grade, geological characteristics and continuity of Mineral Resources are interpreted and estimated from specific geological evidence and knowledge. The geological evidence is gathered from exploration, sampling and testing information through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories. Please see "*Annex B – Mineral Resources (Exclusive Reporting Basis)*". Furthermore, all Mineral Resources are reported on an exclusive basis where for the avoidance of doubt, the Mineral Resources exclude those Measured and Indicated Mineral Resources which have been modified to derive Ore Reserves. The definitions of the terms relied on in the JORC Code (2012) are included in the glossary to this Offering Circular. The effective date of the audits is March 31, 2024, as such all consultants confirm that they have not reviewed any additional technical information subsequent to this effective date whether with respect to material changes or otherwise.

This Offering Circular references various production expansion projections currently proposed by us, and in addition, associated capital expenditures. The Ore Reserve audits as completed by SRK Consulting (UK) Limited or all other consultants have been assessed in the context of current production levels and as such any expansion or associated capital expenditures have not been audited by all consultants.

All Mineral Resources and Ore Reserves are reported on a 100% basis and as such do not reflect the quantum which would be attributable to us based on its equity interest. This Offering Circular includes technical information, which requires subsequent calculations to derive subtotals, totals and weighted averages. Such calculations may involve a degree of rounding and consequently introduce a margin of error. Where such errors occur, we do not consider them to be material.

The JORC Code (2012) specifies that reporting of Mineral Resources and Ore Reserves should be accompanied by certain additional supplemental information, for example as referenced in Table 1 of the JORC Code (2012).

In the second stage, the "Ore Reserve" is defined. An "**Ore Reserve**" is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses which may occur when the material is mined. Appropriate assessments and studies have been carried out and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate that at the time of reporting that extraction could reasonably be justified. Ore Reserves are sub-divided in order of increasing confidence into Probable Ore Reserves and Proved Ore Reserves.

Although we provide certain life of mine estimates on the basis of Ore Reserves and Mineral Resources, investors are cautioned to use the life of mine estimates based solely on Ore Reserves in "*Annex A — Life of Mines*" as the base case for any assessment of the life of a mine.

SRK Consulting (UK) Limited noted that the geological information at Rampura Agucha, Sindesar Khurd, Rajpura Dariba and Kayad is modelled using commercial geological modelling software and the information at the Zawar Group mines is modelled using a combination of geological modelling software and on paper-based sections.

Oil, Condensate and Marketable Gas Reserves and Contingent Resources

Estimates of our proved, probable, and possible reserves and contingent resources as of March 31, 2024 have been prepared according to the Petroleum Resources Management System ("**PRMS**") approved in March 2007 and revised in June 2018 by the Society of Petroleum Engineers, the World Petroleum Council, the American Association of Petroleum Geologists, the Society of Petroleum Evaluation Engineers, the Society of Exploration Geophysicists, the Society of Petrophysicists and Well Log Analysts, and the European Association of Geoscientists & Engineers.

The PRMS standard is a referenced standard in published guidance notes of the London Stock Exchange. The proved, probable, and possible oil, condensate, and marketable gas reserves and the contingent resources were independently estimated by DeGolyer and MacNaughton as of March 31, 2024.

The contingent resources estimated herein are those volumes of oil or gas that are potentially recoverable from known accumulations, but which are not currently considered to be commercially recoverable because development is either pending or is under evaluation or is currently not considered viable under existing technical/commercial conditions. Because of the uncertainty of commerciality and the lack of sufficient exploration drilling, the Resources estimated herein cannot be classified as Reserves. The Resources estimates herein are provided as a means of comparison to other resources and do not provide a means of direct comparison to Reserves.

We retained DeGolyer and MacNaughton to conduct independent reviews of the proved, probable, and possible oil, condensate, and marketable gas reserves and the contingent resources as of March 31, 2024.

Reserves and Production

In this Offering Circular, unless expressly stated otherwise, references to reserves and production are to total reserves and total production, respectively. For example, total Ore Reserves and total production mean that part of the Ore Reserves from a mine and that part of the production at mines and operations, respectively, that our subsidiaries have an interest in or rights over.

We do not wholly own certain of its subsidiaries and therefore total reserves and total production include reserves and production, respectively, attributable to third-party interests in controlled subsidiaries. Rounding adjustments have been made in calculating some of the reserves and production information included in this Offering Circular. As a result, numerical figures shown as totals in some tables may not be exact arithmetic aggregations of the figures that precede them.

INVESTORS ARE ADVISED THAT THE REPORTING REGIMES USED IN THIS OFFERING CIRCULAR ARE NOT COMPLIANT WITH THE RELEVANT RULES AND REGULATIONS OF THE SEC.

CERTAIN ENFORCEMENT OF CIVIL LIABILITIES CONSIDERATIONS AND LIMITATIONS ON THE VALIDITY AND ENFORCEABILITY OF THE GUARANTEES

Mauritius

Twin Star is a private limited company incorporated under the laws of Mauritius. A judgment obtained in a foreign court may be enforced in Mauritius pursuant to a procedure known as exequatur. The Supreme Court of Mauritius (the "**Supreme Court**") may register and enforce, by way of exequatur under article 546 of the *Code de Procédure Civile*, an *in personam* judgment of a foreign court obtained against us without reconsideration of the merits, if (i) the judgment remains valid and capable of execution in the country where it was delivered, (ii) Twin Star has been properly summoned to the proceedings leading to the judgment; and (iii) the foreign court had jurisdiction over us and the matter submitted to it. The Supreme Court can refuse to recognise and enforce a judgment obtained in a foreign court if (i) the judgment is contrary to any principle affecting public order, as such term is interpreted under Mauritian law, (ii) the judgment was obtained by fraud or in a manner contrary to the principles of natural justice, including in respect of procedure, or (iii) the judgment is for a claim that under Mauritian law would be characterised as based on a tax or as being expropriatory, penal or contrary to any other public law.

In addition, the Supreme Court has discretion to stay or decline to hear an action on the foreign judgment if the foreign judgment is under appeal or there is another subsisting judgment in any jurisdiction relating to the same cause of action as the foreign judgment.

There exists also an alternative procedure for enforcement of judgments rendered by superior courts in the UK and the enforcement of such UK judgments will be made in accordance with the Reciprocal Enforcement of Judgments Act 1923.

A foreign arbitral award may be recognised and enforced in Mauritius pursuant to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards Act 2001. The recognition and enforcement of the foreign arbitral award may be refused by the Supreme Court at the request of the party against whom it is invoked on certain limited grounds. Further, the recognition and enforcement can also be refused if the Supreme Court finds that the subject-matter of the dispute is not capable of settlement by arbitration under the law of Mauritius or the recognition or enforcement of the award would be contrary to the public policy of Mauritius.

Cyprus

Limitations on the validity and enforcement of the Guarantee by applicable laws or certain defences

Enforcement of the Guarantee against Welter, a Subsidiary Guarantor, may be subject to certain laws and defences available to guarantors in the Republic of Cyprus including, among others, those that relate to corporate interest or benefit, capacity and authority, fraudulent assignment or transfer, voidable preference, financial assistance, corporate purpose, transactions under value, capital maintenance or similar laws, insolvency, examinership or bankruptcy challenges and regulations or defences affecting the rights of creditors generally.

Other defences may be open to Welter, as a Subsidiary Guarantor, under Cyprus Law (including certain sections of the Cyprus Contracts Law Cap. 149, as amended) such as, without limitation, (i) illegality of the obligations of the Issuer which are being guaranteed, (ii) that the Guarantee has been secured by means of a misrepresentation, (iii) that the terms of any Bonds guaranteed by Welter have been varied without the consent of the guarantor, (iv) that the liability of the Issuer, as principal debtor, has been discharged, (v) that the Bondholders in respect of any Bonds, as creditors, make a composition with, promise to give time to or not to sue the Issuer, unless the guarantor assents to such contract; (vi) that such Bondholders have done any act which is inconsistent with the rights of the guarantor and the eventual remedy of the guarantor itself against the Issuer is thereby impaired; (vii) if the security granted by the Issuer has been lost or parted with; and/or (viii) the surety is discharged.

If one or more of these laws and defences is applicable, Welter, in its capacity as Subsidiary Guarantor, may have no liability or decreased liability under its Guarantee or the Guarantee could be subject to legal challenge. Under the laws of the Republic of Cyprus, a continuing guarantee may, at any time, be revoked by the guarantor concerned, as to future transactions.

Rights under the Transaction Documents are subject to the solvency of Welter and applicable insolvency laws

There is a risk that the giving of the Guarantee or the execution of any Trust Deed, Subscription Agreement or other transaction document by Welter (the "**Transaction Documents**"), was made in contravention of applicable insolvency laws, for example: (i) the Transaction Documents were entered into or realized with the intention to hinder, delay or defraud any present or future creditor or to prefer any creditor, (ii) Welter was or has become, because of entry into the Transaction Documents, unable to pay its debts (taking into account its contingent and prospective liabilities), or (iii) Welter made any payment to or entered into any arrangement with any of its creditors for the purpose of putting that creditor in a better position than it would have been in if Welter went into liquidation. In these circumstances, in winding-up proceedings, the creditors or liquidator of Welter could challenge the Transaction Documents, including the Guarantee, and the court may, if it makes certain findings, *inter alia* (a) avoid or invalidate Welter's obligations under the Guarantee, (b) direct the recovery of any sums paid under the Guarantee to the relevant Bondholders or (c) take any other action detrimental to such Bondholders.

Under Cyprus law, pursuant to section 301 of the Companies Law Cap. 113 of the statute laws of Cyprus, any conveyance, charge, mortgage, delivery of goods, payment, execution or other act relating to property made or done by or against a company within six months before the commencement of its winding-up which, had it been made or done by or against an individual within six months before the presentation of a bankruptcy petition on which he is adjudged bankrupt, would be deemed in his bankruptcy a fraudulent preference, shall, in the event of the company being wound up, be deemed a fraudulent preference of its creditors and be invalid accordingly. On that basis, the Transaction Documents, including the Guarantee, may be subject to hardening periods.

Documents executed by Welter may not be admissible before a Cypriot court

Stamp duty is charged on every document specified in the Stamp Duty Law, Law no. 19/1963 (as amended) (the "**Stamp Duty Law**") if it relates to any property situated in the Republic of Cyprus or to any matter or thing to be performed or done in the Republic of Cyprus. A document that is chargeable with stamp duty under the provisions of the Stamp Duty Law, must be stamped (a) if executed within the Republic of Cyprus, within 30 days of the date of its execution or (b) otherwise, within 30 days of its receipt in the Republic of Cyprus.

Transaction Documents executed by Welter, a company incorporated under the laws of the Republic of Cyprus, may be deemed to be subject to the payment of stamp duty under Cyprus law if received in the Republic of Cyprus. Any failure to pay stamp duty on the relevant Transaction Documents will affect the admissibility of the document into evidence in civil proceedings before a competent Cypriot court, which may prevent any Bondholders (and other contracting parties to the relevant documents) from recovering in part or in full any amount due from Welter in connection with the relevant Bonds and the Transaction Documents. Additionally, penalties may be incurred on the amount of stamp duty that is due but unpaid. For a discussion on the current stamp duty rates, refer to the "*Taxation*" section and specifically the section titled "*Certain Cypriot Taxation Considerations*".

Enforcement of judgments in Cyprus

Welter, a Subsidiary Guarantor, is organized under the laws of the Republic of Cyprus. The courts of the Republic of Cyprus will not recognise and/or enforce any judgment given by the courts of a foreign country, unless (a) the Republic of Cyprus has entered into a bilateral treaty or international convention for the reciprocal enforcement of judgments with such country and, in such case, only in accordance with the terms of such treaty or convention and/or (b) such recognition and/or enforcement is otherwise in accordance with the applicable national laws of Cyprus. Any final judgment obtained in a court of member state of the EU and enforceable in that EU member state shall be recognized and enforced in the Republic of Cyprus subject to and in accordance with the Recast Brussels Regulation (EC) No. 1215/2012 of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters. The Republic of Cyprus is also party to the United Nations (New York) Convention on the Recognition and Enforcement of Foreign Arbitral Awards 1958 (the "**New York Convention**"). Consequently, a foreign arbitral award obtained in a state which is party to the New York Convention should be recognised and enforced by a Cypriot court in accordance with the procedure and subject to the matters set out in the New York Convention and the Cypriot International Commercial Arbitration Law, Law No. 101/87, although a Cyprus court will not recognise as binding an arbitration award or issue an order for its enforcement under certain circumstances.

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SUMMARY

This summary highlights information contained elsewhere in this Offering Circular and does not contain all of the information that you should consider before investing in the Bonds. You should read this entire Offering Circular, including "Risk Factors" and the financial statements included elsewhere in this Offering Circular, before making an investment decision. This Offering Circular includes forward-looking statements that involve risks and uncertainties. See the section entitled "Special Note Regarding Forward-Looking Statements" for more information.

The following discussion is intended to convey our management's perspective on our financial condition and results of operations. Please read "Presentation of Financial Information" before reading this section. This section should be read together with "Risk Factors", "Industry Overview", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Selected Consolidated Financial Information". This section contains forward-looking statements. Our actual results may differ materially from those expressed in, or implied by, these forward-looking statements. See "Forward-Looking Statements" for a discussion of the risks and uncertainties related to those statements and "Risk Factors" for a discussion of certain factors that may affect our business, financial condition, results of operations or cash flows.

Unless stated or the context requires otherwise, all financial information is presented on a consolidated basis, and such financial information as of and for Fiscal Years 2023 and 2024 has been derived from the Audited Financial Statements, included elsewhere in this Offering Circular, and such financial information as of and for Fiscal Year 2022 has been extracted from the comparative information included in the Fiscal Year 2023 Financial Statements, included elsewhere in this Offering Circular.

*Certain information in this section includes extracts from a report by ICRA Analytics Limited titled 'Industry Overview Report for Vedanta Ltd.' dated July 5, 2024 (the "**ICRA Report**"), which has been exclusively commissioned and paid for by us in connection with this offering of the Bonds. The relevant industry sources are indicated at all relevant places within this section. For more information, see "Risk Factors — Risks Relating to Business. Third party statistical and industry related data in this Offering Circular may be incomplete or unreliable and any reliance on such information for making an investment decision in this offering of the Bonds is subject to inherent risk". None of us, the Joint Global Coordinators and Managers or any other person connected with the offering of the Bonds has independently verified all the information contained in the ICRA Report.*

Overview

We are a globally diversified natural resource group engaged in exploring, extracting and processing minerals and oil and gas. As of March 31, 2024, we are the largest aluminium producer in India accounting for approximately 56.5% of the overall smelting capacity in the country and are the second largest producer of zinc and the third largest silver producing company in the world (*Source: ICRA Report*). We have operations in India, Namibia, Ireland, South Africa, Liberia, UAE, Zambia, Japan, South Korea and Taiwan. This geographical reach and diverse portfolio of commodities allow us to capitalise on regional market demands and economic strengths.

Our Group is primarily engaged in the following businesses: (i) aluminium ("**Aluminium Business**"), (ii) zinc, lead and silver ("**Zinc, Lead and Silver Business**"), (iii) oil and gas ("**Oil and Gas Business**"), (iv) copper ("**Copper Business**") (v) iron ore ("**Iron Ore Business**"), (vi) steel ("**Steel Business**") and (vii) commercial power generation ("**Power Business**").

(i) Aluminium Business – Our Aluminium Business is the largest aluminium producer in India and accounts for approximately 56.5% of the overall smelting capacity in the country (*Source: ICRA Report*), with present installed capacity of 2.4 mtpa aluminium capacity. We have a market share of approximately 45% in the primary aluminium production sector in India (*Source: ICRA Report*). Our Aluminium Business is conducted by Vedanta Limited in Odisha and also through our subsidiary, Bharat Aluminium Company Limited ("**BALCO**"), in Chhattisgarh, India. Vedanta Limited's operations include 1.8 mtpa smelter at Jharsuguda in Odisha, an alumina refinery at Lanjigarh and captive power plants. BALCO's operations include the Chotia coal block, a 1,410 MW captive power plant, a 245 ktpa aluminium smelter, a 325 ktpa aluminium smelter and the fabrication facilities in Chhattisgarh.

(ii) *Zinc, Lead and Silver Business* – Our Zinc, Lead and Silver Business comprises operations in India ("**Zinc India**") and outside India ("**Zinc International**"). Our Zinc India Business is conducted through our subsidiary, Hindustan Zinc Limited ("**HZL**"). HZL is the second largest producer of zinc and the third largest silver producing company in the world (*Source: ICRA Report*) and has five zinc-lead mines at the Agucha, Kayad, Sindesar Khurd, Dariba and Zawar facilities in Rajasthan. Our Zinc International Business is conducted through several subsidiaries, namely, THL Zinc Namibia Holdings Limited and its subsidiaries ("**Skorpion**") in Namibia, Vedanta Lisheen Holdings Limited and its subsidiaries ("**Lisheen**") in Ireland and Black Mountain Mining Pty Ltd ("**Black Mountain Mining**") in South Africa. Zinc India produced 817 kt of zinc, 216 kt of lead and 746 tonnes of silver in Fiscal Year 2024 and produced 211 kt of zinc, 51 kt of lead and 167 tonnes of silver during the three months ended June 30, 2024, while Zinc International produced 208 kt of metal-in-concentrate in Fiscal Year 2024 and produced 38 kt of metal-in-concentrate during the three months ended June 30, 2024.

(iii) *Oil and Gas Business* – Our Oil and Gas Business is conducted by Vedanta Limited and its subsidiary, Cairn Energy Hydrocarbons Limited ("**CEHL**"). We contributed approximately 25% of India's domestic crude oil production during Fiscal Year 2024 (*Source: ICRA Report*). Our Oil and Gas Business produced 46.7 mmboe of gross operated production in Fiscal Year 2024 across its diversified asset base of 62 blocks in India. The blocks are primarily located across the Indian basins in Barmer, Krishna-Godavari, Cambay, Assam, Gujarat Kutch and Cauvery.

(iv) *Copper Business* – Our Copper Business comprises operations in India and the UAE. Our Copper Business in India is conducted by Vedanta Limited and our business in the UAE is operated by our subsidiary, Fujairah Gold FZC ("**Fujairah Gold**").

(v) *Iron Ore Business* – Our Iron Ore Business comprises operations in India and Liberia. We are one of the leading iron ore producers in India in Fiscal Year 2024 (*Source: ICRA Report*). Our Iron Ore Business is conducted by Vedanta Limited in Goa and Karnataka, India and our Iron Ore Business in Liberia is conducted through our subsidiary, Western Cluster Limited ("**WCL**").

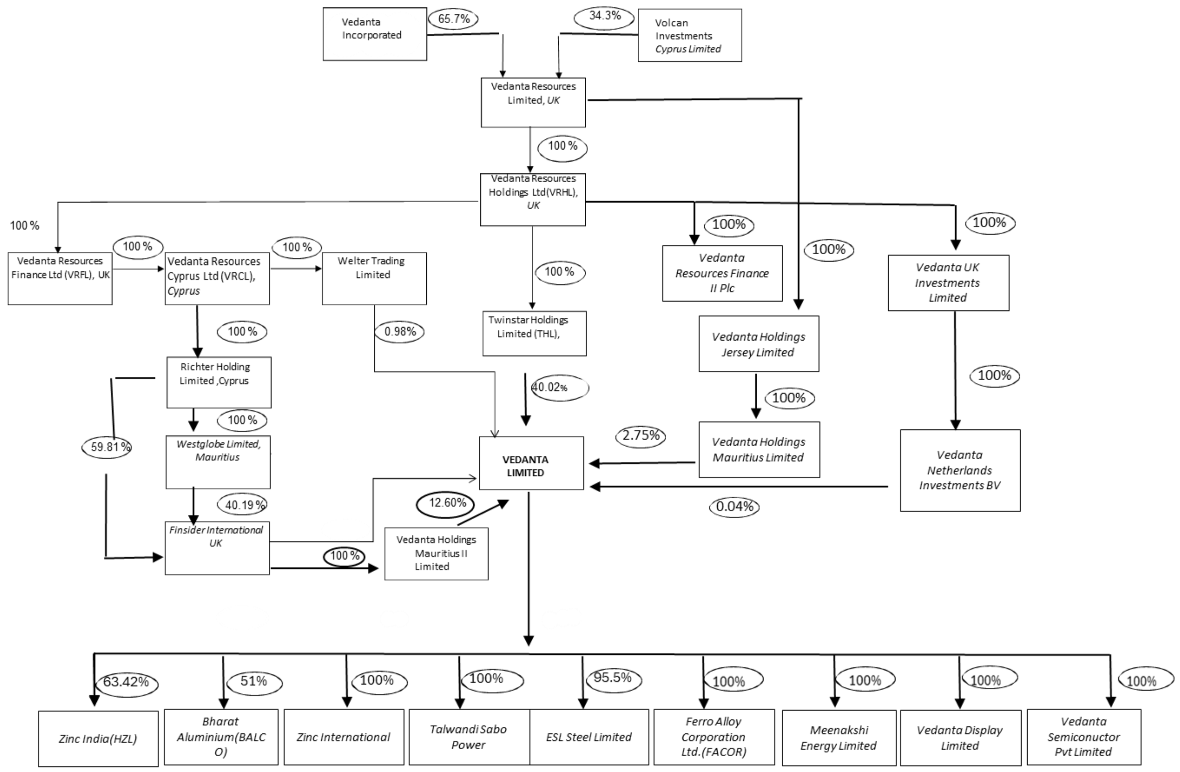
(vi) *Steel Business* – Our Steel Business is conducted through our subsidiary, ESL Steel Limited ("**ESL**"). ESL's manufacturing facility is a greenfield integrated steel plant located near Bokaro, Jharkhand, India, which has a current capacity of 1.7 mtpa.

(vii) *Power Business* – Our Power Business is primarily conducted by Vedanta Limited and our subsidiary, Talwandi Sabo Power Limited ("**TSPL**"). Our Power Business has power purchase agreements ("**PPAs**") in place with public utilities involved in power distribution for 2,580 MW of our merchant capacity.

For Fiscal Years 2022, 2023 and 2024, we reported revenue (before special items) of $17,619 million, $18,141 million and $17,128 million and EBITDA of $6,255 million, $4,608 million and $4,718 million, respectively.

Group Structure

The following chart depicts our Group's corporate structure as of March 31, 2024. We own other subsidiaries that are not material and are not shown in the chart below.



Recent Developments

Credit Ratings

On October 16, 2024, S&P downgraded our senior unsecured note rating (including the Original Bonds) from "B-" to "CCC+", while our issuer credit rating remains at "B-" with stable outlook as there is no change in the underlying credit profile of our Company. The rating action follows the review of S&P's jurisdiction assessment of the insolvency regime in India. S&P now differentiates the issue ratings on debt that is materially subordinated to other better-positioned or more senior-ranking debt in India. The downgrade in the issue ratings reflects material subordination risk for unsecured lenders due to the presence of substantial secured and priority debt in our capital structure.

Financial performance of HZL as of and for the six months ended September 30, 2024

On October 18, 2024, HZL published its unaudited consolidated financial statements as of and for the six months ended September 30, 2024 (the "**HZL September 2024 Unaudited Financials**"), which have been filed with the BSE Limited (the "**BSE**"). The HZL September 2024 Unaudited Financials should not be relied upon by potential investors to provide the same quality of information associated with information that has been subject to an audit. The HZL September 2024 Unaudited Financials should not be taken as an indication of the expected financial condition or results of operations of the Group or HZL for the full financial year ending March 31, 2025. None of the Joint Global Coordinators and Managers, the Trustee, the Agents or any of their respective affiliates, directors, officers, employees, agents, representatives or advisers or any person who controls any of them makes any representation or warranty, express or implied, regarding the accuracy, completeness and sufficiency of the HZL September 2024 Unaudited Financials. The HZL September 2024 Unaudited Financials have not been included in, and do not constitute part of, this Offering Circular. See "*Risk Factors — Risks*

Relating to our Business — Potential investors should not place undue reliance on HZL's unaudited financial information or the discussion of material financial trends in relation to HZL's unaudited financial information as of and for the six months ended September 30, 2024."

For the six months ended September 30, 2024, HZL recorded an increase in revenue from operations as compared to the six months ended September 30, 2023, primarily due to increase in LME prices and favourable exchange rate movement.

For the six months ended September 30, 2024, HZL recorded an increase in total expenses as compared to the six months ended September 30, 2023, primarily due to an increase in changes in inventories of finished goods and work-in-progress and an increase in mining royalty, depreciation and amortization, finance costs and other expenses.

For the six months ended September 30, 2024, HZL recorded an increase in profit before tax as compared to the six months ended September 30, 2023.

For the six months ended September 30, 2024, HZL recorded an increase in net tax expense as compared to the six months ended September 30, 2023, primarily due to an increase in current tax as a result of increase in profit before tax.

For the six months ended September 30, 2024, HZL recorded an increase in net profit as compared to the six months ended September 30, 2023.

As of September 30, 2024, HZL's inventories decreased as compared to the balance as of March 31, 2024, primarily due to conversion of work-in-progress into finished goods and the sales thereof.

As of September 30, 2024, HZL's current financial assets decreased as compared to the balance as of March 31, 2024, primarily due to a decrease in current investments.

As of September 30, 2024, HZL's current financial liabilities increased as compared to the balance as of March 31, 2024, primarily due to an increase in current borrowings, operational buyers' credit/suppliers' credit, trade payables and other financial liabilities.

In terms of cash flow, at September 30, 2024, HZL recorded a decrease in the closing balance of cash and cash equivalents as compared to September 30, 2023 due to an increase in net cash flows used in financing activities, which was partially offset by an increase in net cash flows from operating activities and investing activities.

Production releases of Vedanta Limited for the second quarter and six month ended September 30, 2024

On October 4, 2024, Vedanta Limited announced on the BSE and the National Stock Exchange of India Limited ("**NSE**", and together with the BSE, the "**Indian Stock Exchanges**") its production release for the second quarter and six month ended September 30, 2024. A summary of the production release is included as "*Annex D – Production Releases of Vedanta Limited for the Second Quarter and Six Month ended September 30, 2024*".

Whilst we believe that the results of operation of Vedanta Limited as reflected in the production release provides a meaningful reflection of our results of operations expected for same period, there can be no assurance and none of the Joint Global Coordinators and Managers or any of their respective affiliates, directors or advisors makes any representation or warranty, express or implied that the production release would be sufficiently representative of our results of operations expected for the same period. See also the section entitled "*Risk Factors — Risks Relating to Business — Vedanta Limited's Unaudited Consolidated Condensed Interim Financial Statements may not be representative of our financial condition, results of operations and cash flow for the same period*.".

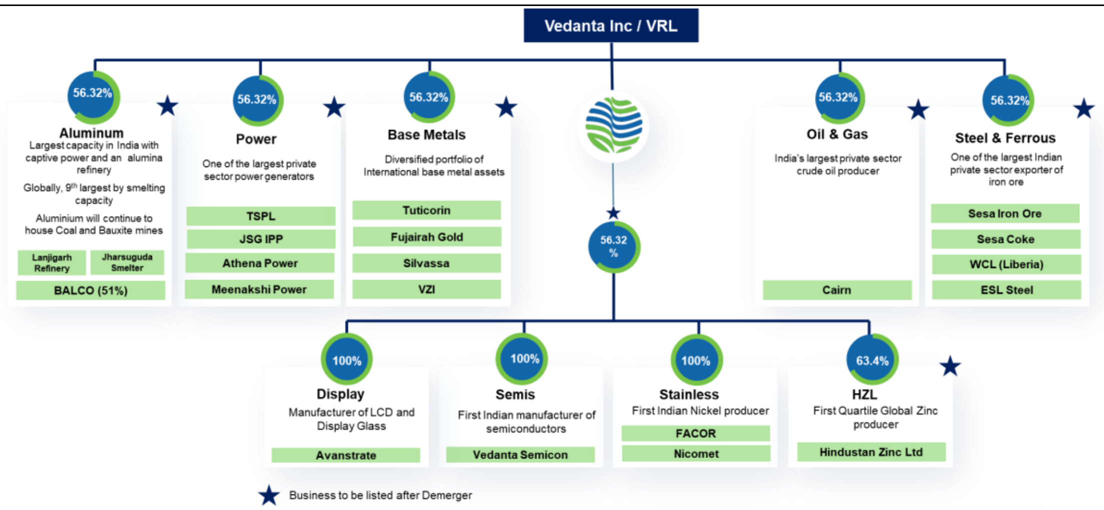
Proposed Demerger

On September 29, 2023, we announced our plan to demerge our business units into independent companies (the "**Proposed Demerger**"), namely:

- Vedanta Limited, comprising our Zinc India Business, our semiconductor business, our display business and our ferrochrome and nickel businesses (i.e., Ferro Alloys Corporation Limited and Nicomet);
- Vedanta Aluminium Metal Limited, comprising our Aluminium Business (including the 51% stake in BALCO);
- Malco Energy Limited, comprising our Oil and Gas Business;
- Vedanta Base Metals Limited, comprising our downstream Copper Business and Zinc International;
- Vedanta Iron and Steel Limited, comprising our Iron Ore Business and our Steel Business; and
- Talwandi Sabo Power Limited, comprising our Power Business (including Athena Chhattisgarh Power Limited and Meenakshi Energy Limited).

The Proposed Demerger is planned to be a simple vertical split, for every one share of Vedanta Limited, shareholders will additionally receive one share of each of the five newly listed companies. The composite scheme of arrangement was approved by the board of directors of Vedanta Limited on September 29, 2023 and in furtherance to that, Vedanta Limited filed (seeking no objection letter) with both Indian Stock Exchanges on October 20, 2023. In this regard, pursuant to the provisions of Regulation 30 of SEBI Listing Regulations, the Indian Stock Exchanges, vide their letters dated July 31, 2024 and July 30, 2024 respectively, have conveyed that they have 'No Objections / No Adverse Observations', on the Proposed Demerger scheme. The Proposed Demerger scheme remains subject to receipt of other applicable statutory and regulatory approvals including inter alia from the National Company Law Tribunal ("**NCLT**") and the respective shareholders and creditors, under applicable laws.

The Proposed Demerger aims to, *inter alia*, create streamlined pure-play asset owner companies focusing exclusively on mining, production and/or supply of aluminium, iron ore, copper, oil and gas and on generation and distribution of power and exploring new opportunities and taking advantage of the growth potential in the respective sectors, attract different sets of investors, strategic partners, lenders, and other stakeholders enabling independent collaboration and expansion in the respective companies without committing the existing organisation in its entirety and enable investors to separately hold investments in businesses with different investment characteristics thereby enabling them to select investments which best suit their investment strategies and risk profiles.



Konkola Copper Mines

Following our loss of control, we deconsolidated Konkola Copper Mines ("**KCM**") on May 21, 2019. As per the terms of the scheme of arrangement proposed by the provisional liqudator and approved by the High Court of Zambia, the board of KCM was subsequently reinstated on July 31, 2024, and accordingly we regain control from such date. As of the date of this Offering Circular, we have an 80.0% stake in KCM.

Offer for sale of HZL shares held by Vedanta Limited

By way of an offer for sale through the stock exchange mechanism held on August 16, 2024 and August 19, 2024, Vedanta Limited sold 63,605,891 equity shares held by Vedanta Limited in its subsidiary, HZL (representing 1.51% of HZL's total issued and paid-up equity share capital). Pursuant to the offer for sale, the shareholding of Vedanta Limited in HZL has become 63.42% of the total issued and paid-up equity share capital of HZL.

Stake sales in Vedanta Limited

Between August 2023 and June 2024, we have cumulatively sold 385,464,540 equity shares in Vedanta Limited (representing 10.4% of Vedanta Limited's total issued and paid-up equity share capital) and received a total consideration of $1,395 million.

Vedanta Limited's strategic review of its non-core businesses

On June 30, 2023, Vedanta Limited announced and undertook a strategic sale process of its non-core iron and steel assets. The bids received were not satisfactory, and we decided to halt the process and focus on the ongoing capex and expansion activities. However, we may look to sell a part of these business in the future.

Strengths

Low-cost, long-life and diversified asset base.

We have an extensive and diverse portfolio, which is characterised by global cost leadership in several core businesses, superior margins and free cash flow generation across commodity cycle. Our commodity mix, focused on base metals and oil, and strong fundamentals and demand, further gives resilience to our business.

Vedanta Limited operates a 1.8 mtpa smelter in Jharsuguda and our subsidiary, BALCO, operates a further 0.6 mtpa smelter. Our Aluminium Business is the largest aluminium producer in India and accounts for approximately 56.5% of the overall smelting capacity in the country (*Source: ICRA Report*). Our Aluminium Business is also equipped with captive power plants and an alumina refinery at Lanjigarh. With ongoing investments in capacity creation and efforts for structural cost reduction and operational efficiency, we continue to reinforce our cost competitiveness. HZL's Rampura Agucha mine is the largest zinc mine globally on a production basis and its Chanderiya zinc smelter is the third largest smelter globally on a production basis (*Source: Wood Mackenzie*), and the Sindesar Khurd mine now stands as the second largest silver producing mine globally (*Source: ICRA Report*). The overall mine life for Zinc International is more than 20 years and Zinc India has a mine life of more than 25 years. Our Oil and Gas Business produced 46.7 mmboe of gross operated production in Fiscal Year 2024 across its diversified multi-locational asset bases in India. As at March 31, 2024, our Oil and Gas Business has a net working interest proved plus probable reserves and 2C resources of 998 mmboe. HZL is the second largest producer of zinc and the third largest silver producing company in the world (*Source: ICRA Report*). Our Iron Ore Business is also one of the leading iron ore producers in India in Fiscal Year 2024 (*Source: ICRA Report*), where we operate two metallurgical coke plants and a pig iron plant with an installed rated capacity of 522 ktpa, 120 ktpa and 950 ktpa, respectively, in Goa and Maharashtra.

We also recently ventured into new greenfield businesses such as semiconductor and display production to further diversify our portfolio. In 2022, we incorporated Vedanta Semiconductors Private Limited and Vedanta Displays Limited to spearhead our foray into semiconductors and display glass, respectively.

We also operate at a low-cost base in our key business. For example, the cost of production of our Aluminium and Zinc, Lead and Silver Businesses for the periods indicated were:

	Fiscal Year			**Three months ended June 30,**	
	2022	**2023**	**2024**	**2023**	**2024**
Aluminium Business ($ per tonne)[1]	1,858	2,324	1,796	1,932	1,716
Zinc India Business ($ per tonne)[1][2]	1,567	1,707	1,450	1,539	1,490
Zinc International Business ($ per tonne)[1]	1,442	1,577	1,488	1,381	1,611

Notes:

(1) Cost of production per unit (net of by-products).

(2) Includes royalties of $445 per tonne, $450 per tonne and $333 per tonne in Fiscal Years 2022, 2023 and 2024, respectively, and $345 per tonne and $383 per tonne for the three months ended June 30, 2023 and 2024.

Well-placed to contribute and capitalise on India's high growth markets and benefit through the cycle with an attractive commodity mix.

We primarily operate in India, and have invested in building the necessary facilities, networks, and systems to extract and process minerals effectively. Having existing operations also means we are familiar with the local operational landscape, including regulatory affairs, supply chains, and community relations, which can help mitigate risks and challenges. India remains the fastest growing economy globally. It witnessed a rise in growth rate from approximately 7.0% in 2022 to approximately 7.8% in 2023 and the country is projected to grow by approximately 6.8% in 2024 and by approximately 6.5% in 2025 (*Source: ICRA Report*). The industry and services sector demonstrated strong performance, acting as the primary growth drivers of Fiscal Year 2024 (*Source: ICRA Report*). India also recorded the highest growth in this period among major advanced and emerging economies and, as per IMF, it is possible for India to become the third-largest economy by the year 2027 (*Source: ICRA Report*).

The global primary aluminium consumption has grown marginally in the past two years, up by 1.0% and 0.7% during 2023 and 2022 to 69.9 mt and 69.2 mt respectively (*Source: ICRA Report*). Global demand for aluminium in China grew by 5.5% in 2023 while demand in the world (excluding China) fell by 5.2% owing to the weaker macroeconomic scenario (*Source: ICRA Report*). Furthermore, India is currently the fastest-growing developing economy globally, witnessing a surge in construction activities and infrastructure development, which rapid growth has significantly increased the demand for aluminum and has contributed to the overall market expansion (*Source: ICRA Report*). Going ahead in Fiscal Year 2025, India's aluminium consumption is likely to witness a growth of approximately 10.0% on the back of sustained demand from renewables, defence, aerospace, electronics and appliances (*Source: ICRA Report*).

Zinc demand went up by 1.3% in 2023 to 13.6 mt from 13.4 mt in 2022 led by strong demand pull from India and China while weakness in the United States, Europe, Taiwan and Japan moderated the overall global demand in 2023 (*Source: ICRA Report*). Global demand is expected to reach 13.96 mt in 2024, up by 1.8% with main contributors to this growth projected to be India, Italy, Japan, Southeast Asia, South America, and the Middle East (*Source: ICRA Report*). Global silver demand is expected to increase by approximately 2% in 2024, due to continued increase in demand pull from the industrial applications and expected recovery in jewelry and silverware demand led by higher discretionary spending and restocking, and India is anticipated to make the largest contribution, partly due to the resumption of restocking by retailers (*Source: ICRA Report*).

The growing global population is a significant driver of exploring the energy reserves in order to meet its energy demand requirements. The demand for primary fuels is also likely to increase in the long term with the exception of coal, where oil demand is likely to witness strong growth while natural gas demand is set to increase by 19.9 mboe/d over the outlook period, reaching 87 mboe/d in 2045 (*Source: ICRA Report*). India, other Asia, China, Africa, and the Middle East are expected to contribute the most to the increase in non-OECD oil demand (*Source: ICRA Report*). Over the course of the anticipated period, India's oil demand will increase by 6.6 mb/d (*Source: ICRA Report*).

Iron ore is a key ingredient for the manufacturing of steel and pig iron. The market for iron ore mining has grown from 2,450 mt in 2019 to 2,544 mt in 2023 registering a compound annual growth rate of 0.9% over the last five years (*Source: ICRA Report*). India's iron ore consumption has been on the upward trend over the last decade due to a rise in the manufacturing of sponge iron and crude steel; however, the iron ore apparent consumption stood at 235.2 million tonnes in Fiscal Year 2024, marginally down by approximately 1% compared to 238.5 million tonnes in Fiscal Year 2023 as a result of a spurt in ore exports during the year (*Source: ICRA Report*).

Our Group has a strong market share in India in these key commodities, where we have a long history of established operations and experience in the country. Our Aluminium Business has a significant market share of approximately 45% in the primary aluminium production sector in India and account for approximately 56.5% of the overall smelting capacity in the country (*Source: ICRA Report*). HZL is the market leader for zinc, with a significant approximately 75% market share (in domestic consumption terms) and ranked as the second largest producer of zinc in the world (*Source: ICRA Report*). It is also the leading producer of refined lead in India with a market share of approximately 66% during Fiscal Year 2024 (*Source: ICRA Report*). HZL is the only primary silver producer in India and is the third largest silver producing company in the world with a market share of approximately 3% globally (*Source: ICRA Report*). Meanwhile, our Oil and Gas Business contributed approximately 25% of India's domestic crude oil production during Fiscal Year 2024 (*Source: ICRA Report*). We are also one of the leading iron ore producers in India in Fiscal Year 2024 (*Source: ICRA Report*).

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

Our Group has a track record of consistently delivering production growth across its assets. We prioritise adding to our reserves and resources at a faster rate than depletion through a focused approach on our drilling and exploration programme. We ensure this through a disciplined approach to development, ensuring steady production growth across operations while prioritising efficiency and cost savings. We further leverage our management team's extensive sectoral and global experience alongside investments in digitalisation, automation and vertical integration to operate efficiently and responsibly. We have adopted digital solutions to enhance mining operations.

Our Group also focuses on operational efficiencies to drive sustainability performance. For example, our Aluminium Business has been able to achieve near 100.0% capacity utilisation with record aluminium production in Fiscal Year 2024 at 2.37 mt (*Source: ICRA Report*).

We are committed to reducing our carbon footprint. Our Aluminium Business, for example, has the lowest emission intensity at 16.6 MT Co2e/MT of aluminium produced compared to peers (*Source: ICRA Report*). In December 2020, we signed a declaration on climate change by pledging to move towards carbon neutrality at the Second India CEO Forum on Climate change as part of our carbon vision programme to substantially decarbonise by 2050. See also "— *Sustainability*" for more details.

Strong financial metrics and return on capital employed.

Our Group has a track record of delivering consistent growth across all financial parameters, driven by sustained investment in new capacities and operational efficiencies, which have strengthened our financial foundation. Despite market volatilities, we have maintained a consistent performance. Our revenue, profit after tax for the period before share in profit/(loss) of jointly controlled entities and associates, EBITDA, return on equity ratio, return on capital employed, return on investment, total assets, total equity, changes in working capital and free cash flow for Fiscal Years 2022, 2023 and 2024 are highlighted in the table below:

	Fiscal Year		
	2022	**2023**	**2024**
	($ million, unless otherwise stated)		
Revenue (before special items)	17,619	18,141	17,128
Profit for the year	2,578	838	99
EBITDA	6,255	4,608	4,718
Return on capital employed (%)[1]	32	20	25
Total Assets	25,625	23,311	22,330
Total Equity	1,535	(872)	(848)
Changes in working capital	(633)	941	221
Net cash generated from operating activities	3,174	2,786	2,484
Free cash flow[2]	2,083	1,610	746

Notes:

(1) Return on capital employed is defined as a ratio of operating profit before special items over the average capital employed where capital employed is net assets before net (debt)/cash.

(2) Post-capex; includes foreign exchange movements.

Strategy

Augment reserves and resources base.

We look at ways to expand our reserves and resources base through targeted and disciplined exploration programmes, including bidding and acquiring mineral blocks. Our exploration teams aim to discover mineral and oil deposits in a safe and responsible way and to replenish the resources that support future growth. For example, during Fiscal Year 2024, additions of 12.7 million tonnes were made to reserve and resource, prior to depletion at Zinc India, and additions of 6.7 million tonnes of ore were made to reserve and resource after depletion at Zinc International. Specifically, the total reserves and resources of Zinc India is up by approximately 35.0% in the last five years, with an increase of 118 million tonnes, considering production of 6.51 million tonnes during the same period.

In 2017, the GoI launched the Open Acreage Licensing Programme ("**OALP**") along with the National Data Repository ("**NDR**") with an aim to accelerate exploration and production activities in India (*Source: ICRA Report*). Presently, we have 46 blocks under the OALP. These blocks offer a rich conventional and unconventional resource play. Furthermore, our Oil and Gas Business has won two discovered small fields in the DSF Round II bid, namely, the Hazarigaon and Kaza gas fields located in Assam and Krishna-Godavari basins, respectively. During Fiscal Year 2023, our Oil and Gas Business secured further eight blocks in the DSF Round III bid and one block in the special coal bed methane round bid in 2021.

Optimise Group structure.

We are focused on simplifying our group structure and has undergone various re-organisations, consolidations and mergers in an effort to increase revenues, combine talent and technology, reduce cost and implement effective management. More recently, we announced the Proposed Demerger. The Proposed Demerger aims to, *inter alia*, create streamlined pure-play asset owner companies focusing exclusively on mining, production and/or supply of aluminium, iron ore, copper, oil and gas and on generation and distribution of power and exploring new opportunities and taking advantage of the growth potential in the respective sectors, attract different sets of investors, strategic partners, lenders, and other stakeholders enabling independent collaboration and expansion in the respective companies without committing the existing organisation in its entirety and enable investors to separately hold investments in businesses with different investment characteristics thereby enabling them to select investments which best suit their investment strategies and risk profiles. See "— *Proposed Demerger*" for more information.

As part of our Group's ongoing objective of optimising our capital structure and shareholding in our subsidiaries, we may look to raise financing (debt and/or equity) in order to recalibrate such capital structure and increase our shareholding in one or more subsidiaries. We may also combine our organic growth of operations with the strategy of selectively making acquisitions in attractive businesses to complement our existing operations, to align those acquisitions with our expansion strategies, and to increase our revenues and profits.

Committed to environmental, sustainability and corporate governance leadership in the natural resources sector.

We are committed to conducting our business in a socially responsible, ethical and environmentally friendly manner and to continue working towards improving the quality of life of the communities in our operational areas. We believe that we can positively impact and contribute to the realisation of integrated and inclusive development of the country, with programs impacting the overall socio-economic growth and empowerment of people. See also "— *Sustainability*" for more details. Our sustainability framework guides us to ensure a long-term, sustainable future for our business operations, meeting growth aspirations, and creating long-term value for all stakeholders.

Additionally, through our philanthropic arm, the Anil Agarwal Foundation, our Group has impacted over 50 million lives and pledged ₹50 billion over the next five years to strengthen the rural communities through a sustainable and inclusive growth model. The aim is to transform communities by providing nutrition and healthcare to 100 million women and children by 2030.

Focus on digitalisation and innovation to drive efficiency and resilience.

We continue to focus on operational excellence and high asset utilisation to ensure cost efficiency, performance and consistent cash flows. We have been adopting a digital-first culture that ensures sustained technology innovation and digital literacy of our entire workforce.

Optimise capital allocation and maintain strong asset base.

A key strategic priority for us is to maintain and grow cash flow through a disciplined approach on capital allocation towards capital expenditure and operating expenditure; along with disciplined management of working capital. Despite low commodity prices recently, we continued to deliver consistent EBITDA and free cash flows through a strong focus on our cost optimisation plan. We remain committed to Vedanta Limited's dividend policy of minimum of 30% of attributable profit after tax (before exceptional items) (excluding profits from HZL) and passing through dividend income received from HZL within six months. Further, in July 2024, HZL received the order from NCLT for transferring ₹10,384 crore from general reserve to retained earnings which would allow for higher dividend payout flexibility.

We are focused on our capital efficiency by prioritizing volume augmentation, cost reduction, and the creation of value-added products, which are fundamental to our strategy. These guiding principles ensure that our investments not only expand operational capacity but also enhance efficiency and marketability. Moreover, we implement financial criteria for our growth projects, targeting a minimum internal rate of return of approximately 18%. All sustaining capital expenditure will form part of our business plan, which we define and track in US Dollar per tonne.

As our Group continues to ramp up our portfolio of diversified, low-cost and well-invested assets, we expect to generate significant organic free cash flow with minimal remaining capital expenditure.

SUMMARY OF THE OFFERING

The following is a general summary and should not be relied on as a complete description of the terms and conditions of the Bonds (the "Conditions"). This summary is derived from, and should be read in conjunction with, the full text of the Conditions and the Trust Deed, which prevail to the extent of any inconsistency with the terms set out in this summary. You should read this entire Offering Circular, including "Risk Factors" and the financial statements included elsewhere in this Offering Circular, before making an investment decision. Capitalised terms used herein and not otherwise defined have the respective meanings given to such terms in the Conditions.

Issuer	Vedanta Resources Finance II plc.
Parent Guarantor	Vedanta Resources Limited.
Subsidiary Guarantors	Twin Star Holdings Ltd. and Welter Trading Limited
Bonds	$300,000,000 10.875 per cent. Guaranteed Senior Bonds due 2029 (the "**New Bonds**") to be consolidated and form a single series with the $900,000,000 10.875 per cent. Guaranteed Senior Bonds due 2029 (the "**Original Bonds**") ***provided that*** the New Bonds will be fungible with the Original Bonds currently held through the Unrestricted Global Certificates after the 40th day following the date of delivery of such New Bonds.
Maturity Date	The Bonds will mature on September 17, 2029.
Guarantees	The Parent Guarantor and each Subsidiary Guarantor will unconditionally guarantee, jointly and severally, the due and punctual payment of the principal and premium, if any, and interest on, and all other amounts payable under, the Bonds.
Issue Price	102.75 per cent. of the principal amount of the New Bonds, plus accrued interest from, and including, September 17, 2024 to, but excluding the Settlement Date.
Interest and Payment Dates of the Bonds	10.875 per cent. per annum. Interest will be payable semi-annually in arrear on March 17 and September 17 of each year, commencing on March 17, 2025. Interest accrues from September 17, 2024.
Status of the Bonds and the Guarantees	The Bonds will constitute senior, unsubordinated, direct, unconditional and (subject to Condition 1 (e) and Condition 3(a)) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all its other present and future unsubordinated and unsecured obligations. The Guarantees will constitute the senior, unsubordinated, direct, unconditional and (subject to Condition 3(a)) unsecured obligations of each Guarantor. The payment obligations of each Guarantor under its respective Guarantees shall, save for such exceptions as may be provided by applicable legislation, at all

	times rank at least equally with all its other present and future unsubordinated and unsecured obligations. The Guarantees will be structurally subordinated to claims of holders of indebtedness and other creditors of subsidiaries of the Parent Guarantor (other than the Issuer and the Subsidiary Guarantors).
Use of Proceeds	We intend to use the proceeds to repay (including by way of tender offers, redemptions, or otherwise) our outstanding 2025 Bonds (including any accrued interest thereto) and to pay any related transaction costs in connection thereto.
Optional Redemption	At any time and from time to time prior to September 17, 2026, the Bonds may be redeemed, in whole or in part, at the option of the Issuer on giving not less than 15 nor more than 60 calendar days' written notice to the Trustee and the Bondholders, at a redemption price equal to 100 per cent. of the principal amount of the Bonds being redeemed plus the Applicable Premium, plus accrued and unpaid interest, if any, to (but excluding) the redemption date. None of the Agents or the Trustee have any responsibility with respect to the calculation or verification of the Applicable Premium. At any time and from time to time on or after September 17, 2026, the Bonds may be redeemed, in whole or in part, at the option of the Issuer on giving not less than 15 nor more than 60 calendar days' written notice to the Trustee and the Bondholders, at the applicable redemption prices set forth in Condition 5(b) plus accrued and unpaid interest, if any, to (but excluding) the redemption date. See the section entitled "*Terms and Conditions of the Bonds — Redemption and Purchase*".
Repurchase of Bonds upon a Change of Control Triggering Event	Upon the occurrence of a Change of Control Triggering Event, the Issuer must make an offer to purchase all of the Bonds outstanding at a purchase price equal to 101 per cent. of their principal amount plus accrued and unpaid interest, if any, to (but excluding) the purchase date.
Redemption for Taxation	The Issuer may redeem the Bonds at any time, in whole but not in part, at a redemption price equal to their principal amount, plus accrued and unpaid interest, if any, to (but excluding) the redemption date and any additional amounts then due and that will become due on the redemption date in the event of certain changes affecting taxes of certain relevant tax jurisdictions or any authority thereof or therein having power to tax.
Covenants	Each of the Parent Guarantor, each Subsidiary Guarantor and the Issuer has agreed to comply with certain covenants limiting its ability and the ability of certain of the Parent Guarantor's subsidiaries to, among other things, create any security interests over assets, create any restrictions on the ability of certain

	subsidiaries to pay dividends, incur additional borrowings and has agreed to certain other covenants. These covenants are subject to important exceptions and qualifications. See the section entitled "*Terms and Conditions of the Bonds — Covenants*".
Selling Restrictions	There are restrictions on the offer, sale and transfer of the Bonds in certain jurisdictions. See the sections entitled "*Plan of Distribution*" and "*Transfer Restrictions*".
Form and Denomination of the Bonds	The Bonds will be issued in registered form in the denomination of $200,000 each and in integral multiples of $1,000 in excess thereof. The New Bonds will be initially represented by the Temporary Global Certificate with a temporary CUSIP number, Common Code and ISIN number during the Distribution Compliance Period. On the first business day after the Distribution Compliance Period, such Temporary Global Certificate will be exchanged into a permanent global certificate with the same CUSIP number, Common Code and ISIN number as the Original Bonds sold pursuant to Regulation S. The Global Certificates in respect of the New Bonds will be deposited with a custodian for, and registered in the name of Cede & Co., as nominee of DTC.
Listing	Approval in-principle has been received from the SGX-ST for the listing of and quotation for the New Bonds on the Official List of the SGX-ST. The New Bonds, if so listed, will be traded on the SGX-ST in a minimum board lot size of S$200,000 (or its equivalent in other currencies) for so long as the Bonds are listed on the SGX-ST and the rules of the SGX-ST so require. For so long as any Bonds are listed on the SGX-ST and the rules of the SGX-ST so require, the Issuer shall appoint and maintain a paying agent in Singapore, where the Bonds may be presented or surrendered for payment or redemption, in the event that a Global Certificate is exchanged for Individual Certificates. In addition, in the event that a Global Certificate is exchanged for Individual Certificates, an announcement of such exchange will be made by the Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the Individual Certificates, including details of the paying agent in Singapore.
Further Issues of Bonds	The Issuer may from time to time, without the consent of the Bondholders, create and issue further securities either having the same terms and conditions as the Bonds in all respects (or in all respects except for the first payment of interest on them) so that such further issue shall be consolidated and form a single series with the Bonds or upon such terms as the Issuer may determine

	at the time of their issue. See the section entitled "*Terms and Conditions of the Bonds — Further Issues*".
Governing Law	The Bonds, the Trust Deed and the Agency Agreement, and all non-contractual matters arising therefrom or connected therewith, will be governed by and construed in accordance with English law.
Trustee	Citicorp International Limited.
Paying Agent and Transfer Agent	Citibank, N.A., London Branch.
Registrar	Citicorp International Limited.
Ratings	Our Company has corporate credit rating of "B-" (with stable outlook) from S&P. The Bonds are rated "CCC+" by S&P. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation.
Withholding Tax	All payments in respect of the Bonds or the Guarantees shall be made free and clear of any withholding or deduction unless required by law. If any such withholding or deduction is required by certain relevant taxing jurisdictions, or any authority therein or thereof having power to tax, subject to certain exceptions, the Issuer, the Parent Guarantor or the Subsidiary Guarantors will be required to pay certain additional amounts in respect of such withholding or deduction. See the section entitled "*Terms and Conditions of the Bonds — Taxation*".
Events of Default	For a description of certain events that will permit the Bonds to become immediately due and payable at their principal amount, together with accrued interest, see the section entitled "*Terms and Conditions of the Bonds — Events of Default*".
Lock-up Agreement	Neither the Parent Guarantor, any Subsidiary Guarantor nor the Issuer, nor any person acting on their behalf, will, from the date of this Offering Circular until the date 30 days after the date of this Offering Circular, without the prior written consent of the Managers, issue, offer, sell, contract to sell, pledge or otherwise dispose of (or publicly announce any such issuance, offer, sale or disposal) non-equity-linked debt securities issued or guaranteed (other than guarantees in respect of Indian Rupee denominated non-equity linked debt securities) by the Parent Guarantor, any Subsidiary Guarantor or the Issuer and having a maturity of more than one year from the date of issue, subject to certain exceptions. See the section entitled "*Plan of Distribution*".
Settlement	Delivery of the Bonds is expected to be made against payment through the facilities of DTC on or about October 25, 2024, which is the fourth business day after the date of this Offering Circular. See the section entitled "*Plan of Distribution*".
Legal Entity Identifier (LEI) of the Issuer	8945002DGA3BBXO3N634

Temporary CUSIP in respect of New Bonds	G9T27HAF1
Temporary ISIN in respect of New Bonds	USG9T27HAF11
Temporary Common Code in respect of New Bonds	289977490
CUSIP of Original Bonds	Regulation S Bonds: G9T27H AG9 Rule 144A Bonds: 92243X AH4
ISIN of Original Bonds	Regulation S Bonds: USG9T27HAG93 Rule 144A Bonds: US92243XAH44
Common Code of Original Bonds	Regulation S Bonds: 289977511 Rule 144A Bonds: 289977520

Prospective purchasers should refer to the section entitled "*Risk Factors*" for a discussion of certain risks involved in investing in the Bonds.

RISK FACTORS

This Offering Circular contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of a number of factors, including those described in the following risk factors and elsewhere in this Offering Circular. You should consider the following risk factors carefully in evaluating our business before investing in the Bonds. If any of the following risks actually occur, our business, financial condition, cash flow and results of operations could suffer, the trading price of the Bonds could decline and you may lose all or part of your investment.

An investment in the Bonds involves some degree of risk and should be made only after consulting with independent, qualified sources of investment, legal, tax, accounting and other advice.

The list of risk factors does not purport to be a complete explanation of the risks involved in this offering. Potential investors must read the entire prospectus before determining to invest in the Bonds. All potential investors must obtain professional guidance from their advisors in evaluating all of the implications and risks involved in investing in the Bonds.

Risks Relating to Business

The Proposed Demerger remains subject to regulatory approvals and lender consents. It may not be consummated or result in the expected benefits.

Vedanta Limited has announced its intention to undertake the Proposed Demerger to demerge its business units into independent companies. The Proposed Demerger will result in six separate listed companies, namely: Vedanta Aluminium Metal Limited, Malco Energy Limited, Talwandi Sabo Power Limited, Vedanta Iron and Steel Limited, Vedanta Base Metals Limited and Vedanta Limited. For details of the Proposed Demerger, see "*Our Business — Recent Developments — Proposed Demerger*".

In this regard, pursuant to the provisions of Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**"), the Indian Stock Exchanges, *vide* their letters dated July 31, 2024 and July 30, 2024 respectively, have conveyed that they have 'No Objections / No Adverse Observations', on the Proposed Demerger scheme. The Proposed Demerger scheme remains subject to receipt of other applicable statutory and regulatory approvals including inter alia from the NCLT and the respective shareholders and creditors, under applicable laws.

There is no assurance that we will obtain these approvals and consents and, accordingly, there is no assurance that the Proposed Demerger will be consummated. The Proposed Demerger is intended to be a continuation of our corporate structure simplification strategy and our initiative to unlock value and potential for faster growth in each vertical branch. If the Proposed Demerger is not consummated, we may not be able to achieve financial, operational, strategic and other potential benefits from the Proposed Demerger.

If the Proposed Demerger is consummated, we may still not achieve the economic benefits that we expect from the Proposed Demerger. Some of the businesses have not operated as independent businesses, and may face new and unforeseen challenges from the disintegration, including (but not limited to) capital and debt allocation, cash flows maintenance, redeployment of employees, unforeseen liabilities, union issues, the diversion of resources and management attention from our existing business structure, any of which could result in a material adverse effect on the respective company's results of operations, cash flows and financial condition.

Furthermore, the offering and issue of the Bonds is proposed to be undertaken pending the completion of the Proposed Demerger, and the record date for the Proposed Demerger is still to be decided. We cannot assure you that the Proposed Demerger will be implemented in a timely manner, or at all. We may also incur additional costs towards harmonizing functions pursuant to the Proposed Demerger.

We have a significant amount of indebtedness and our ability to refinance our existing indebtedness is dependent on fees and distributions received from our Group.

We have a significant amount of indebtedness, and a material amount of such indebtedness will mature in the near future. In particular, the terms of our 2024 Bonds I and 2025 Bonds require us to fully redeem the 2026 Bonds by December 31, 2025, otherwise our 2024 Bonds I and 2025 Bonds shall also be redeemed on April 20, 2026. See "*Description of Material Indebtedness — Our Company*".

As holding companies, the Issuer and the Guarantors' ability to service their debt and other obligations will depend on the level of distributions, management and 'brand' fees, and/or intercompany lending and repayments, if any, received from our Group. The ability of our subsidiaries (particularly our Indian listed subsidiaries) to declare and pay dividends is subject to variety of factors and there is no assurance that our subsidiaries will be able to continue to declare and pay dividends in the future to service our principal or interest payments. From April 1, 2020, the concept of dividend distribution tax ("**DDT**") has been abolished and instead, dividends distributed by an India company shall be taxable in the hands of the recipient shareholders as follows:

(a) Tax rates for resident shareholders — applicable rates. The Indian company would deduct tax at source at the rate of 10%

(b) Tax rates for non-resident shareholders — applicable rates (the current rate is 20% (plus surcharge and cess)) or at such beneficial rates as provided under the tax treaties. The Indian company would withhold tax at source, at applicable rates. Non-resident investors should now be eligible to claim a credit in their home jurisdiction for the tax paid on dividends.

With respect to inter-corporate dividends, to avoid the cascading effect/multi-level taxation of the same dividend, dividends received by an Indian company and up streamed to its shareholders will not be taxable in the hands of the Indian company. This relief is subject to the condition that the Indian company up-streams the dividend on or before one month prior to the due date for filing its income-tax return. Further, from April 1, 2020 onwards, that the person receiving dividends will be eligible to claim deduction of interest expense of up to 20% of the dividend income, subject to certain restrictions.

In the event there are any changes in the aforesaid positions, it may have an impact on our Indian listed subsidiaries to declare and pay dividends and consequently on the Issuer and the Guarantors' ability to service their debt and other obligations.

Our Company also has a notable stream of income from brand fees received from Vedanta Limited and its subsidiaries. These brand fees are paid upfront in the Fiscal Year and as of June 30, 2024, our Company has received brand fees in the amount of $253 million, $343 million and $386 million with respect to the brand fees payable for Fiscal Years 2023, 2024 and 2025, respectively. If Vedanta Limited and its subsidiaries does not pay such brand fees for any reason, our Company's financial condition and cash flow may be materially and adversely affected.

While we have been successful in our refinancing and liability management endeavours, including the most recent liability management exercise in early 2024, there can be no assurance that we will continue to be successful in refinancing our indebtedness nor that we will continue to receive consistent cash income from our Group. If we are unable to pay our indebtedness (whether principal or interest), it could result in a material adverse effect on our results of operations, cash flows and financial condition.

Our ability to refinance our existing indebtedness is dependent upon our ability to raise capital or obtain funding.

We are dependent on our ability to obtain external funding to refinance our existing and upcoming indebtedness. We have a significant level of indebtedness, and a material amount of such indebtedness will mature in the near future. In particular, the terms of our 2024 Bonds I and 2025 Bonds require us to fully redeem the 2026 Bonds by December 31, 2025, otherwise our 2024 Bonds I and 2025 Bonds shall also be redeemed on April 20, 2026. See "*Description of Material Indebtedness — Our Company*". Failure to obtain necessary funding in a timely manner or failure to obtain terms favourable to us to repay such maturing indebtedness may have a material adverse effect on our business, results of operations, cash flows and financial condition.

Factors that may affect our access to funding or increase our funding costs include (a) the financial and regulatory environments; (b) adverse changes in our operating results, financial condition or cash flows; (c) currency movements, interest rate increases or volatility or other potential market disruptions; (d) a decrease in bank appetite for risk as a result of tightened lending standards, regulatory capital requirements or otherwise and (e) downgrade in India's sovereign ratings. There can be no assurance that we will continue to be successful in obtaining the necessary funding to refinance our existing indebtedness, or be successful in obtaining such funding on terms favourable to us, or that any such future financing would not result in increased finance charges, increased financial leverage or decreased income or the imposition of more restrictive covenants on our businesses and operations. See also the section entitled "*— We are subject to covenants under our credit facilities that limit the flexibility in managing our business.*".

Our future expansions and acquisitions are dependent upon our ability to raise capital.

We require capital, in the form of debt or equity, for, among other purposes, expanding our operations, making acquisitions, managing acquired assets, acquiring new equipment, maintaining the condition of our existing equipment and maintaining compliance with environmental laws and regulations. From time to time, we evaluate the acquisition opportunities in the course of our business. To the extent that cash generated internally and cash available under our existing credit facilities may not be sufficient to fund our capital requirements, we may have to obtain financing in the form of debt or equity financing.

Factors that may affect our access to funding or increase our funding costs include (a) the financial and regulatory environments; (b) adverse changes in our operating results, financial condition or cash flows; (c) currency movements, interest rate increases or volatility or other potential market disruptions; (d) a decrease in bank appetite for risk as a result of tightened lending standards, regulatory capital requirements or otherwise and (e) downgrade in India's sovereign ratings. There can be no assurance that we will continue to be successful in obtaining the necessary funding to fund our future expansions and acquisitions, or be successful in obtaining such funding on terms favourable to us, or that any such future financing would not result in increased finance charges, increased financial leverage or decreased income or the imposition of more restrictive covenants on our businesses and operations. See also the risk factor entitled "*— We are subject to covenants under our credit facilities that limit the flexibility in managing our business.*".

The volatility of commodity prices may cause a material adverse effect on our revenue, results of operations, cash flows and financial condition.

Historically, the international commodity prices for oil and gas, zinc, copper, iron ore and aluminium, and the prevailing market treatment and refining charge ("**TcRc**") rate (the charge levied by smelters and refineries for the smelting and refining of copper concentrate from mines into copper metal) for copper have been volatile and subject to wide fluctuations in response to relatively minor changes in the supply of, and demand for, such commodities, market uncertainties, the overall performance of world or regional economies, actions taken by governments and international organisations, the related cyclicality in industries, government policies and regulations such as those relating to taxation, royalties, allowable production, import and export restrictions and environmental protection. For example, in Fiscal Year 2023, the decrease in the prices of aluminium, copper, silver and lead by 11%, 12%, 13% and 8%, respectively, negatively affected our revenue and operating profit however, this was offset by the increase in zinc and Dated Brent prices by 2% and 18%, respectively. In Fiscal Year 2024, the increase in the prices of silver and lead by 10% and 1%, respectively, positively affected our revenue and operating profit however, this was offset by the decrease in zinc, Dated Brent, aluminium, and copper prices by 25%, 14%, 11% and 2%, respectively. Additionally, cost of production of our metal production businesses is also affected by fluctuation in coal price, as a majority of our power requirements are met by captive power plants which are primarily coal-fuelled. Specifically, our Aluminium Business has high energy consumption due to the power-intensive nature of aluminium smelting. Any change in coal prices or the mix of coal that is utilised, primarily whether the coal is sourced locally or imported, can affect the cost of generating power and ultimately the cost of production of our Aluminium Business.

A portion of our alumina requirements is sourced internally from captive refinery at Lanjigarh, Odisha, and remaining volumes are sourced from global suppliers mostly at index-linked prices. The exposure to global prices indices affects the profitability of our aluminium operations. During Fiscal Year 2024, 91% of BALCO's and 52% of Vedanta Limited's alumina requirement were sourced from third parties. The market price of the alumina that we purchase from third parties and the market price of the aluminium metals that we sell has experienced volatility in the past and any increase in the market price of the alumina relative to the market price of the aluminium that we sell would adversely affect the profitability and operating margins of our Aluminium Business, which could have a material adverse effect on our business, cash flows, financial condition and results of operations.

The revenue of our Zinc, Lead and Silver Business fluctuates based on the volume of sales and the London Metal Exchange Limited ("**LME**") price of zinc and lead and London Bullion Metal Association ("**LBMA**") price for silver. Our Zinc India Business is fully integrated, so our profitability is dependent upon the difference between the LME price of zinc, lead and silver and the cost of production, which includes the costs of mining and smelting.

Volatility in oil prices may have a material and adverse impact on our revenues and financial condition. Historically, international prices for crude oil and natural gas have fluctuated as a result of many macro-economic, geo-political and regional factors. The prices we receive for our sales of crude oil are generally linked to international price levels for crude oil such as Dated Brent, an international benchmark crude for low sulphur crude grades. Any change in the prices of international crude benchmarks such as Dated Brent would impact the revenue from our Oil and Gas Business. The implied price realisation of crude oil for Fiscal Year 2024 was within the range of 8.0% to 10.0% discount to Dated Brent for crude oil from the Rajasthan Block, Cambay Block and Ravva Block, due to the prevailing oil market conditions. Movements in discount affect our revenue realisation and any increase in quality differentials may adversely impact our revenues and profits. Crude oil price averaged $83.1 per barrel in Fiscal Year 2024, compared to $96.2 per barrel in Fiscal Year 2023.

Similarly, we purchase copper concentrate and blisters at the LME price for copper metal for the relevant quotational period less the TcRc that we negotiate with our suppliers which is influenced by the global copper concentrate and blister demand, supply of copper smelting and refining capacity, LME trends, LME-linked price participation among other factors. The TcRc has historically fluctuated independently from the copper LME price. We attempt to make the LME price a pass-through cost as our copper concentrate and blisters purchases and sales of finished copper products are based on LME prices. Nevertheless, we are also exposed to differences in the LME price between the quotational periods for the purchase of copper concentrate and sale of the finished copper products, and any decline in the copper LME price between these periods will adversely affect our business, cash flows, financial condition and results of operations.

Our profitability in our Steel Business is largely dependent on the prices of imported coking coal and movement in iron ore prices in the domestic market which is volatile. Both coking coal and iron ore together constitute approximately 62.0% of the cost of production for our Steel Business in Fiscal Year 2024. Prices of iron and steel are influenced by several macro-economic factors. These include global economic slowdown, the US-China trade war, the Russia-Ukraine conflict, supply chain destocking, government investment on infrastructure, the emphasis on developmental projects, demand-supply forces and production and inventory levels across the world, especially in China. Iron and steel products are largely sold in the domestic market and prices of the products are subject to demand and supply factors and macro-economic factors. Any adverse movement in prices will have a direct impact on profit realisation and resultant margins.

Our results of operations have been and are expected to continue to be substantially dependent on the reserves, production and the cost of production at certain key assets; if we cannot secure additional reserves at competitive costs, our profitability and operating margins could decline.

We have significant asset concentration risks, and any interruption in the operations at those assets could have a material adverse effect on our results of operations, cash flows and financial condition. For example, our Oil and Gas Business, which contributed 12.6% of our revenue in Fiscal Year 2024, has been and is expected to continue to be substantially dependent on the reserves, production and cost of production of the Rajasthan Block, and any interruption in the operations or exploration and development activities at those oil and gas fields for any reason could have a material adverse effect on our results of operations, cash flows and financial condition. The Rajasthan Block produced 92.9%, 91.7% and 90.4% of our average daily net production from the oil and gas business in Fiscal Years 2022, 2023 and 2024, and oil and gas from the Rajasthan Block constituted 77.6% of our net aggregate proved plus probable oil and gas reserves and 2C resources on a barrel of oil equivalent basis as of March 31, 2024. However, the Rajasthan Block have been experiencing natural reservoir decline, and as such our production (on a gross basis) in the Rajasthan Block has been steadily declining over the last three Fiscal Years, from 137,723 boepd in Fiscal Year 2022, to 119,888 boepd in Fiscal Year 2023 and to 106,469 boepd in Fiscal Year 2024. Our ongoing capital expenditure programme has focused on development and exploration activities across all the assets, with approximately 66.5% of the capital expenditure for Fiscal Year 2024 have been invested in the Rajasthan Block. The Rajasthan Block PSC was originally valid until May 2020 but has since been extended to May 2030. For details in relation to ongoing legal proceedings pertaining to the extension of the tenure of the Rajasthan Block PSC, see, "*Our Business — Litigation*".

At our Zinc India Business, the Rampura Agucha mine produced 57.0%, 58.0% and 60.0% of HZL's total mined zinc metal in concentrate and 21.0%, 22.0% and 23.0% of HZL's total mined lead metal in concentrate produced in Fiscal Years 2022, 2023 and 2024 and constituted 28.0% of our total Proved and Probable Zinc India Ore Reserves as of March 31, 2024. Any interruption in the operations, exploration and development activities at the Rampura Agucha mine for any reason could have a material adverse effect on our results of operations, cash flows and financial condition.

If we cannot secure additional reserves at competitive costs, our profitability and operating margins could decline. Our ability to obtain additional reserves in the future could be limited by restrictions under our existing or future debt agreements, competition from our competitors, lack of suitable acquisition candidates, government regulatory and licencing restrictions, difficulties in obtaining mining leases and surface rights or the inability to acquire such properties on commercially reasonable terms, or at all. The results of appraising discoveries are uncertain which may result in reductions in projected reserves and production declines and may involve unprofitable efforts, not only from dry wells, but also from wells that are productive but uneconomic to develop. Appraisal and development activities may be subject to delays in obtaining governmental approvals or consents, shut-ins of connected wells, insufficient storage or transportation capacity or exhaustion and depletion of reserves or other geological and mechanical conditions all of which may result in a material increase of our costs of operations or delay anticipated revenues.

We may also not be able to accurately assess the geological characteristics of any Ore Reserves that we acquire. As the value of Ore Reserves depends on that part of the mineral deposits that are economically and legally exploitable at the time of the reserve calculation, a decrease in metal prices may result in a reduction in the value of Ore Reserves that we obtain as less of the mineral deposits contained therein would be economically exploitable at the lower prices. Exhaustion of reserves at particular mines may also have an adverse effect on our operating results that is disproportionate to the percentage of overall production represented by such mines. With the depletion of reserves, we may face higher unit extraction costs per mine.

Our businesses depend upon certain third parties for the supply of our raw material, equipment and services, the execution of projects and, as well as the offtake of our production.

We source a majority of our copper concentrate and a substantial proportion of our alumina requirements for our Copper and Aluminium Businesses, respectively, from third parties. For example, for Fiscal Year 2024, BALCO and Vedanta Limited sourced 88% and 52% of their respective alumina requirements from third parties and, due to the closure of the smelter at Tuticorin, we sourced all of our copper concentrates and blisters from external sources for production of copper cathodes at the Silvassa refinery. For the portion of our Aluminium Business where the required alumina is sourced internally, profitability for our Aluminium Business is dependent upon sourcing of key raw materials, such as bauxite, from third parties. As a result, the margins of our Copper and Aluminium Businesses depend upon our ability to obtain the required alumina and copper concentrate and blisters at prices that are low relative to the market prices of the copper and aluminium products that it sells. The market prices of the copper concentrate and alumina that we purchase from third parties and the market prices of the copper and aluminium metals that we sell have experienced volatility in the past, and any increases in the market price of the raw material relative to the market prices of the metal that we sell would adversely affect the results and margins of our Copper and Aluminium Businesses, which could have a material and adverse effect on our business, financial condition, results of operations, cash flows and prospects.

Coal, which is the primary raw material for our Power Business and a key component of cost of production of our metal production businesses, is subject to the Government of India's ("**GoI**") coal allocation policies. We could experience a shortfall in the quantity of coal in relation to our requirement or receive lower quality coal, which can result in increased costs and have a material and adverse effect on our business, financial condition, results of operations, cash flows and prospects.

Similar to many oil and gas exploration and production companies, we often contract or lease services and equipment from third party providers. Such services and equipment can be scarce and may not be readily available at the times and places required. Scarcity of services and equipment and increased prices may in particular result from any significant increase in regional exploration and development activities, which in turn may be the consequence of increased or continued high hydrocarbon or mineral prices. The scarcity of such services and equipment, as well as their potentially high costs, could delay, restrict or lower the profitability and viability of projects which may have a material adverse effect on our businesses, prospects, financial condition, cash flows or results of operations.

For our Oil and Gas Business, we have dedicated infrastructure with public sector and domestic private sector refineries for expected levels of crude oil production from the Rajasthan Block. In certain cases, the relevant counterparty, either legally or as a result of geographic, infrastructure or other constraints or factors, is in practice the sole potential purchaser of the relevant production output. This is particularly the case for sales of gas which relies on the availability or construction of transmission and other infrastructure facilities, enabling the supply of gas produced to be supplied to end users. The absence of competitors for the transmission or purchase of gas produced may expose us to offtake and production delays, adverse pricing or other contractual terms or may restrict the availability of transmission or other necessary infrastructure. Stoppage of off-take or supply could result if the buyers fail to take delivery of volumes anticipated by these sales agreements. In Fiscal Year 2024, four customers accounted for approximately 95.0% of the total sales of the Rajasthan Block and any unforeseen disruption at these buyers' facilities would affect sales volume and therefore revenue generation. As we are subject to the risk of delayed off-takes or payment for delivered production volumes or counterparty default, any of these events could have an adverse impact on crude oil sales and cash flows.

We are subject to covenants under our credit facilities that limit the flexibility in managing our business.

Our financing agreements contain certain restrictive covenants and events of default that limit our ability to undertake certain types of transactions or ability to expand, any of which could adversely affect our business. These covenants require us to maintain certain shareholding percentage, financial ratios, and in certain cases, obtain the prior consent of our lenders for various activities, including, among others:

- any change in its capital structure,
- issue of equity, preferential capital or debentures,
- raising any loans and deposits from the public,
- undertaking any new project;
- effecting any scheme of acquisition, merger, amalgamation or reconstitution;
- maintaining control or certain shareholding percentage on our material subsidiaries, including Vedanta Limited; and
- implementing a new scheme of expansion or creation of a subsidiary.

Our future borrowings may also contain similar restrictive provisions. For example, low commodity prices may adversely impact our profitability and therefore our ability to meet the financial covenants and ratios. Although we have, in the past, successfully obtained similar covenant revisions and/or waivers for our material indebtedness, there can be no guarantee that at such time that we would be able to obtain waivers/relaxations from existing and future lenders commensurate with the then prevailing commodity pricing environment or our financial condition. If we fail to meet our debt service obligations or covenants (or receive approvals from our lenders to undertake certain transactions) provided under the financing agreements, the relevant lenders could declare us to be in default under the terms of our agreements, accelerate the maturity of our obligations or take over the financed project or other security made available to our lenders. We cannot assure you that, in the event of any such acceleration, we will have sufficient resources to repay borrowings. In such an event, we may be forced to renegotiate our financing agreements with our lenders on terms that may not be favourable to us.

Although we comply with our material covenants under our credit facilities for Fiscal Years 2022, 2023 and 2024, there is no assurance that we will remain in compliance with our covenants, and any such breach could have a material adverse effect on our business, results of operations, cash flows and financial condition.

In addition, our lenders may recall all or part of such unsecured amounts borrowed by us on short or no notice. Such recalls on borrowed amounts may be contingent upon happening of an event beyond our control and there can be no assurance that we will be able to persuade our lenders to give us extensions or to refrain from exercising such recalls, which may adversely affect our results of operations and cash flows.

We depend on the experience and management skill of certain of our key managerial personnel and senior management.

Our ability to maintain and grow our existing business and integrate new businesses will depend on our ability to maintain the necessary management resources and on our ability to attract, train and retain personnel with skills that enable us to keep pace with growing demands and evolving industry standards. We are in particular dependent to a large degree on the continued service and performance of our senior management team and other key team members in our business units. These key personnel possess technical and business capabilities that are difficult to replace. The loss or diminution in the services of our executive management or other key team members, or our failure otherwise to maintain the necessary management and other resources and grow our business, could have a material adverse effect on our business, results of operations, cash flows, financial condition and prospects. In addition, as our business develops and expands, we believe that our future success will depend on our ability to attract and retain highly skilled and qualified personnel, which is not guaranteed.

Furthermore, mining, metal refining, metal smelting and fabrication operations and oil and gas extraction require a skilled and experienced labour force. If we experience a shortage of skilled and experienced labour, our labour productivity could decrease and costs could increase, our operations may be interrupted or we may be unable to maintain our current production or increase our production as otherwise planned, which could have a material adverse effect on our results of operations, cash flows, financial condition and business prospects.

There are outstanding legal proceedings involving us, Directors and Material Subsidiaries and other outstanding litigation, which may be considered material. Any adverse outcome in such proceedings may impact our ability to raise capital in the future and may have an adverse effect on our reputation, business, results of operations, cash flows, financial condition and prospects.

As of the date of this Offering Circular, we, our Material Subsidiaries and certain of their directors are involved in several legal and regulatory proceedings, including criminal matters, regulatory actions initiated by regulatory and statutory authorities and certain material civil or tax proceedings, which are pending at different levels of adjudication before various courts, tribunals and other authorities. While in some cases, we have made provisions for these contingent liabilities, we cannot assure you that the outcome of any of these legal proceedings will be favourable. Any adverse decision in these cases or in any future proceedings in which we may become involved, may adversely affect our business, results of operations, financial condition and cash flows. In addition, any unfavourable decisions in these matters, especially any matter resulting in prohibition on us or any of our directors from dealing in securities, could affect our ability to raise further capital during the period of such prohibition. Such proceedings could divert our management's time and attention and consume our financial resources in their defence or prosecution. In addition, should any new developments arise, such as changes in Indian law or rulings against us by the regulators, appellate courts or tribunals, we may need to make provisions in our financial statements, which could increase our expenses and current liabilities. If we fail to successfully defend our claims or if our provisions prove to be inadequate, our business, results of operations, financial condition and cash flows could be adversely affected.

These also include certain SEBI related proceedings, under which SEBI had taken certain actions against Vedanta Limited and certain Directors. For instance, SEBI had issued an order dated April 19, 2001 against Sterlite Industries India Limited (now merged with Vedanta Limited) ("**SIIL**") in relation to alleged violations of the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to securities market) Regulations, 1995, pursuant to which SEBI had prohibited SIIL from accessing the capital markets for a period of two years. This order has been subsequently overruled by the Securities Appellate Tribunal ("**SAT**") *vide* order dated October 22, 2001, and SEBI has filed an appeal before the Bombay High Court. Further, in a separate litigation SEBI had issued an order dated March 12, 2024 against Vedanta Limited and certain of its Directors and others alleging *inter alia* violations of certain provisions of the Companies Act and SEBI Listing Regulations for delay in payment of dividend by Cairn India Limited (now merged with Vedanta Limited) to Cairn UK Holdings Limited, pursuant to which SEBI *inter alia* prohibited certain of Vedanta Limited's Directors and others from dealing in securities for a period of one to two months, as applicable. The SAT *vide* order dated March 20, 2024, has currently granted a stay on the effect and operation of the SEBI order. Both of these matters are currently pending. Additionally, certain proceedings are currently ongoing with respect to Vedanta Limited's exercise of its call option to acquire the remaining shares of BALCO and HZL, held by the GoI, in accordance with the terms of the shareholders' agreement between the GoI and Vedanta Limited. The amount claimed under these proceedings is presently unquantifiable. There is no assurance that the outcome of these proceedings will be in the favour of Vedanta Limited. In such an event, Vedanta Limited may be unable to purchase the GoI's remaining interest in these companies or may be required to pay a higher purchase price, should it decide to consummate such purchase, which may have a material adverse effect on Vedanta's business, financial condition and results of operations. For further details, see "*Our Business — Litigation*". Any unfavourable decisions in these matters, especially any matter resulting in prohibition on Vedanta Limited or any of its directors from dealing in securities, could affect the ability of Vedanta Limited to raise further capital during the period of such prohibition.

Our Directors, key managerial personnel and senior management have interests other than normal remuneration or benefits. They may enter into ventures that may lead to conflicts of interest with our business.

Certain of our Directors, key managerial personnel and senior management have interests that are in addition to reimbursement of expenses and normal remuneration payable to them. We cannot assure you that our directors, key managerial personnel and senior management will exercise their rights as shareholders to the benefit and best interest of our Company or our Group. For further information, see "*Management*".

Furthermore, certain of our directors may have interests in entities outside our Group, and this may result in conflict of interest with us. In the event that any conflicts of interest arise, our directors may make decisions regarding our operations, financial structure or commercial transactions that may not be in our shareholders' best interest. Such decisions could have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects. Should we face any such conflicts in the future, there is no guarantee that they will be resolved in our favour.

We have in the past entered into related party transactions and will continue to do so in the future.

In the ordinary course of our business, we have in the past entered into transactions with our related parties and it is likely that we may enter into related party transactions in the future. While we believe that all such transactions have been conducted on an arm's length basis, we cannot assure you that we might have obtained more favourable terms had such transactions been entered into with an unrelated party or that our shareholders would not question the related party transactions that we enter into.

While we will conduct all related party transactions subject to the Board's or Shareholders' approval, as applicable, and in compliance with the applicable accounting standards, provisions of Companies Act, 2013, as amended, provisions of the SEBI Listing Regulations and other applicable law, such related party transactions may potentially involve conflicts of interest. For example, in Fiscal Year 2021, some of the shareholders of Vedanta Limited raised corporate governance concerns relating to intercompany loans extended by certain wholly owned overseas subsidiaries, including Cairn India Holdings Limited ("**CIHL**"). In response, during Fiscal Year 2022, Vedanta Limited updated its policies and procedures regarding authorisations for such related party transactions which now require that every related party transaction proposed to be undertaken by the subsidiaries outside the Vedanta Limited Group would need prior approval from the board of directors and/or the audit committee of Vedanta Limited. We will endeavour to duly address such conflicts of interest as and when they may arise, however, we cannot assure you that such future transactions, individually or in the aggregate, may not involve a potential conflict of interest which will not have an adverse effect on our business, results of operations, cash flows and financial condition. In respect of loans or advances that our Company and subsidiaries provide to related parties, there can be no assurance that we will be able to recover all or any part of such loans or advances which, if unrecoverable, may have an adverse effect in the future on our business, results of operations, cash flows and financial condition.

Third-party interests in our subsidiaries may restrict our ability to deal freely with our subsidiaries, which may have a material adverse effect on our results of operations, cash flows and financial condition.

We do not wholly own all of our operating subsidiaries, and although we hold majority stakes in all of our subsidiary businesses and we have direct or indirect management control, certain of these operating subsidiaries have other shareholders who, in some cases, hold substantial interests. As a result of this, these subsidiaries may be subject to additional legal or regulatory requirements, or we may be prevented from taking certain courses of action without the prior approval of a particular or a specified percentage of shareholders (including in certain cases majority of minority approval, e.g., in case of material related party transactions) and/or regulatory bodies (under shareholders' agreements, relationship agreements or by operation of law). The existence of minority or other interests in our subsidiaries may limit our ability to increase our equity interests in these subsidiaries, combine similar operations, utilise synergies that may exist between the operations of different subsidiaries, move funds among the different parts of our businesses or reorganise the structure of our business in a tax efficient manner, which may have a material adverse effect on our results of operations, cash flows and financial condition.

There is also a risk that other parties with interests in our assets may elect not to participate in certain activities relating to those assets which require such party's consent. In such circumstances, it may not be possible for such activities to be undertaken by us alone or in conjunction with other participants at the desired time or at all. In addition, other joint operation partners may default in their obligations to fund capital or other funding obligations in relation to the assets. In certain circumstances, we may be required under the terms of the relevant operating agreement to contribute all or part of any such funding shortfall, which could adversely impact our business, financial condition, cash flows or results of operations. In order to mitigate such risks, execution of projects is undertaken after aligning the partners.

Our funding requirements and the proposed deployment of proceeds have not been appraised by any bank or financial institution or any other independent agency or the Managers.

We propose to utilise the proceeds for the purposes described in "*Use of Proceeds*". The funding requirements are based on internal management estimates and current conditions which are subject to changes due to changes in external circumstances, costs, other financial condition or business strategies. As a consequence of any increased costs, our actual deployment of funds may be higher than our management estimates and may place a burden on our finance plans. Our proposed deployment of proceeds has not been appraised by any bank or financial institution or any other independent agency or the Managers and is based on management estimates. Based on the competitive nature of our industry, we may have to revise our business plan and/ or management estimates from time to time and consequently our funding requirements may also change. Our internal management estimates may differ from the value that would have been determined by third party appraisals, which may require us to reschedule or reallocate our expenditure, subject to applicable laws. In case of increase in actual expenses or shortfall in requisite funds, additional funds for a particular activity will be met by any means available to us, including internal accruals and additional equity and/or debt arrangements, and may have an adverse impact on our business, financial condition, results of operations and cash flows. Various risks and uncertainties, including those set forth in this section, may limit or delay our efforts to use the proceeds to achieve profitable growth in our business.

Material changes in the laws and regulations that govern our businesses, or the interpretation of recent legislation, could have a material adverse effect on our business, financial condition and result of operations.

Mining is subject to complex and comprehensive laws and regulatory requirements. These laws and regulatory requirements are subject to change. If we are affected, directly or indirectly, by the application or interpretation of any such statute, including any enforcement proceedings initiated under it, it may have a material adverse effect on our business, financial condition and result of operations. For example, recently the Mines and Minerals (Development and Regulation) Amendment Act, 2023 dated August 9, 2023 ("**MLAA**") brought forth amendments in the Mines and Minerals (Development and Regulation) Act, 1957 ("**MMDR Act**"). The MLAA has introduced, among other things, the requirement of an exploration license, to be granted for reconnaissance or prospecting or both activities for specified minerals including copper bearing minerals, lead bearing minerals, silver, and zinc bearing minerals. Such exploration licenses are to be granted by the State Government through auction by way of competitive bidding, and will be valid for five years. If we are affected, directly or indirectly, by the application or interpretation of any such statute, as and when notified, including any enforcement proceedings initiated under it and any adverse publicity that may be generated due to prosecution, it may have a material adverse effect on our business, financial condition and result of operations.

Furthermore, we are subject to complex and comprehensive oil and gas regulations. Any new or changed oil and gas regulations could require changes to the manner in which we conduct our business, and result in an increase in compliance costs, which could have a material adverse effect on our business, financial condition, cash flows and results of operations. The costs, liabilities and requirements associated with complying with existing and future laws and regulations, within India or in other jurisdictions may also be substantial and time-consuming and may delay the commencement or continuation of oil and gas exploration or metal mining and production activities. For example, upon the expiry of oil and gas licences, contractors are generally required, under the terms of relevant licences or local law, to dismantle and remove equipment, cap or seal wells and generally make good production sites. There can, however, be no assurance that we will not in the future incur decommissioning charges in excess of those currently provided for, since local or national governments may require decommissioning to be carried out in circumstances where there is no express obligation to do so, particularly in the case of future oil and gas licence renewals. This and any changes to applicable regulations could require changes to the manner in which we conduct our business and result in an increase in compliance costs, which could also have a material adverse effect on our results of operations, cash flows and financial condition.

Our operations are subject to extensive governmental, health and safety and environmental regulations, which require us to obtain and comply with the terms of various approvals, licences and permits. Any failure to obtain, renew or comply with the terms of such approvals, licences and permits in a timely manner may have a material adverse effect on our results of operations, cash flows and financial condition.

Numerous governmental permits, approvals and leases are required for our operations as the industries in which we operate and seek to operate are subject to numerous laws and extensive regulation by national, state and local authorities in jurisdictions including India, Namibia, Ireland, South Africa, Liberia, UAE, Zambia, Japan, South Korea and Taiwan and any other jurisdictions where we may operate in the future. Our operations are also subject to laws and regulations relating to employment, the protection of the health and safety of employees as well as the environment, including conservation and climate change. For instance, we are required to obtain various environmental and labour-related approvals in connection with our operations in India, including clearances from the Ministry of Environment, Forest and Climate Change, GoI and from the relevant Pollution Control Boards in the various states in India in which we operate, and registration under the Factories Act, 1948 of India, as amended (the "**Factories Act**") to establish and operate our facilities. Certain of such approvals are valid for stipulated periods of time and require periodic renewals. At times, there may be instances where we or our Material Subsidiaries are in the process of renewing licenses which are material for our business and operations.

Our exploration, oil and gas and mining activities also depend on the grant, renewal or continuance in force of various exploration and mining licences and production sharing contracts and other regulatory approvals that are valid for a specific period of time. In addition, such licences and contracts contain various obligations and restrictions, including restrictions on assignment or any other form of transfer of a mining lease or on the employment of a person who is not an Indian national. For instance, in connection with our mining operations in India, mining leases are typically granted for a period of 50 years and stipulate conditions including approved limits on extraction. Similarly, in connection with our oil and gas operations in India, we are required to enter into a production sharing contract and obtain an exploration licence before it can commence exploration activities, and, if exploration is successful, we are then required to procure a petroleum mining lease from the relevant government authority, which typically extends for 20 years, in order to conduct petroleum operations.

Furthermore, 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 greenhouse gas emissions. These changes can result in increased cost of fossil fuels, imposition of levies for emissions in excess of certain permitted levels and increased administrative costs for monitoring and reporting. Increasing regulation of greenhouse gas emissions, including the progressive introduction of carbon emissions trading mechanisms and tighter emission reduction targets, can result in increased costs and reduced demand growth. For example, our smelting and mineral processing operations are energy intensive and depend heavily on fossil fuels. Increasing regulation of climate change issues such as greenhouse gas emissions, including the progressive introduction of carbon emissions trading mechanisms and tighter emission reduction targets, may raise energy costs and costs of production.

Moreover, our operations in the mining and minerals sector are subject to significant regulatory oversight, which can change in response to environmental, social, and political pressures. There is a risk that new laws or regulations could impose restrictions or outright bans on mining activities in some of the regions where we operate. Such regulatory changes could lead to operational disruptions, financial losses from halted projects, and substantial costs associated with compliance or legal challenges. The implementation of a mining ban could adversely affect our revenue streams and overall financial health, reduce the value of our investments in mining assets, and negatively impact our workforce and local economies dependent on our activities.

Our failure to comply with applicable laws, regulations or recognised international standards, or to obtain or renew the necessary permits, approvals and leases may result in the loss of the right to operate our facilities or continue our operations, the imposition of significant administrative liabilities, or costly compliance procedures, or other enforcement measures that could have the effect of closing or limiting production from our operations. For instance, the Tamil Nadu Pollution Control Board rejected our application for renewal of consent to operate our copper smelter at Tuticorin in Tamil Nadu and issued an order directing the closure of our operations at the smelter with immediate effect, pursuant to which our operations at this facility have been suspended. We filed a review petition before the Supreme Court of India challenging the closure, which is currently pending. For further details, see *"Our Business — Litigation"*.

In addition, if we fail to meet applicable environmental obligations or if a major accident or disaster were to occur, we may also be subject to administrative, civil and criminal proceedings by governmental authorities, as well as civil proceedings by environmental groups and other individuals. For instance, the stage-I forest clearance of ESL was revoked, however, the Chief Minister Secretariat, Government of Jharkhand issued a letter to the Ministry of Environment, Forest and Climate Change requesting reconsideration of the revocation. For further details, see *"Our Business — Litigation"*. This could result in substantial fines, penalties and damages against us as well as orders that could limit or halt or even cause closure of our operations, any of which could have a material adverse effect on our business, results of operations, cash flows and financial condition.

Changes in the interpretation of certain taxation and mining laws by the judiciary can have a material adverse effect on our business, financial condition and result of operations.

On 25 July 2024, the Supreme Court of India ("**Supreme Court**") has passed an order in the matter of Mineral Area Development Authority v. Steel Authority of India, concluding that the state governments have the power to levy cesses on mining and mineral use activities ("**Order 1**").

Subsequent to Order 1, the Supreme Court has, vide its order dated August 14, 2024, allowed the respective state governments in India to recover the aforesaid taxes and levies retrospectively beginning from April 1, 2005 ("**Order 2**" and together with Order 1, the "**Orders**"). The Supreme Court has ordered that the aforesaid retrospective payment should be made over a period of 12 (twelve) years beginning April 1, 2026. The Orders are likely to have a cascading effect on the Indian economy and could impact the entire supply chain originating from the mining industry leading to inflationary pressures in India. The conclusions of Order 1 and the retrospective payment of taxes and levies pursuant to Order 2 could significantly impact cost of doing business, profitability and financial condition of our Indian subsidiaries and other mining companies in India. Similarly, in cases where our Indian subsidiaries are procuring raw materials from other businesses operating in the mining industry (especially in cases of procurement of coal as a raw material), the Orders have the potential of increasing cost of acquisition of raw materials and consequently lead to an increase in cost of production for our Indian subsidiaries. There can be no assurance that we will be able to fully mitigate the impact of these Orders on our future business, financial condition, and results of operations.

We avail certain benefits under certain GoI incentive schemes. Cancellation or our inability to meet the conditions under such schemes may adversely affect our business operations, cash flows, results of operations, cash flows and financial condition.

We currently benefit from incentives and schemes granted by the GoI. For example, the GoI provides a variety of export incentives to Indian companies exporting copper, aluminium and zinc from India. We also currently benefit from significant tax holidays, exemptions and tax deferral schemes, which apply for limited periods. Separately, exemption on customs duty has been announced for 25 critical minerals in the union budget for 2024-2025. See the section entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations — Significant Factors Affecting Our Results of Operations — Indian Government Policy*" for more information. There is no guarantee that we will continue receiving or benefiting from such policies (or similar policies), and it may be possible that the GoI discontinue such policies in the future.

We have filed applications through SPVs for grant of subsidies from the GoI in setting up our semiconductor and display fabs in India. We may be required to satisfy certain conditions or contractual obligations before recognising government grants. However, there can be no assurance that we will be able to fully satisfy these conditions or perform such obligations, and it may be possible that the GoI may discontinue such grants in the future at the GoI's discretion or require us to repay part or all of the grants we may have previously received. There is no assurance that we could continue to be able to meet the requirements to be entitled to such grants, and there can further be no assurance that the grants that we could have enjoyed will not be challenged, altered or discontinued subsequently. Any alteration, suspension or termination of our government grants could have a material adverse effect on our business, financial condition, results of operations, cash flows, profitability and prospects.

Currency fluctuations among the Indian Rupee, other currencies and the US dollar could have a material adverse effect on our results of operations.

Although substantially all of our revenue is tied to commodity prices that are typically priced by reference to the US dollar, most of our expenses are incurred and paid in Indian Rupee. In addition, in Fiscal Year 2024, 64.0% of our revenue was derived from commodities that were sold to customers within India. The exchange rates between the Indian Rupee and the US dollar and between other currencies and the US dollar have changed substantially in recent years and may fluctuate substantially in the future. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations — Significant Factors Affecting Our Results of Operations — Exchange Rates*" for details. Our results of operations, cash flows and financial condition could be adversely affected if the US dollar depreciates against the Indian Rupee or other currencies. We progressively hedge short-term exposures to mitigate near-term currency fluctuations. However, large or prolonged movements in exchange rates may have a material adverse effect on our results of operations, cash flows and financial condition.

We are exposed to the political, economic, legal, regulatory and social risks of the countries in which we operate.

We have operations in India, Namibia, Ireland, South Africa, Liberia, UAE, Zambia, Japan, South Korea and Taiwan. We are exposed to the political, economic, legal, regulatory and social risks of the countries in which we operate or intend to operate. These risks potentially include expropriation and nationalisation of property, instability in political, economic or financial systems, uncertainty arising from underdeveloped legal and regulatory systems, corruption, civil strife or labour unrest, acts of war, armed conflict, terrorism, outbreaks of infectious diseases, prohibitions, limitations or price controls on hydrocarbon exports and limitations or the imposition of tariffs or duties on imports of certain goods. The combination of a finished steel export tax, a special additional excise duty imposed on domestic crude production, an increase of iron ore export taxes and a removal of import duties on coking coal have eased cost of production in the region but have negatively affected domestic Indian price sentiment. Prices of iron and steel are influenced by several macro-economic factors, such as global economic slowdown, the US-China trade war, Russia-Ukraine conflict, supply chain destocking, government investment on infrastructure, the emphasis on developmental projects, demand-supply forces, the Purchasing Managers' Index in India and production and inventory levels across the world, especially in China.

Furthermore, countries in which we have operations or intend to have operations have transportation, telecommunications and financial services infrastructures that may present logistical challenges not associated with doing business in more developed locales. Additionally, we may have difficulty ascertaining our legal obligations and enforcing any rights we may have. Social unrest in the countries and communities in which we operate make us vulnerable to community opposition and protests, which could lead to material fines, delays and the revocation of an operation's licence to operate. Although we engage in enhancing our community engagement systems and grievance mechanisms, any failure to maintain these systems could result in our inability to manage civil unrest in and around our operations.

Moreover, once we have established operations in a particular country, it may be expensive and logistically burdensome to discontinue such operations should economic, political, physical or other conditions subsequently deteriorate. All of these factors could have a material adverse effect on our businesses, results of operations, cash flows, financial condition or prospects.

We may face numerous protective trade restrictions, including anti-dumping laws, countervailing duties and tariffs, which could adversely affect our financial condition, cash flows and results of operations.

Protectionist measures, including anti-dumping laws, countervailing duties and tariffs and government subsidization adopted or currently contemplated by governments in some of our export markets could adversely affect our sales. Anti-dumping duty proceedings or any resulting penalties or any other form of import restrictions in other countries may limit our access to export markets for our products, and in the future additional markets could be closed to us as a result of similar proceedings, thereby adversely impacting our sales and/or limiting our opportunities for growth.

In addition, we are subject to the general risk of doing business overseas and may therefore be affected by global trade wars. For example, there is global economic uncertainty following the announcement by the United States to levy certain import tariffs on certain Chinese goods. Furthermore, the developing strain on the diplomatic relations between India and China may impact our operations. Our Aluminium and Power Businesses procure several spares and consumables, carbon-related commodities and relining material, alloys and other smaller items from China. While these items are available globally, they were procured from China due to competitive pricings. Alternative sourcing for commodities, alloying, relining, etc. may result in a slight cost increase on these products. Foreign vendors working on various technical projects also provide the various technology used in our refinery, smelters and power plants.

While we are actively monitoring these developments and any other indirect impact that may arise across our operations and dynamically evaluating all opportunities and risks to ensure business continuity, there can be no assurance that any of the above circumstances would not adversely affect our results of operations, cash flows and financial condition.

If our planned expansions and new projects are delayed, our results of operations, cash flows and financial condition may be materially and adversely affected.

We have, over the past few years, initiated expansion plans for our existing operations and planned greenfield projects, which may involve significant capital expenditure. Our planned expansions and new projects are subject to a number of risks that may adversely affect the prospects and profitability of such projects, including the following:

- unfavourable results from feasibility studies;
- failure to obtain, or experience delays or higher than expected costs in obtaining, the required agreements, authorisations, licenses and permits to develop a project, including the prior consultation procedure and agreements with local communities;
- permits, authorisations or rights granted to third parties that could conflict with, and require us to alter our expansion or new project plans;
- delays or higher than expected costs in obtaining the necessary equipment, machinery, materials, supplies, labour or services and in implementing new technologies to develop and operate a project;
- conflicts with local communities and/or strikes or other labour disputes may delay the implementation or the development of projects;
- accidents, natural disasters and equipment failures, as well as major public health issues, could result in delays, cost overruns, or the suspension or cancelation of projects; and
- changes in market conditions or regulations may make a project less profitable than expected at the time we initiated work on it.

We do not currently have all of the leases, licences, permits, consents and approvals that are or will be required for our planned expansions and new projects. There can be no assurance that we or our subsidiaries will be able to obtain or renew all necessary leases, licences, permits, consents and approvals in a timely manner or at all. For details, see *"— Our operations are subject to extensive governmental, health and safety and environmental regulations, which require us to obtain and comply with the terms of various approvals, licences and permits. Any failure to obtain, renew or comply with the terms of such approvals, licences and permits in a timely manner may have a material adverse effect on our results of operations, cash flows and financial condition."*.

Any delay in completing planned expansions, revocation of existing clearances, failure to obtain or renew regulatory approvals, non-compliance with applicable regulations or conditions stipulated in the approvals obtained, suspension of current projects, or cost overruns or operational difficulties once the projects are commissioned may have a material adverse effect on our business, results of operations, cash flows and financial condition. Any delay in completing planned expansions could have a material adverse effect on our credit ratings, which may increase our borrowing costs.

Any business acquisitions by us entails significant risks.

We may from time to time pursue acquisitions to expand our business. For example, Vedanta Limited acquired Athena Chhattisgarh Power Limited ("**Athena**") in 2022 and Meenakshi Energy Limited ("**Meenakshi**"), both of which owned coal-based thermal power plants, therefore expanding our Power Business. However, there can be no assurance that we will be able to identify suitable acquisition, strategic investment or joint venture opportunities, obtain the financing necessary to complete and support such acquisitions, investments or joint ventures, integrate such businesses, investments or joint ventures or that any business acquired will be profitable. If we attempt to acquire non-Indian companies, they may not be able to satisfy certain Indian regulatory requirements for such acquisitions and may need to obtain prior approval of the RBI, which we may not be able to obtain. The funding of such acquisitions by us may require certain approvals from regulatory authorities in India.

In addition, acquisitions and investments involve a number of risks, including possible adverse effects on our operating results, diversion of management's attention, loss of goodwill on account of change in ownership, failure to retain key personnel, risks associated with unanticipated events or liabilities, including environmental liabilities, and difficulties in the assimilation of the operations, technologies, systems, services and products of the acquired businesses or investments. Any failure to achieve successful integration of such acquisitions or investments could have a material adverse effect on our business, results of operations, cash flows and financial condition.

Our venture into new greenfield businesses such as semiconductor and display production businesses entail significant risks.

In 2022, we incorporated Vedanta Semiconductors Private Limited and Vedanta Displays Limited to spearhead our foray into semiconductors and display glass businesses, respectively, which is significantly different from our primary business in the natural resources sector. The semiconductors and display glass businesses are relatively new in India, and India does not yet manufacture glass substrates, display glass/panels or semiconductors. Venturing in new greenfield businesses such as semiconductors and display glass entails significant risks, and our success in these new businesses is dependent on our ability to navigate technological complexities, secure adequate funding, and effectively manage supply chain logistics.

While we are hoping to leverage the expertise that we have, for example from our overseas subsidiary Avanstrate Inc., which is one of the top global manufacturers of liquid-crystal display (LCD) glass substrates, there is no assurance that our expansion into the semiconductors and display glass businesses will be successful, which in turn could result in a material adverse effect on our business, financial condition, cash flows or results of operations.

Our insurance coverage may prove inadequate to satisfy future claims against us.

We maintain insurance which we believe is typical in the respective industries in which we operate and in amounts which we believe to be commercially appropriate. Nevertheless, we may become subject to liabilities, including liabilities for pollution or other hazards, against which we have not insured adequately or at all, or cannot insure. Our insurance policies contain certain customary exclusions and limitations on coverage which may result in our claims not being honoured to the full extent of the losses or damages we have suffered. For example, machinery breakdown in our aluminium facilities is not fully covered by insurance. In addition, our operating entities in India can only seek insurance from domestic insurance companies or foreign insurance companies operating in joint ventures with Indian companies and these insurance policies may not continue to be available at economically acceptable premiums. This is especially risky for the exploration and production of crude oil and natural gas, which is inherently hazardous. A range of factors incorporating natural and man-made factors may result in oil spills, fires, equipment failure, loss of well control, leakage of hydrocarbons or hydrogen sulphide etc., which can result in death, injury and damage to production facilities and the environment. The occurrence of a significant adverse event, the risks of which are not fully covered or honoured by such insurers, could have a material adverse effect on our results of operations, cash flows and financial condition.

Defects in title or loss of any leasehold interests in our properties could limit our ability to conduct operations on such properties or result in significant unanticipated costs.

Our ability to mine the land on which we have been granted mining lease rights and to make use of our other industrial and office premises is dependent on our acquisition of surface rights. Surface rights and title to land are required to be negotiated separately with landowners, although there is no guarantee that these rights will be granted. Any delay outside of the ordinary course of business in obtaining or inability to obtain or any challenge to our title or leasehold rights to surface rights could negatively affect our financial condition, cash flows and results of operations. For example, our Material Subsidiary, BALCO is currently involved in proceedings before the Supreme Court of India in relation to *inter alia* a dispute challenging its possession of forest land for its operations. For details, see "*Our Business — Litigation*".

We may face impairment risks and the risk of loss of dividend income in relation to our subsidiaries and other investments.

We have invested a significant amount of capital in our subsidiaries, associates and joint ventures. The business performance of entities that we have invested in has given rise to impairment charges in the past. The performance of our subsidiaries or other investments are susceptible to various factors including change in regulations, sector dynamics and macro-economic events, among others, that may lead to impairment charges, should the recoverable amount of the investment fall below its carrying value. Additionally, we have subsidiaries that are listed, such as HZL. Any changes in the fair value of these investments may adversely affect our financial condition. To receive investment income, we are dependent on the distribution of funds from our subsidiaries. This distribution is typically in the form of dividends, the declaration of which is beyond our control or influence and may depend on external factors affecting the industry that the subsidiary operates in, or other factors, including claims or actions by third parties. There can be no assurance that we will continue to receive dividend at the current levels, or at all, and this may have a material and adverse effect on our business, financial condition, cash flows and results of operations.

We are subject to risks associated with negative publicity or damage to our reputation.

We value and rely on our reputation to maintain and grow our business operations. Negative publicity associated with our operations could cause loss of business, divert management attention and other resources and incur litigation costs. We conduct business with a number of counterparties, including customers and suppliers. If any of such counterparties, or any of our former employees, is dissatisfied with us, whether or not justified, and raises any complaints or allegations relating to our operations and/or our directors or employees, our business may be adversely affected. Any negative publicity on any form of media following such complaints or allegations, regardless of whether the court has ruled in our favour or otherwise, may also damage our reputation and impact customers' perceptions of our brand, which may in turn materially and adversely affect our business, cash flows and results of operations.

As the securities of Vedanta Limited are listed, Vedanta Limited is subject to certain obligations and reporting requirements under the SEBI Listing Regulations.

The securities of Vedanta Limited are listed and consequently, Vedanta Limited is subject to certain obligations and reporting requirements under the SEBI Listing Regulations. Although Vedanta Limited endeavours to comply with all such obligations or reporting requirements, there have been instances of non-compliance or delays in complying with such obligations or reporting requirements, and penalties have been levied on Vedanta Limited in relation to such non-compliance or delay from time to time. We cannot assure you that such instances of non-compliance or delays may not take place in the future, which may adversely affect our reputation, results of operations and cash flows. For further details, see "*Our Business — Litigation*".

We are affected by climate change and decarbonisation, and failure of our ESG initiatives may adversely affect our reputation and loss of business opportunities.

Climate change may have various impacts on us 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. Our operations are likely to be affected by rising regulatory changes and investor demands aimed at limiting or reducing greenhouse emissions. This will lead to higher costs for fossil fuels, penalties for emissions exceeding permitted limits and increased administrative costs for compliance monitoring and reporting. For instance, the carbon border adjustment mechanism ("**CBAM**") will be applicable to our Aluminium Business as well as Iron Ore Business and our Steel Business. We would need to potentially pay additional taxes for imports into countries implementing CBAM. Also, CBAM could increase our risk exposure due to decreased market access.

Increasing scrutiny and rapidly evolving expectations, including by governmental and non-governmental organisations, consumer advocacy groups, third-party interest groups, investors, consumers, customers, employees and other stakeholders, regarding environmental, social, and governance ("**ESG**") practices and performance, particularly as they relate to the environment, sustainability, climate change, health and safety, supply chain management, diversity, labour conditions and human rights, could adversely affect our business, cash flows, results of operations or financial condition. The standards for tracking and reporting on ESG matters are relatively new, have not been harmonized and continue to evolve. Legislators and regulators have imposed, and likely will continue to impose, ESG-related legislation, rules and guidance, which may conflict with one another, create new disclosure obligations, result in additional compliance costs or expose us to new or additional risks. In addition, customers and other stakeholders have encouraged or insisted on, and likely will continue to encourage or insist on in the future, the adoption of various ESG practices that may conflict with one another and may exceed the requirements of applicable laws or regulations. Furthermore, certain organizations that provide information to investors have developed ratings for evaluating companies on their approach to various ESG matters. Implementing any necessary enhancements to our global processes and controls to reflect the increased scrutiny and rapidly evolving expectations regarding ESG matters may be complex, time-consuming and costly.

However, we may be unable to successfully implement our ESG efforts or the changes we implement in connection with our ESG efforts may not generate the intended effects, which could adversely affect our business, cash flows, results of operations or financial condition. For example, our ESG goals and commitments could hinder our ability to obtain sufficient amounts of products or materials, either at a reasonable cost or at all, including because our ESG goals and commitments could reduce the number of manufacturers or suppliers with business practices or access to materials that satisfy the requirements of our ESG goals and commitments. In addition, we expect that stakeholders will compare our ESG goals and commitments against those of our competitors. Our competitors could have more robust ESG goals and commitments or be more successful at implementing their ESG goals and commitments than us, which could adversely affect our reputation. Our competitors could also decide not to establish ESG goals and commitments at a scope or scale that is comparable to our ESG goals and commitments, which could result in our competitors having lower supply chain or operating costs.

Our reputation may be affected by our perceived ESG credentials and our ability to meet our ESG goals. Despite our efforts, any actual or perceived failure to achieve our ESG goals or the perception (whether or not valid) that we have failed to act responsibly with respect to ESG matters, comply with ESG laws or regulations or meet societal, investor and consumer ESG expectations could result in negative publicity and reputational damage, lead consumers or customers to purchase competing products or investors to choose not to invest in our Group or cause dissatisfaction among our employees or other stakeholders, which could adversely affect our business, cash flows, results of operations or financial condition.

Our inability to renew or maintain our lease agreements may adversely affect our business operations. Further, we may be unable to enforce our rights in the event of any inadequate preservation, stamping or non-registration of agreements in relation to our properties.

Our Company's registered office in London, the UK is located on leased premises, we have been granted the right to use these premises. Vedanta Limited's registered office in Andheri (East), Mumbai, Maharashtra, India are located on leased premises, where we have been granted the right to use these premises on a leave and license basis. A failure to observe and perform obligations under the leave and license agreement in relation to any of our registered offices may lead to termination or non-renewal of such license in the future, which may adversely affect our operations. There can be no assurance that we will be able to renew such an agreement at commercially favourable terms, or at all. If we are unable to renew such agreement in a timely manner or if there is any premature termination of such agreement, it may cause disruptions in our business and we may incur substantial costs associated with shifting to new premises, all of which may adversely affect our business operations.

Additionally, we regularly enter into agreements with third parties in relation to the purchase and /or use of premises or land parcels for our offices, facilities and business operations. The terms, tenure and the nature of the agreements vary depending on, amongst other things, the subject matter of the agreement and the third party involved. Further, some of the agreements executed by us may be inadequately stamped or unregistered and the originals or copies of such agreements may not have been adequately preserved or maintained by us. While such agreements may be enforceable in accordance with the dispute resolution mechanism set out in such agreements, any inadequately stamped or unregistered documents may not be admissible as evidence in a court of law until the applicable stamp duty, with penalty, has been paid and registered, and any inadequately preserved documents may not be produced as evidence, which could affect our ability to enforce our rights under the agreements in a timely manner or without incurring any additional costs and could have an adverse impact on the ongoing nature of our business operations.

We could be subject to weaknesses, disruptions, failures or infiltrations of, or inadequacies in, our information technology systems.

We are dependent on the capacity and reliability of the communications, information and technology systems supporting our operations. We are exposed to operational risks, such as data entry or operational errors or interruptions of our financial, accounting, compliance and other data processing systems, whether caused by the failure to prevent or mitigate data losses and other security breaches, or other cyber security threats or attacks, fire or other disaster and power or telecommunications failure, which could result in a disruption of our business, liability to third parties, regulatory intervention, or reputational damage, and thus have a material adverse effect on our business.

Although we have back-up systems and cyber security measures in place, our back-up procedures, cyber defences and capabilities in the event of a failure, interruption, or breach of security may not be adequate. Insurance and other safeguards we use may not be available or may only partially reimburse us for losses related to operational failures or cyber-attacks.

As we grow and our reliance on information technology and systems increases, protecting systems from cyber security attacks and threats may become increasingly challenging and costly. We may be unable to prevent or address any disruption to the operation of our information technology systems in a timely manner, or upgrade our information technology or communications systems. Any such failure could result in our inability to perform, or result in prolonged delays in the performance of, critical business and operational functions, the loss of key business information and data, or a failure to comply with regulatory requirements.

The equity shares of the Issuer and our Company are not listed and therefore the Issuer and our Company are not subject to the disclosure and corporate governance requirements that listed companies are required to comply with.

The equity shares of the Issuer and our Company are not listed or traded on any stock exchange. Whilst we have other listed debt instrument which may require disclosure of certain information from us, Bondholders will not have the benefit of the disclosure and corporate governance requirements that are imposed on companies that have publicly listed equity shares.

Third party statistical and industry related data in this Offering Circular may be incomplete or unreliable and any reliance on such information for making an investment decision in this offering of the Bonds is subject to inherent risk.

We have availed the services of an independent third-party research agency, ICRA Limited, to prepare an industry report titled 'Industry Overview Report for Vedanta Ltd.' dated July 5, 2024, for the purpose of inclusion of information pertaining to the industries in which we operate in this Offering Circular. Further, information regarding market position, growth rates and other industry data pertaining to our businesses contained in this Offering Circular also consists of estimates based on data reports compiled by professional organisations and analysts, data from other external sources and our knowledge of the markets in which we compete. The Issuer and the Guarantors have not independently verified third-party statistical and industry related data obtained from ICRA Limited or other industry publications and sources referred to in this Offering Circular and, therefore, we cannot assure you that they are complete or reliable. Such data may also be produced on different bases from those used in other industry publications. Therefore, discussions of matters relating to the economy and the industries in which we operate in this Offering Circular are subject to the caveat that the statistical and other external data upon which such discussions are based may be incomplete or unreliable. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organisations) to validate market-related analyses and estimates, so we rely on internally developed estimates. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Offering Circular. Prospective investors are advised not to unduly rely on the commissioned report or extracts thereof or the industry data as mentioned above as included in this Offering Circular, when making their investment decisions.

A downgrade in our credit ratings or the rating assigned to the Bonds may adversely affect our ability to access capital.

We have corporate credit rating of "B-" (with stable outlook) from S&P. In addition, the Bonds are rated "CCC+" by S&P. Our corporate credit ratings or the rating of the Bonds may be reviewed and changed at any time by one or more of these agencies, and they may be lowered or withdrawn entirely in the future. For example, S&P recently downgraded the rating of the Original Bonds from "B-" to "CCC+". See "*Our Business — Recent Developments — Credit Ratings*" for further details. There can be no assurance that we will be able to maintain such ratings. A suspension, reduction or withdrawal at any time of the ratings assigned to the Bonds may adversely affect the market price of the Bonds.

Operating Risks

Our operations are subject to operating risks common to the industries in which we operate could result in decreased production, increased cost of production and increased cost of or disruptions in transportation, which could adversely affect our business, results of operations, cash flows and financial condition.

The success of each of our businesses is subject to operating conditions and events common to the industry in which we operate which are beyond our control that could, among other things, increase our mining, transportation or production costs, disrupt or halt operations at our mines and production facilities permanently or for varying lengths of time, or interrupt the transportation of our products to our customers. These conditions and events include:

- *Operational hazards.* Our mining operations include open-pit and underground mining, both of which involve significant hazards and risks. Hazards associated with our open-pit mining operations include flooding of the open pit, collapses of the open-pit wall, accidents related to the operation of large open-pit mining and rock transportation equipment, accidents related to the preparation and ignition of large-scale open pit blasting operations, production disruptions due to weather and hazards related to the disposal of mineralised wastewater, such as groundwater and waterway contamination. Hazards associated with our underground mining operations include underground fires and explosions, including those caused by flammable gas, cave-ins or ground falls, discharges of gases and toxic chemicals, flooding, sinkhole formation and ground subsidence and other accidents and conditions resulting from drilling and removing and processing material from an underground mine. If any of these hazards or accidents result in significant injury to employees and damage to equipment or other property, we may experience unexpected production delays, increased production costs, and increased capital expenditures to repair or replace equipment or property, as well as claims from affected employees and environmental and other authorities for any alleged breaches of applicable laws or regulations.

- *Disruptions in mining, drilling and production due to equipment failures, unexpected maintenance problems and other interruptions.* All of our operations are vulnerable to disruptions. Metal processing plants are especially vulnerable to interruptions, particularly where an event causes a stoppage which necessitates a shut down in operations. Stoppages in certain types of our smelters, even if lasting only a few hours, can cause the contents of furnaces or cells to solidify, resulting in a plant closure for a significant period and necessitating expensive repairs. Oil and gas drillings may also involve unprofitable efforts, not only with respect to dry wells, but also with respect to wells that are productive but do not produce sufficient net revenues to return a profit after drilling, operating and other costs.

- *Availability of raw materials for energy requirements*. Any shortage of or increase in the prices of the raw materials needed to satisfy our energy requirements may interrupt our operations or increase our cost of production. We are particularly dependent on coal which is used in many of our captive power plants and independent power plants. Our Aluminium Business, which has high energy consumption due to the energy intensive nature of aluminium smelting, is significantly dependent on receiving allocations from domestic coal suppliers.

- *Availability of water*. The mining operations of our Zinc, Lead and Silver Business and our Aluminium Business and our captive power plants depend upon the supply of a significant amount of water. There is no assurance that the water required for these operations will continue to be available for us in sufficient quantities or that the cost of water will not increase.

- *Disruptions to or increased costs of transport services*. We depend upon seaborne freight, inland water transport, rail, trucking, overland conveyor and other systems to transport bauxite, alumina, zinc concentrate, copper concentrate, iron ore, oil, natural gas, metallurgical coke, pig iron, coking coal and other supplies to our operations and to deliver our products to customers. Any disruption to or increase in the cost of these transport services, including as a result of fuel cost increases, interruptions, availability of railway wagons, that decrease the availability of these transport services or increases in demand for transport services from our competitors or from other businesses, or any failure of these transport services to be expanded in a timely manner to support an expansion of our operations.

- *Accidents at mines, smelters, refineries, cargo terminals and related facilities, including as a result of the occurrence of natural disasters*. Any accidents or explosions, including as a result of the occurrence of natural disasters, causing personal injury or fatality, property damage or environmental damage at or to our mines, smelters, refineries, cargo terminals and related facilities may result in significant losses, expensive litigation, imposition of penalties and sanctions or suspension or revocation of permits and licences. Risks associated with open-pit mining operations include flooding of the open-pit and collapses of the open-pit wall. Risks associated with underground mining operations include underground fires and explosions (including those caused by flammable gas), cave-ins or ground falls, discharges of gases or toxic chemicals, flooding, sinkhole formation and ground subsidence. Injuries to and deaths of workers at our mines and facilities have occurred in the past and may occur in the future.

- *Industrial actions or disputes*. Industrial actions or disputes may lead to business interruptions and halts in production. In addition, we may be subject to union demands and litigation for pay raises and increased benefits, and the existing arrangements with the trade unions may not be renewed on terms favourable, or at all.
- *Tailings dam failure.* A release of waste material from tailings dams of any of our production facilities may lead to loss of life, injuries, environmental damage, reputational damage, financial costs and production impacts. Tailings dam failure is considered to be a catastrophic risk, which is a very high severity but very low frequency event that must be treated with the highest priority.

Although we have not experienced any material incident or condition as described above in the last three Fiscal Years, there is no assurance that any such incident or condition may not occur in the future, and any occurrence of such incident or condition could have a material adverse effect on our business, results of operations, cash flows and financial condition.

Suspension of our mining operations, either temporarily or permanently, could have a material adverse effect on our business, results of operations, cash flows and financial condition.

We have mining operations particularly in our Aluminium Business, our Zinc, Lead and Silver Business and our Iron Ore Business; as such, we face the risk of mine closures, either temporarily or permanently, due to economical, technical, regulatory, social or other factors. For example, due to the adverse environmental impact associated with mining activities, we may face adverse impact on our financial condition concerning the areas in which we conduct mining operations. Although we have not experienced any such material impact in the last three Fiscal Years, there is no assurance that it will not occur in the future. we are also subject to regulatory consents to operate our mines which could be granted, revoked or terminated, either due to policy change or change in law. See also "*— Risks Relating to Business — Our operations are subject to extensive governmental, health and safety and environmental regulations, which require it to obtain and comply with the terms of various approvals, licences and permits. Any failure to obtain, renew or comply with the terms of such approvals, licences and permits in a timely manner may have a material adverse effect on our results of operations, cash flows and financial condition.*".

Suspension of our mining operations, either temporarily or permanently, could have a material adverse effect on our business, results of operations, cash flows and financial condition and could also exacerbate our dependency on third-party suppliers. See also "*— Risks Relating to Business — Our businesses depend upon certain third parties for the supply of our raw material, equipment and services, the execution of projects and, as well as the offtake of our production.*".

Our oil and gas operations may be subject to operating risks which may have a material adverse effect on our financial condition, cash flows and results of operations.

We have operating and maintenance procedures to maintain the integrity of our production facilities but there is a risk that unplanned events, inadequate application of these procedures or higher than expected levels of corrosion could disrupt production, which would have an adverse impact on oil sales, which ultimately could materially and adversely affect our financial condition and operating results.

Due to the waxy nature of crude oil, we use hot water injection recovery techniques at our crude oil fields. Injection of hot water requires that the temperature of the water is maintained at a certain level to ensure that the temperature of the crude oil is not reduced by the water used in the injection process to the point where solidification may occur. If the temperature of the injection water is not maintained at the required level, the overall field production rate and ultimate recovery may be adversely impacted. Furthermore, the waxy nature of the crude oil requires that the temperature of crude oil transported through the 24-inch insulated oil pipeline and connecting spur lines should be kept at a temperature greater than the temperature at which crude oil starts to solidify (i.e., pour point). Maintaining the temperature of the crude oil above pour point temperature has required the installation of a specialised heating system and heating stations at various points along the pipeline. If the specialized heating system does not perform as expected, or there are problems associated with the performance of the heating stations, or there are problems supplying fuel to the power generation systems at these heating stations, then the temperature of crude oil may not be maintained, which would have an adverse impact on the rate at which oil can be transported through the pipeline. Any reduction in the crude oil production, ultimate recovery, or in the oil transportation may have a material adverse effect on our business, cash flows, financial condition and results of operations.

Oil processing facility in the northern fields of the Rajasthan Block require reliable fuel supply for power generation and heating, to ensure the quality of our crude oil production. Currently, the fuel supply for power generation and heating requirements are being met through associated natural gas from the Mangala field, supplemented as required by natural gas from the Raageshwari Deep Gas field. While the current gas supply is adequate to ensure a continuous efficient fuel supply, there is no guarantee that the current estimates of the future fuel requirements can be supplied from the gas associated with existing and future oil production, supplemented by supply of remaining gas from the Raageshwari Deep Gas field, after accounting for gas sales. Thus, the facilities have been augmented by alternative energy source in form of grid power supply. Sustained failure of power systems due to unavailability of fuel supply and/or grid power availability could lead to disruption in operations, having a material adverse effect on our results of operations, cash flows and financial condition.

We are using hot water injection to maintain reservoir pressure and to optimise crude oil recovery at the Mangala, Bhagyam and Aishwariya fields. The primary source of water for injection in these fields is the produced water to which water from Thumbli saline aquifer is added to make up the total injection requirements. Extraction of saline water also requires the approval from the relevant authorities. There can be no assurance that the estimated impact of expected water extraction on the flow of ground water is accurate. A failure to extract the required amount of water during the life of the existing and currently planned developments, or an inaccurate prediction of the impact on the groundwater flow, or delay or cancellation of the approval from the government to extract saline water, may require us to access alternative sources of water. Although the relevant government authority has given its consent for the extraction of saline groundwater from Thumbli, it is possible that we will be perceived to be directly or indirectly responsible for any shortage of fresh water or deterioration in water quality. In such an event, the local authorities may require us to access alternative water sources or hold us responsible for any contamination of the fresh water supply by saline groundwater from the aquifer.

The field development plans for the northern fields of the Rajasthan Block assume, the use of enhanced oil recovery techniques to extract an additional incremental percentage of the estimated oil in place in the reservoirs. Enhanced oil recovery screening studies of the northern fields have concluded that polymer flooding or alkaline surfactant polymer, or ASP, flooding, two common enhanced oil recovery techniques, are the preferred enhanced oil recovery options. Risks associated with the project include improper chemical selection, inadequate subsurface response to injected fluid(s) and inadequate processing of produced fluids thereby impacting performance of surface facilities and continuous sourcing of polymer for ongoing operations. Furthermore, if the polymer is not maintained at the correct temperature in the reservoir and, then it may degrade and not function correctly, thereby reducing the incremental amount of crude oil that is expected to be recovered. There is also a risk that the polymer handling facilities at the surface may perform at lower efficiency than designed, which may lead to degradation of the polymer and ultimately its higher consumption. All of these factors could have a material adverse effect on our business, results of operations, cash flows, financial condition and prospects.

The use of enhanced oil recovery technique may significantly increase the operational expenditure necessary to extract crude oil. The economic viability of such recovery techniques will be determined by the incremental cost of such techniques compared to the then prevailing price of crude oil in the international markets. There can be no assurance that the price of crude oil will allow such techniques to be an economically viable proposition at the time we intend to implement these enhanced recovery techniques. This could have a material adverse effect on our ability to compete, our business, cash flows, financial condition, cash flows and results of operations.

We also rely on pipelines for the transportation of crude oil to refineries. These pipelines, due to their geographical spread and exposure to various environmental and operational hazards, are susceptible to disruptions or stoppages that could significantly impact our Oil and Gas Business's operations and financial performance. Disruptions could result from a range of factors including but not limited to natural disasters (such as earthquakes, floods, or severe weather conditions), mechanical failures, maintenance issues, ageing infrastructure, and accidents. Political unrest or terrorist activities in regions where these pipelines operate also pose a substantial risk of disruption. Furthermore, any disruptions could lead to a temporary or prolonged inability to supply crude oil to refineries, potentially resulting in substantial revenue losses and contractual penalties. Additionally, such events could necessitate significant capital expenditures to repair damages, which could adversely affect our financial condition and operational results.

Our oil and gas business involves joint venture partnerships under the relevant PSC. Differences of opinion between partners and regulators may occur on cost recovery and other PSC provisions which may adversely impact our financial position.

The operating blocks of our Oil and Gas Business operates under the relevant production sharing contract ("**PSC**"). These operating blocks have joint venture partners. Pursuant to the provisions of the joint operating agreement, our joint venture partner has an obligation to pay the cash calls raised for the smooth functioning of the petroleum operations. However, the joint venture partner has withheld payment of certain cash calls and settled at exchange rates to its own benefit.

Oil and gas exploration activities are capital intensive and inherently uncertain in their outcome.

Oil and gas exploration activities are capital intensive and inherently uncertain in their outcome. There is a risk that our Group or the operators of assets in which our Group has an interest will undertake exploration activities and incur significant costs in so doing with no assurance that such expenditure will result in the discovery of hydrocarbons, whether or not in commercially viable quantities.

There are general risks relating to the operation of our Power Business.

Operating power plants on a standalone basis involves many operational risks which are unique to the Power Business as compared to our other businesses, including the following:

- *Dependence on third parties.* Third parties must be hired for the construction, delivery and commissioning of power facilities, the supply and testing of equipment and transmission and the distribution of any electricity we generate and there are associated risks. For instance, contractors hired may not be able to complete construction and installation on time, within budget, or to the specifications in the contracts with them, or such contractors may otherwise cause delays in meeting project milestones or achieving commercial operation by the scheduled completion date, which could in turn cause forecast budgets to be exceeded or result in delayed payment by customers, invoke liquidated damages or penalty clauses or performance guarantees or result in termination of contracts. In addition, as a result of increased industrial development in India in recent years, the demand for contractors with specialist design, engineering and project management skills and services has increased, resulting in a shortage of and increasing costs of services of such contractors. There can be no assurance that such skilled and experienced contractors will continue to be available at reasonable rates, and we may be exposed to risks relating to the cost and quality of their services, equipment and supplies.

- *Dependence on coal.* We may not receive the coal block allocations that we expect or, may not be allowed to use such allocations for our Power Business. Any coal block allocations that we receive may not be sufficient for our planned operations and we may not be successful in procuring sufficient supply of coal at economically attractive prices, or at all. Moreover, the coal block allocation letters contain certain restrictive covenants which we are subject to, including specified end use and submission of mining plans within a certain specified period. We also could experience a shortfall in the quantity of coal against our requirement or receive lower quality coal, which can result in increased costs. If we are unable to secure sufficient coal linkage for your power plants, we will be dependent on open market purchases and fluctuation of coal prices.

- *Power purchase agreements*. The power purchase agreements ("**PPAs**") and other agreements that we have entered into, or may enter into, may require us to guarantee certain minimum performance standards, such as plant availability and generation capacity, to the power purchasers. If our facilities do not meet the required performance standards, the power purchasers may not reimburse us for any increased costs arising as a result of not operating within the agreed norms, which may in turn have a material adverse effect on our results of operations, cash flows and financial condition. Furthermore, power sold to different merchants will also be subject to the fluctuation of merchant power rates.

Any of the above could have a material and adverse effect on our business, cash flows, financial condition and results of operations.

We are exposed to competitive pressures in the various businesses in which we operate.

The mines and minerals, commercial power generation, and oil and gas industries are highly competitive. We will continue to compete with other industry participants in the search for and acquisition of mineral and oil and gas assets and licences. Competitors include companies with, in many cases, greater financial resources, local contacts, staff and facilities than ours.

Competition for exploration and production licences as well as for other investment or acquisition opportunities may increase in the future. This may lead to increased costs in the carrying out of our activities, reduced available growth opportunities and may have a material adverse effect on our businesses, financial condition, results of operations, cash flows and prospects.

There are uncertainties inherent in estimating our Ore Reserves and Mineral Resources and oil, condensate and sales-gas reserves, and if the actual amounts of such reserves and resources are less than estimated, our results of operations, cash flows and financial condition may be materially and adversely affected.

There are uncertainties inherent in estimating the quantity of Ore Reserves and Mineral Resources and in projecting future rates of production, including factors beyond our control. Estimating the amount of Ore Reserves and Mineral Resources is a subjective process, and the accuracy of any estimate is a function of the quality of available data and engineering and geological interpretation and judgement. Estimates of different

Competent Persons/Experts may vary, and results of exploration, mining and production subsequent to the date of an estimate may lead to revision of estimates. For example, fluctuations in the market price of ore and other commodities, reduced recovery rates or increased production costs due to inflation or other factors may render Proved and Probable Ore Reserves containing relatively lower grades of mineralisation uneconomic to exploit and may ultimately result in a restatement of Ore Reserves. If the assumptions upon which estimates of Ore Reserves or Resources have been based prove to be incorrect, or if Ore Reserve estimates differ materially from mineral quantities or grades that we may actually recover, estimates of mine or field life may prove inaccurate and market price fluctuations and changes in operating and capital costs may render certain Ore Reserves, mineral deposits or oil and gas deposits uneconomical to extract.

For example, there are differences between our estimates of reserves and contingent resources and the estimates of DeGolyer and MacNaughton, independent petroleum engineering consultants, due to their different methodologies. Please see the section entitled "*Our Business — Description of the Businesses — Oil and Gas Business — DeGolyer and MacNaughton's Evaluation of Reserves*" for more information.

This Offering Circular, including "*Annex A — Life of Mines*" and "*Annex B — Mineral Resources (Exclusive Reporting Basis)*", uses the term "Resources," which are comprised of "Measured," "Indicated" and "Inferred" Mineral Resources. There is a great amount of uncertainty as to the existence of "Inferred" Mineral Resources and uncertainty as to their technical, economic and legal feasibility. It cannot be assumed that all or any part of an "Inferred" Mineral Resource will ever be upgraded to a higher category. Investors should not assume that all or any part of "Measured" or "Indicated" Mineral Resources will ever be converted into Ore Reserves and are also cautioned not to assume that all or any part of an "Inferred" Mineral Resource exists or is economically or legally mineable. On October 31, 2018, the SEC adopted amendments to its disclosure rules to modernise the mineral property disclosure requirements for issuers whose securities are registered with the SEC under the Exchange Act. These amendments became effective February 25, 2019, with compliance required for the first fiscal year beginning on or after January 1, 2021. Under the new SEC amendments, the historical property disclosure requirements for mining registrants included in Industry Guide 7 under the US Securities Act have been rescinded and replaced with disclosure requirements in subpart 1300 of Regulation S-K. As a result of the adoption of subpart 1300 of Regulation S-K, the SEC's standards for mining property disclosures are now more closely aligned to the JORC Code's requirements. For example, the SEC now recognises estimates of "measured mineral resources", "indicated mineral resources" and "inferred mineral resources." In addition, the SEC has amended its definitions of "proven mineral reserves" and "probable mineral reserves" to be "substantially similar" to the corresponding standards under the JORC Code. However, despite these similarities, SEC standards are still not identical to the JORC Code. Accordingly, investors are cautioned that there can be no assurance that the reserves and resources reported by us under the JORC Code would be the same had we prepared our reserve or resource estimates under the standards adopted under subpart 1300 of Regulation S-K and that the technical information contained within this document does not constitute a Technical Report Summary in accordance with the requirements of subpart 1300 of Regulation S-K. See the section entitled "*Basis of Presentation of Reserves and Resources — Cautionary Note to United States Investors Concerning Estimates of Measured, Indicated and Inferred Resources for Mining Operations*" for more information.

As a result, the Ore Reserves and Mineral Resources data contained in this Offering Circular are subject to material assumptions and uncertainties. If any of these assumptions and estimates turns out to be incorrect, we may need to revise our estimates downwards and this may adversely affect our business plans and the total value of our asset base, which could increase our costs and decrease profitability. If this occurs, our results of operations, cash flows and financial condition may be materially and adversely affected.

In addition, "*Annex B — Mineral Resources (Exclusive Reporting Basis)*" contains management's life of mine estimates based on Mineral Resource plus Ore Reserves and current production rates. The reporting methodology for Mineral Resources differs from that of Ore Reserves under international reporting codes as certain factors (termed "**Modifying Factors**", such as mining losses and dilution) are included in the reporting of Ore Reserves, whereas Mineral Resources are reported on an in-situ basis. For the purposes of proving and indication on the potential Life of Mine, Mineral Reserves and Mineral Resources (reported on an exclusive basis) have been summed. 'Reserves and Resources' are reported in "*Annex B — Mineral Resources (Exclusive Reporting Basis)*" as the sum of Mineral Reserves (Proven and Probable) and Mineral Resources (including Measured, Indicated and Inferred) exclusive of Mineral Reserves. Consequently, considerable caution should be exercised when considering life of mine estimates based on Mineral Resource plus Ore Reserves. Life of mine estimates which include Mineral Resources have been undertaken by us and have not been subject to review by the Independent Consultants named in this Offering Circular. See the section entitled "*Basis of Presentation of Reserves and Resources — Cautionary Note to United States Investors Concerning Estimates of Measured, Indicated and Inferred Resources for Mining Operations*" for more information.

Although we provide certain life of mine estimates on the basis of Ore Reserves and Mineral Resources, investors are cautioned to use the life of mine estimates based solely on Ore Reserves in "*Annex A — Life of Mines*" as the base case for any assessment of the life of a mine. The life of mine estimates presented therein take into account the Fiscal Year 2024 production for all mines. It should be noted that the Ore Reserves are derived from Life-of-mine plans which in certain instances assume expanded production which is significantly increased when compared to current (2024) production capacity. Furthermore, the contribution of Inferred Mineral Resources to the estimation of Mine Life may be significant, with Inferred Mineral Resources representing the following percentages of "Reserves and Resources" shown; Rampura Agucha – 11.2%, Rajpura Dariba – 43.4%, Zawar Group – 47.3%, Kayad – 25.1%, Sindesar Khurd – 8.1, Bamnia Kalan – 49.3%, Skorpion – 30.1%, Swartberg – 25.1%, Gamsberg – 43.3%, Big Syncline – 96.8%, Gergarub Project – 30.9%, and WCL – Bomi – 6.6% Accordingly, the mine lives for such instances will be significantly shorter than the Life-of-Mine years reported above.

Future production from our assets may vary from the forecast.

We estimate the annual metal production and the mine life through a detailed mine plan for both open pit and underground mines and the oil and gas production rates and field life through the field development plans. These mine plans and field development plans are prepared based on our estimates of future mine and field performance. Future performance is subject to a number of risks including but not limited to geological conditions being more complex than originally predicted, ore grade being different from estimates, future producer or injector well performance, plant operating efficiencies being less than originally forecast, inadequate power, water or utility supplies, and other constraints. Any material fall in production from the current production level or from the estimates due to some or all of the risks detailed above may adversely impact our business, cash flows, financial condition and results of operations.

For example, for our Oil and Gas Business, plateau production rates from the Rajasthan Block may be less than as forecasted. The estimates of production rates and field life contained in the field development plans for the Mangala, Bhagyam, Aishwariya, Raageshwari and Saraswati fields in the Rajasthan Block are based on our estimates of future field performance. Future field performance is subject to a number of risks that are beyond our control. See "*— There are uncertainties inherent in estimating our Ore Reserves and Mineral Resources and oil, condensate and sales-gas reserves, and if the actual amounts of such reserves and resources are less than estimated, our results of operations, cash flows and financial condition may be materially and adversely affected*." for more details.

Vedanta Limited's Unaudited Consolidated Condensed Interim Financial Statements may not be representative of our financial condition, results of operations and cash flow for the same period.

As we have not prepared or published any financial statements (on a consolidated or a standalone basis), including interims, up to any date subsequent to March 31, 2024, we have included Vedanta Limited's

Unaudited Consolidated Condensed Interim Financial Statements together with Vedanta Limited's Audited Financial Statements elsewhere in this Offering Circular. Vedanta Limited is the primary operating subsidiary of our Company and includes all of our operating assets except for KCM. Following the loss of control, KCM was deconsolidated on May 21, 2019. However, the board of KCM was subsequently reinstated on 31 July 2024, and accordingly we regain control from such date. For Fiscal Year 2024, Vedanta Limited, on a consolidated basis together with its subsidiaries, joint ventures and its associates, contributed 99% of our EBITDA. Whilst we believe that the financial conditions, cash flow and results of operation of Vedanta Limited (on a consolidated basis) as reflected in Vedanta Limited's Unaudited Consolidated Condensed Interim Financial Statements provides a meaningful reflection of our financial conditions, cash flow and results of operations expected for same period, there can be no assurance and none of the Joint Global Coordinators and Managers or any of their respective affiliates, directors or advisors makes any representation or warranty, express or implied that Vedanta Limited's Unaudited Consolidated Condensed Interim Financial Statements would be sufficiently representative of our financial condition and results of operations expected for the same period.

Vedanta Limited's Audited Financial Statements included in this Offering Circular have been prepared in accordance with Ind AS and Vedanta Limited's Unaudited Consolidated Condensed Interim Financial Statements included in this Offering Circular have been prepared in accordance with Ind AS – 34 "*Interim Financial Reporting*" prescribed under Section 133 of the Companies Act and other accounting principles generally accepted in India, which differs from IFRS, which is the accounting principles and auditing standards of our Company. Significant differences exist between Ind AS and IFRS, hence the adjustments that are ultimately required to convert from Ind AS to IFRS could be significant. For a summary of the significant differences between Ind AS and IFRS, see the section entitled "*Summary of Significant Differences Between IFRS and Ind AS*". We have not attempted to provide any reconciliation or quantitative impact of IFRS on Vedanta Limited's financial in this Offering Circular. Potential investors should consult their own professional advisers for an understanding of the differences between Ind AS and IFRS, and how these differences might affect their understanding of the financial information contained herein.

Furthermore, Vedanta Limited's Audited Financial Statements and Vedanta Limited's Unaudited Consolidated Condensed Interim Financial Statements would not reflect certain items, such as total indebtedness of certain of our offshore subsidiaries, including the Subsidiary Guarantors. Potential investors must exercise caution when using Vedanta Limited's Unaudited Consolidated Condensed Interim Financial Statements to evaluate our financial condition and results of operations for the similar period. In addition, Vedanta Limited's Unaudited Consolidated Condensed Interim Financial Statements are not necessarily indicative of results expected for a full Fiscal Year of for any future period and should not be taken as an indication of our expected financial condition and results of operations for Fiscal Year 2025.

Auditors reports of Vedanta Limited's financial statements contain, inter alia, emphasis-of-matters and certain modifications.

Vedanta Limited's statutory auditors, S.R. Batliboi & Co. LLP, have in their audit report on the Vedanta Limited's Audited Financial Statements for Fiscal Year 2024 and in their review report on Vedanta Limited's unaudited consolidated financial results as of and for the three months ended June 30, 2023 included an emphasis-of-matter paragraph by drawing reference to a note to the Vedanta Limited's Audited Financial Statements for Fiscal Year 2024 or, as the case may be, a note to Vedanta Limited's unaudited consolidated financial results as of and for the three months ended June 30, 2023 with respect to accounting for an acquisition approved by the NCLT, Hyderabad Bench, overriding the applicable Ind AS requirements. The above emphasis-of-matter indicate matters of significance associated with the financial statements of Vedanta Limited which its statutory auditors consider to be important enough to warrant a mention in their audit reports but without qualifying its opinion therein. Potential investors must therefore exercise caution when reading such financial statements to evaluate financial condition, results of operations and cash flows.

In relation to Vedanta Limited's Audited Financial Statements for Fiscal Year 2024, auditors report under paragraph report on other legal and regulatory requirements included a modification to indicate that audit trail feature was not enabled for direct changes to data in certain database when using system administrator access rights. There can be no assurance that Vedanta Limited's current or future statutory auditors will not include matters of emphasis or other similar comments in the audit reports to Vedanta Limited's audited financial statements or will not affect Vedanta Limited's financial results in future Fiscal Years. Investors should consider these matters of emphasis and related remarks in evaluating Vedanta Limited's financial condition, results of operations and cash flows. Any such modification in the auditors' report on Vedanta Limited's financial statements in the future may also adversely affect the trading price of the Bonds.

Potential investors should not place undue reliance on HZL's unaudited financial information or the discussion of material financial trends in relation to HZL's unaudited financial information as of and for the six months ended September 30, 2024.

This Offering Circular contains certain discussion of HZL's material financial trends as of and for the six months ended September 30, 2024. Such unaudited financial information as of and for the six months ended September 30, 2024 is not included in, and does not form part of, this Offering Circular. Such financial information and the discussion of material financial trends in relation to such financial information should not be relied upon by investors to provide the same quality of information associated with information that has been subject to an audit. Potential investors must exercise caution when considering such material financial trends and evaluating our financial condition and results of operations.

Risks relating to Investments in India

A substantial portion of our assets and operations are located in India and we are subject to regulatory, economic, social and political uncertainties in India.

A substantial portion of our assets and employees are located in India, and we intends to continue to develop and expand its facilities in India. Consequently, our financial performance will be affected by changes in exchange rates and controls, interest rates, commodity prices, subsidies and controls, changes in government policies, including taxation policies, the outbreak of infectious diseases, social and civil unrest and other political, social and economic developments in or affecting India.

The GoI exercises significant influence over many aspects of the Indian economy. Since 1991, successive Indian governments have pursued policies of economic liberalisation, including by significantly relaxing restrictions on the private sector. Nevertheless, the role of the Indian central and state governments in the Indian economy as producers, consumers and regulators has remained significant and there are no assurance that such liberalisation policies will continue. The rate of economic liberalisation could change and specific laws and policies affecting metals and mining companies, foreign investments, currency exchange rates and other matters affecting investment in India could change as well. The provisional estimate of India's gross domestic product ("**GDP**") growth by Ministry of Statistics and Programme Implementation is estimated to grow at 8.2% GDP growth in Fiscal Year 2024.

Furthermore, negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India and could then adversely affect our business and financial performance.

Any other global economic developments or the perception that any of them could occur may adversely affect global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity and restrict the ability of market participants to operate in certain financial markets. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on its business, cash flows, financial condition and results of operations.

As the domestic Indian market constitutes a significant source of our revenue, a downturn in the rate of economic growth in India will be detrimental to our results of operations.

In Fiscal Year 2024, 64% of our revenue was derived from commodities that were sold within India. The performance and growth of our businesses are necessarily dependent on the health of the Indian economy which may be materially and adversely affected by political instability or regional conflicts or economic slowdown elsewhere in the world. The Indian economy also remains largely driven by the performance of the agriculture sector which depends on the quality of the monsoon which is difficult to predict. The Indian economy has grown significantly over the past few years. Past slowdowns in the Indian economy have harmed manufacturing industries, including companies engaged in the copper, zinc, aluminium and iron ore sectors, as well as customers of manufacturing industries due to a reduction in demand for industrial production. Any slowdown in the Indian economy could have a material adverse effect on demand for the commodities that we produce and, as a result, on our financial condition and results of operations.

Terrorist attacks and other acts of violence involving India or neighbouring countries could adversely affect our operations directly, or may result in a more general loss of customer confidence and reduced investment in these countries that reduces demand for our products, which would have a material adverse effect on our business, results of operations, financial condition and cash flows.

Terrorist attacks and other acts of violence or war involving India or neighbouring countries may adversely affect the Indian markets and the worldwide financial markets. The occurrence of any of these events may result in a loss of business confidence, which could potentially lead to economic recession and generally have a material adverse effect on our businesses, results of operations, financial condition and cash flows. In addition, any deterioration in international relations may result in investor concern regarding regional stability which could adversely affect the price of the Bonds.

Furthermore, any wars, acts of terrorism and uncertain political or economic prospects or instability in the Europe, particularly in Russia and Ukraine have adversely impacted global financial markets and an increase in the price of crude oil. The conflict in these two countries may continue in unforeseeable future and broaden across the region and lead to significant political uncertainties in a number of countries.

South Asia has also experienced instances of civil unrest and hostilities among neighbouring countries from time to time, especially between India and Pakistan. Present relations between India and Pakistan continue to be fragile on the issues of terrorism, armament and Kashmir. India has also experienced terrorist attacks in some parts of the country. These hostilities, attacks and tensions could lead to political or economic instability in India and a possible adverse effect on our business and our future financial performance. Military activity or terrorist attacks in the future could influence the Indian economy by disrupting communications and making travel more difficult and such political tensions could create a greater perception that investments in Indian companies involve higher degrees of risk.

Social and civil unrest within other countries in Asia, could adversely influence the Indian economy and could have a material adverse effect on the market for securities of Indian companies, including the Bonds. Such activity or terrorist attacks could adversely affect the Indian economy by disrupting communications and making travel more difficult. Resulting political tensions could create a greater perception that investments in Indian companies involve a high degree of risk. Furthermore, if India were to become engaged in armed hostilities, particularly hostilities that were protracted or involved the threat or use of nuclear weapons, we might not be able to continue our operations.

If natural disasters or environmental conditions in India, including floods and earthquakes, affect our mining and production facilities, our revenues could decline.

Our and production facilities are spread across India, and our sales force is spread throughout the country. Natural calamities such as floods, rains, heavy downpours and earthquakes could disrupt our mining and production activities and distribution chains and damage our storage facilities.

Substantially all of our facilities and employees are located in India and could be affected by natural disasters in the future. In addition, if there were a drought or general water shortage in India or any part of India where our operations are located, the GoI or local, state or other authorities may restrict our water supplies and other industrial operations in order to maintain water supplies for drinking and other public necessities, which would cause us to reduce or cease operations. Our business and operating activities could be disrupted if we do not respond, or are perceived not to respond, in an appropriate manner to any major crisis or if we are not able to restore or replace critical operational capacity.

If inflation were to rise in India and the jurisdictions in which we operate, it might not be able to increase the prices of its products and services at a proportional rate in order to pass costs on to our customers thereby reducing our margins.

Inflation rates in India and in other jurisdictions in which we operate have been volatile in recent years, and such volatility may continue in the future. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of borrowings, wages and other expenses relevant to its business. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control its costs. Further, high inflation leading to higher interest rates may also lead to a slowdown in the economy and adversely impact credit growth. Consequently, we may also be affected and fall short of business growth and profitability. Any increase in inflation in India and the jurisdictions in which it operates can increase its expenses, which we may not be able to adequately pass on to our customers, whether entirely or in part, and may adversely affect its business, results of operations, financial condition and cash flows. In particular, we might not be able to reduce its costs or increase the price of its products to pass the increase in costs on to its consumers. In such case, our business, results of operations, financial condition and cash flows may be adversely affected.

Labour laws in India may adversely affect our profitability.

India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for industrial dispute resolution and employee compensation for injury or death sustained in the course of employment, and imposes financial obligations on employers upon employee layoffs. This may make it difficult for us to maintain flexible human resource policies, discharge employees or downsize, which may have a material adverse effect on our business, financial condition and results of operations. Further, we have large number of employees and any further changes in labour rules and regulations may increase our employee benefits expenses, which could have an adverse effect on our results of operations. Uncertainty in the applicability, interpretation or implementation of any amendment or change in governing laws, regulations or policies, including by reason of an absent or limited body of administrative or judicial precedents may be time consuming and costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future. There can be no assurance that such future legislative or regulatory changes will not have any adverse effect on our business, results of operations, financial condition and cash flows.

Restrictions on foreign investment in India may prevent us from making future acquisitions or investments in India, which may have a material adverse effect on our results of operations, financial condition and cash flows.

India regulates ownership of Indian companies by foreigners, as well as external commercial borrowing ("**ECB**") by Indian companies, although restrictions on foreign investment and ECB have been relaxed significantly in recent years. These regulations and restrictions may apply to our acquisitions, or other members of our Group who are not residents in India, of shares in Indian companies or the provision of our funding or any other non-Indian resident entity to Indian companies. There can be no assurance that we will be able to obtain any required approvals for future acquisitions or investments in India, or that we will be able to obtain such approvals on satisfactory terms.

A slowdown in economic growth in India and other countries in which we operate could cause its business to suffer.

The Indian securities market and the Indian economy are influenced by economic and market conditions in other countries. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effect on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India. Any slowdown in the Indian economy, or future volatility in global commodity prices, could adversely affect the growth of our India business.

The Indian economy and financial markets are also significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, especially in the United States, United Kingdom, Europe or China, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors' reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets.

Economic downturn and adverse credit market conditions, whether in response to global trade wars or other factors, may negatively impact us and our customers and suppliers. In addition, we and our customers' and suppliers' access to capital and funding sources, cost of capital and ability to meet liquidity needs could be adversely affected in a prolonged economic downturn or deterioration in the global economies, which in turn could have a material adverse impact on our business, cash flows, financial condition and results of operations.

We may be affected by competition laws in India and any adverse application or interpretation of the Competition Act could adversely affect its business.

The Competition Act, 2002, as amended (the "**Competition Act**"), regulates practises having an appreciable adverse effect on competition in the relevant market in India. Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an appreciable adverse effect on competition is considered void and results in the imposition of substantial monetary penalties. Furthermore, any agreement among competitors which, directly or indirectly, involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or provision of services, shares the market or source of production or provision of services by way of allocation of geographical area, type of goods or services or number of clients in the relevant market or, directly or indirectly, results in bid-rigging or collusive bidding is presumed to have an appreciable adverse effect on competition and is considered void. Furthermore, the Competition Act also prohibits certain vertical agreements such as for tying, bundling, resale price maintenance, exclusive distribution and exclusive supply agreements, which cause or could cause an appreciable adverse effect on competition in India. The Competition Act also prohibits abuse of a dominant position by any enterprise. A company found guilty of contravening the Competition Act can be liable for significant penalties of up to 10% of its global turnover (higher in case of anti-competitive horizontal agreements). If it is proved that the contravention committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be also guilty of the contravention and may be punished with appropriate monetary penalties.

The Competition Commission of India (the "**CCI**") also has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an appreciable adverse effect on competition in India. However, the impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. In the event we pursue an acquisition in the future, we may be affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, results of operations, cash flows and prospects.

The filing of an insolvency petition under the bankruptcy code in India by the creditors of our Indian subsidiaries may adversely affect our revenues and financial condition.

The Insolvency and Bankruptcy Code, 2016, as amended ("**Bankruptcy Code**") encompassing all companies, partnerships and individuals (other than financial firms) allows creditors to assess the viability of a debtor as a business decision and agree upon a plan for its revival or a speedy time bound liquidation. If the Bankruptcy Code provisions are invoked against any of our material Indian subsidiaries by any of its creditors, it may adversely and materially affect our revenues and financial conditions.

Any downgrading of India's sovereign rating by a credit rating agency could have a negative impact on our business.

Our borrowing costs and our access to the capital markets depend significantly on the credit ratings of India. Any adverse revisions to credit ratings for India and other jurisdictions we operate in by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such financing is available, including raising any overseas additional financing. This could have an adverse effect on our ability to fund our growth on favourable terms and consequently adversely affect our business, results of operations, financial condition, cash flows and the price of the Bonds.

In May 2024, S&P revised India's sovereign ratings from 'BBB-' with the "stable" outlook to 'BBB-' with the 'positive' outlook. S&P, however, warned that India's outlook may be revised to 'stable' if there was a decline in political commitment to maintaining sustainable public finances, indicating a weakening of the country's institutional capacity. Further, in April 2024, Moody's retained India's sovereign foreign currency and local currency long term issuer ratings to 'Baa3'. Going forward, the sovereign ratings outlook will remain dependent on the policies adopted by GoI. There is no assurance that India's credit ratings will not be downgraded in the future.

Risks relating to the Bonds and the Guarantees

The Issuer is a special purpose company that will depend on receiving funds from our Company or other subsidiaries to meet its obligations under the Bonds.

The Issuer is a wholly owned subsidiary formed for the principal purpose of issuing debt securities, including the Bonds. The Issuer will lend the net proceeds from the issue of the Bonds to our Company. The Issuer does not have and is not expected to have) any assets other than such loan and loans it has made (or will make) to our Company and/or its subsidiaries with the proceeds of other debt securities it has issued (or will issue), and its ability to make payments under the Bonds will depend on its receipt of timely payments under such loans. If our Company and its subsidiaries do not make such payments due to limitation in such loans or other agreements, lack of available cash flow or other factors, the Issuer's ability to make payments under the Bonds may be adversely affected.

The Guarantee will be structurally subordinated to the debt of the Guarantors' respective subsidiaries (other than the Issuer and the Subsidiary Guarantors).

Our operations are principally conducted through its subsidiaries. Accordingly, our Company is, and after this offering will continue to be, dependent on our subsidiaries' operations and cash flows to service its indebtedness, including the Guarantee. The Guarantee will be structurally subordinated to the claims of all lenders, holders of debt securities and other creditors, including trade creditors, of the Guarantors' respective subsidiaries (other than the Issuer and the Subsidiary Guarantors), including Vedanta Limited and its subsidiaries, and to all of our Group's secured creditors. In the event of an insolvency, bankruptcy, liquidation, reorganisation, dissolution or winding-up of any subsidiary of our Company, creditors of such subsidiary will generally have the right to be paid in full before any distribution is made to our Company. which could materially and adversely affect your ability to recover amounts owed to you under the Guarantee by our Company.

Some of our subsidiaries, including Vedanta Limited, BALCO, HZL, TSPL, ESL and CIHL, have significant amounts of debt which is repayable during the term of the Bonds, and could incur a significant amount of additional debt which is repayable during the term of the Bonds. Moreover, some of this debt is (and additional debt could be) secured by assets of the respective subsidiaries, which may adversely affect the ability of the Issuer and the Guarantors to pay the Bondholders. As of September 30, 2024, we had total debt of $14,943 million, of which $9,387 million existed at our Company's subsidiaries. We could incur a significant amount of additional debt, and any such additional debt incurred by our subsidiaries (other than the Issuer and the Subsidiary Guarantors), including Vedanta Limited and its subsidiaries would be structurally senior to the Guarantee, which in turn could materially and adversely affect your ability to recover amounts owed to you under the Guarantee.

The Issuer may not be able to repurchase the Bonds upon a Change of Control Triggering Event.

The Issuer must offer to purchase the Bonds upon the occurrence of a Change of Control Triggering Event at a purchase price equal to 101% of their principal amount plus accrued and unpaid interest.

The source of funds for any such purchase would be the Issuer's or, as the case may be, the Guarantors' available cash or third-party financing. However, the Issuer, or as the case may be, the Guarantors may not have enough available funds at the time a Change of Control Triggering Event occurs to purchase the Bonds. The Issuer's, or as the case may be, the Guarantors' failure to make the offer to purchase or purchase the Bonds would constitute an Event of Default. The Event of Default may, in turn, constitute an event of default under other debt, which could cause such debt to be accelerated. If the Issuer's or the Guarantors' other debt were to be accelerated, the Issuer and the Guarantors may not have sufficient funds to purchase the Bonds and repay such other debt.

There is no existing market for the Bonds.

There can be no assurance regarding the future development of a market for the Bonds, or the ability of Bondholders to sell their Bonds, or the price at which Bondholders may be able to sell their Bonds. If a market for the Bonds were to develop, the Bonds could trade at prices that are lower than the issue price depending on many factors, including prevailing interest rates, our operating results, the market for similar securities, and the rating of the Bonds or our Company given by rating agencies.

The Original Bonds are listed on the SGX-ST. Approval in-principle has been received from the SGX-ST for the listing of and quotation for the New Bonds on the Official List of the SGX-ST. However, the Bonds might not be or remain listed on the SGX-ST and a liquid trading market might not develop for the Bonds. The New Bonds are not fungible with the Original Bonds until the expiration of the Distribution Compliance Period.

The market price of the Bonds may be volatile.

The market price of the Bonds could be subject to wide fluctuations in response to numerous factors, many of which are beyond the control of the Guarantors and the Issuer. These factors include actual or anticipated variations in operating results, our and our competitors' earnings releases, changes in financial estimates by securities analysts, market conditions in the industry and the general state of the securities markets, governmental legislation or regulation, currency and exchange rate fluctuations, interest rates, the rating of the Bonds or of our Company by rating agencies, as well as general economic and market conditions.

The Bonds may not be a suitable investment for all investors.

Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained in this Offering Circular;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact such investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risk of an investment in the Bonds, including where the currency for principal or interest payments is different from the potential investor's currency;
- understand thoroughly the terms of the Bonds and be familiar with the behaviour of any relevant financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

A potential investor should not invest in the Bonds, which are complex financial instruments, unless it has the expertise (either alone or with a financial adviser) to evaluate how the Bonds will perform under changing conditions, the resulting effects on the value of the Bonds and the impact this investment will have on the potential investor's overall investment portfolio.

Early redemption may adversely affect the Bondholders' return on the Bonds.

The Bonds may be redeemed in whole or in part, at the option of the Issuer at any time. This feature of the Bonds may limit their market value. The market value of the Bonds generally will not rise substantially above the price at which they can be redeemed. The Issuer may be expected to exercise its option to redeem the Bonds when its cost of borrowing is lower than the interest rate on the Bonds.

Further, if the Issuer or the Guarantors become obliged to pay additional amounts in respect of any Bonds due to any withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the UK, Mauritius, Cyprus or any authority therein or thereof having power to tax, the Issuer may redeem in whole, but not in part, the Bonds in accordance with the applicable Conditions. In either of these circumstances, an investor may not be able to reinvest the redemption proceeds in a comparable security with an effective rate equal to that of the Bonds.

Bondholders will be subject to risks relating to change of law.

The Trust Deed and the Bonds will be governed by English law. No assurance can be given as to the impact of any judicial decision or change to English law or the interpretation or administrative practice thereof after the date of this Offering Circular.

Developments in other markets may adversely affect the market price of the Bonds.

The market price of the Bonds may be adversely affected by declines in the international financial markets and world economic conditions. Global financial markets, to varying degrees, are influenced by economic and market conditions in other markets. Although economic conditions are different in each country, investors' reactions to developments in one country can affect the securities markets and the securities of issuers in other countries. If adverse developments occur in the international financial markets in the future, the market price of the Bonds could be adversely affected.

Bondholders will not be entitled to attend or vote at shareholders meetings.

Bondholders will not have any right to attend or vote at shareholders' meetings of the Guarantors or the Issuer. Consequently, Bondholders cannot influence any decisions by the Board or any decisions by shareholders concerning the Guarantors' or the Issuer's capital structure, including the declaration of dividends in respect of the Guarantors' or the Issuer's capital stock.

Bondholders will be bound by decisions of defined majorities in respect of any modification, waivers and substitution.

The Conditions of the Bonds contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Bondholders, including Bondholders who do not attend and vote at the relevant meeting and Bondholders who vote in a manner contrary to the majority.

The Bonds will be subject to interest rate risks.

The Bonds are fixed interest rate securities. Changes in market interest rates may adversely affect the value of the Bonds. In particular, a rise in market interest rates will likely adversely affect the value of fixed rate instruments like the Bonds.

The rating of the Bonds may not reflect all risks and may be lowered or withdrawn at any time.

The Bonds are rated "CCC+" by S&P. Each rating may not reflect all risks that may affect the value of the relevant Bonds. A credit rating is not a recommendation to buy, sell or hold the Bonds and may be suspended, lowered or withdrawn by the rating agency at any time. Any suspension, reduction or withdrawal of a rating assigned to the relevant Bonds may adversely affect the market price of such Bonds.

The Trustee may not take action on behalf of the Bondholders.

The Conditions of the Bonds and the Trust Deed provide that, in certain circumstances, the Trustee may take action on behalf of the Bondholders, but only if the Trustee are indemnified, secured and/or prefunded to their satisfaction. It may not, depending on the particular circumstances at the relevant time, be possible for the Trustee to take certain actions in relation to the Bonds and, accordingly, in such circumstances, the Trustee will be unable to take such actions, notwithstanding the provision for an indemnity, security and/or prefunding to them. As a result, it will be up to the Bondholders to take such action directly.

Holders of Bonds held through DTC, Euroclear and Clearstream must rely on the procedures of those clearing systems to effect transfers of Bonds, receive payments in respect of Bonds and vote at meetings of Bondholders.

Bonds will be represented on issue by Global Certificates that will be deposited with a nominee for DTC. Except in the limited circumstances described in the Global Certificates, investors will not be entitled to receive Bonds in definitive form. DTC, Euroclear and Clearstream and their respective direct and indirect participants will maintain records of the beneficial interests in each Global Certificate held through it. While the Bonds are represented by Global Certificates, investors will be able to trade their beneficial interests only through the relevant clearing systems and their respective participants.

While the Bonds are represented by Global Certificates, the Guarantors and the Issuer will discharge their payment obligation under the Bonds by making payments through the relevant clearing systems. A holder of a beneficial interest in a Global Certificate must rely on the procedures of the relevant clearing system and its participants to receive payments under the Bonds. The Guarantors and the Issuer have no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in any Global Certificate. Holders of beneficial interests in a Global Certificate will not have a direct right to vote in respect of the Bonds so represented. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system and its participants to appoint appropriate proxies.

The Bonds will be subject to restrictions on resales and transfers, which may adversely affect their liquidity and the price at which they may be sold.

The Bonds have not been and will not be registered under the Securities Act or any US state securities laws or the securities laws of any other jurisdiction and are being issued and sold in reliance upon exemptions from registration provided by such laws. As a result, investors may not resell or transfer the Bonds unless such sale or transfer is exempt from the registration requirements of the Securities Act and applicable state securities laws.

Holdings of less than the minimum denomination of the Bonds may be illiquid.

The denomination of the Bonds is $200,000 and integral multiples of $1,000 in excess thereof. If a Bondholder holds a principal amount of less than $200,000, such holder might not be able to trade its Bonds and will not receive a definitive certificate in respect of such holding (should definitive certificates be issued).

The Issuer will be required to follow the corporate disclosure standards for debt securities listed on the SGX-ST, which standards may differ from those applicable to companies with securities listed on other stock exchanges.

The Issuer will be subject to reporting obligations of the SGX-ST if and for so long as the Bonds are listed on the SGX-ST. The corporate disclosure standards imposed by the SGX-ST may differ from those imposed by securities exchanges in other countries or regions such as the United States or the UK. As a result, the level of information that is available to Bondholders may not correspond to the level to which investors are accustomed.

Bondholders may suffer erosion in the return on their investment in the Bonds due to inflation.

Bondholders may suffer erosion in the return on their investment in the Bonds due to inflation. Bondholders have an anticipated rate of return based on expected inflation rates when they purchase Bonds. An unexpected rise in inflation could reduce the actual returns to Bondholders.

Bondholders may be subject to foreign exchange risks.

The Bonds are denominated and payable in US dollars. If an investor measures its investment returns by reference to a currency other than US dollars, an investment in the Bonds entails foreign exchange-related risks, including possible significant changes in the value of the US dollar relative to the currency by reference to which an investor measures its investment returns, because of, among other things, economic, political and other factors over which we have no control. Depreciation of the US dollar against such currency could cause a decrease in the effective yield of the Bonds below their stated coupon rate and could result in a loss when the return on the Bonds is translated into such currency. In addition, there may be adverse tax consequences for investors as a result of any foreign exchange gains resulting from any investment in or sale of the Bonds.

The enforceability of the Guarantees will be subject to the laws of the jurisdictions in which the Guarantors are incorporated.

The laws of the jurisdictions in which the Guarantors are incorporated may limit (i) the ability of these entities to guarantee debt of the Issuer, and/or (ii) any obligations other than such entities' direct obligations or the obligations of such entities' subsidiaries and/or impose a time limit pursuant to which a claim must be made under a guarantee. These limitations arise under various provisions or principles of corporate and tax law which include provisions requiring a Guarantor to receive adequate corporate benefit from the financing, financial assistance rules, rules governing preservation of share capital and fraudulent transfer principles. Accordingly, if Bondholders were to try to enforce the Guarantees in these jurisdictions, their claims may be limited. If these limitations were not observed, the Guarantees could be subject to legal challenge. Furthermore, a third-party creditor may challenge the Guarantees and prevail in court.

Any enforcement of the Guarantees after an insolvency event of any of the Guarantors will be subject to the insolvency and administrative laws of such Guarantor's jurisdiction of incorporation, or the insolvency laws of the country where the centre of main interests of such Guarantor is situated. The insolvency, administrative and other laws of these jurisdictions may materially differ from, or conflict with, each other, including in the areas of rights of creditors, priority of governmental and other creditors, ability to obtain post-petition interest and duration of the proceeding. The application of these laws, or any conflict among them, could call into question whether any particular jurisdiction's law should apply, adversely affect the Bondholder's ability to enforce their rights under the Guarantees or limit any amounts that they may receive.

Bondholders may be unable to enforce their rights under UK bankruptcy law; and the insolvency laws of Mauritius and Cyprus may differ from UK bankruptcy law or those of another jurisdiction.

The Issuer and the Parent Guarantor are incorporated under the laws of England and Wales, and the Subsidiary Guarantors are incorporated under the laws of Cyprus and Mauritius. Under UK bankruptcy law, courts typically have jurisdiction over a debtor's property, wherever located, including property situated in other countries. However, courts outside of the UK may not recognize the UK bankruptcy court's jurisdiction. Accordingly, difficulties may arise in administering a UK bankruptcy case with property located outside the UK, and any orders or judgments of a bankruptcy court in the UK may not be enforceable outside of the UK.

Because the Subsidiary Guarantors are incorporated under the laws of Mauritius and Cyprus, an insolvency proceeding relating to the Subsidiary Guarantors, even if brought in the UK, would likely involve insolvency laws under the laws of Mauritius or Cyprus (as the case may be), the procedural and substantive provisions of which may differ from comparable provisions of UK bankruptcy law the laws of other jurisdictions with which the Bondholders may be familiar.

Any enforcement action outside India may be subject to certain enforcement considerations in India, including on the contracts executed by Vedanta Limited.

If a Subsidiary Guarantor is referred to an insolvency or administration process outside of India, the implication on the shareholding of such Subsidiary Guarantor in Vedanta Limited will be governed entirely under their respective domestic laws, as applicable on insolvency/administration and not under the Indian Insolvency and Bankruptcy Code, 2016. However, the enforcement action outside India will trigger a change in control of Vedanta Limited or its parent and would also trigger other consent requirements under various mining leases and contracts and may also provide other customary approvals like from the Competition Commission of India (the "**CCI**"). Prior approval from the CCI may be required even for a minority stake sale, subject to certain conditions. Under the Indian exchange control laws, a GoI consent would also be required if the shares of Vedanta Limited are sold to an entity which belongs to a country sharing its boundaries with India.

Vedanta Limited has entered into a shareholder agreement with the GoI for its subsidiary, HZL (the "**HZL Shareholder Agreement**"). Under the HZL Shareholder Agreement, any bankruptcy event of the principal (i.e. the person who controls Vedanta Limited) will trigger a right of the GoI to purchase the shares held by Vedanta Limited in HZL, (as applicable) at market value.

Additionally, a default under the HZL Shareholder Agreement will likely trigger a "material adverse effect" default under the onshore financing documents of Vedanta Limited (considering that HZL is a material subsidiary of Vedanta Limited) and thus would also trigger cross default in other financings of Vedanta Limited, offshore bonds and bank loans in our Group.

If pursuant to the enforcement action, any person acquires 25% or more of shareholding in Vedanta Limited and/or acquires control over Vedanta Limited, such person will be required to provide an exit opportunity to the public shareholders of Vedanta Limited by making an open offer in accordance with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011("**Indian Takeover Code**"). Additionally, any change of control of Vedanta Limited will require an open offer to be made to the shareholders of HZL.

USE OF PROCEEDS

The gross proceeds from this offering are \$308.25 million plus the accrued interest from, and including, September 17, 2024 to, but excluding the Settlement Date.

We intend to use the proceeds to repay (including by way of tender offers, redemptions, or otherwise) our outstanding 2025 Bonds (including any accrued interest thereto) and to pay any related transaction costs in connection thereto.

The Joint Global Coordinators and Managers and/or their respective affiliates have and will continue to have additional relationships with our Company as described in the section entitled "*Plan of Distribution*". In particular, each Joint Global Coordinator and Manager and/or their respective affiliates may act as dealer manager in respect of any tender offer referred to above.

CAPITALISATION AND INDEBTEDNESS

The following table sets out the consolidated cash and cash equivalents and liquid investments, capitalisation and indebtedness of our Company as of March 31, 2024:

- on a historical basis;
- as adjusted to give effect to the issuance of the Original Bonds; and
- as adjusted to give effect to the issuance of the Bonds.

This table should be read in conjunction with the sections entitled "*Use of Proceeds*" and the Audited Financial Statements, the related notes and other financial information contained elsewhere in this Offering Circular.

	As of March 31, 2024	
	Actual	**As Adjusted[1]**
	($ million)	
Cash and Cash Equivalents and Liquid Investments	**1,981**	**1,981**
Share capital	29	29
Hedging reserve	(94)	(94)
Other reserves	(792)	(792)
Retained earnings	(2,571)	(2,571)
Non-controlling interests	2,580	2,580
Total Equity	**(848)**	**(848)**
Term loans – secured – (repayable < 1 year)	1,405	1,405
Term loans – unsecured – (repayable < 1 year)	1,129	1,129
Term loans – secured – (repayable > 1 year)	4,230	4,230
Term loans – unsecured – (repayable > 1 year)	2,319	2,319
Other borrowings and indebtedness – secured – (repayable < 1 year)	816	816
Other borrowings and indebtedness – unsecured – (repayable < 1 year)	28	28
Other borrowings and indebtedness – secured – (repayable > 1 year)	1,450	1,450
Other borrowings and indebtedness – unsecured – (repayable > 1 year)	2,953	2,953
Original Bonds[2]	—	900
New Bonds offered hereby	—	300
Total Indebtedness[2]	**14,330**	**15,530**
Total Capitalisation[3]	**13,482**	**14,682**

Notes:

(1) The 'as adjusted' column does not give effect to the use of proceeds. Please also see the section entitled "*Use of Proceeds*" for more information in respect of the utilisation of the proceeds of the Bonds.

(2) The Issuer had issued the Original Bonds on September 17, 2024.

(3) Based on our preliminary assessment, as of September 30, 2024, our total borrowings were $14,943 million, representing an increase of $613 million from $14,330 million as of March 31, 2024. See the section entitled "*Description of Material Indebtedness*" for more information.

(4) Total capitalisation equals total equity plus total indebtedness.

Except as disclosed in this Offering Circular, there has been no material changes to our Company's capitalisation since March 31, 2024.

Vedanta Limited has raised funds amounting to ₹8,500 crore through a qualified institutional placement process in July 2024. A total number of 193,181,818 equity shares have been allocated at ₹440 per equity share through this process. Of the total amount raised, ₹6,375 crore will be allocated towards the repayment and prepayment of outstanding borrowings, while the remaining ₹2,125 crore will be utilised for general corporate purposes.

In October 2024, our Company entered into a $125.0 million term loan facility arranged Standard Chartered Bank (Singapore) Limited. The facility bears an interest rate of Term SOFR plus 486 basis points and will mature on August 2025. As at the date of this Offering Circular, we have drawdown $100.0 million and entire $100.0 million principal amount is outstanding.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following tables present the selected historical consolidated financial information for our Company for the periods ended and at the dates indicated below. The consolidated financial information for our Company as of and for Fiscal Years 2023 and 2024 has been derived from the Audited Financial Statements, included elsewhere in this Offering Circular. The consolidated financial information as of and for Fiscal Year 2022 has been extracted from the comparative information included in the Fiscal Year 2023 Financial Statements, included elsewhere in this Offering Circular. The Audited Financial Statements should be read in conjunction with the respective notes and audit reports thereto. The Audited Financial Statements have been audited by MacIntyre Hudson LLP, independent auditors, as stated in their reports included elsewhere in this Offering Circular.

You should read the following information in conjunction with the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations", the Audited Financial Statements and their respective audit reports and related notes thereto, each included elsewhere in this Offering Circular.

Summary of Consolidated Income Statement

	Fiscal Year		
	2022	**2023**	**2024**
		($ million)	
Continuing operations			
Revenue[(1)]	17,619	18,283	17,128
Cost of sales[(1)]	(11,927)	(14,437)	(12,863)
Gross profit	**5,692**	**3,846**	**4,265**
Other operating income	244	239	247
Distribution costs	(459)	(476)	(473)
Administrative expenses	(507)	(530)	(596)
Impairment reversal/(charge) net[(1)]	465	(61)	28
Operating Profit/(Loss)	**5,435**	**3,018**	**3,471**
Investment revenues	153	251	202
Finance costs	(1,402)	(1,558)	(1,882)
Other (losses)/gains (net)	(38)	(79)	(37)
Profit/(Loss) before taxation	**4,148**	**1,632**	**1,754**
Net (expense)/tax credit — special items	(170)	100	(818)
Net (expense)/tax credit — others	(1,400)	(894)	(837)
Profit/(Loss) for the year	**2,578**	**838**	**99**
Profit/(loss) after tax for the period from discontinued operations and gain on deconsolidation	—	—	—
Profit/(Loss) for the year	**2,578**	**838**	**99**
Attributable to:			
Equity holders of the parent	1,002	(5)	(400)

	Fiscal Year		
Non-controlling interests	1,576	843	499
Profit/(Loss) for the year	**2,578**	**838**	**99**

Note:

(1) Includes special items.

Summary of Consolidated Balance Sheet

	As of March 31		
	2022	**2023**	**2024**
		($ million)	
ASSETS			
NON-CURRENT ASSETS			
Goodwill	12	12	—
Intangible assets	90	64	84
Property, plant and equipment	13,484	12,786	13,452
Exploration and evaluation assets	220	284	282
Financial asset investments	20	63	118
Non-current tax assets	365	382	458
Other non-current assets	1,718	1,680	1,529
Deferred tax assets	860	1,095	422
	16,769	**16,366**	**16,345**
CURRENT ASSETS			
Inventories	1,895	1,830	1,560
Trade and other receivable	2,479	2,279	2,438
Financial instruments (derivatives)	34	26	20
Current tax assets	3	45	8
Short-term investments	3,117	1,728	1,575
Cash and cash equivalents	1,328	1,037	384
	8,856	**6,945**	**5,985**
TOTAL ASSETS	**25,625**	**23,311**	**22,330**
LIABILITIES			
CURRENT LIABILITIES			
Borrowings	4,972	5,809	3,378
Operational buyer's credit/supplier's credit	1,477	1,667	1,792
Trade and other payables	4,816	5,513	4,881

	As of March 31		
	2022	**2023**	**2024**
		($ million)	
Financial instruments (derivatives)	70	23	17
Retirement benefits	14	8	6
Provisions	42	38	35
Current tax liabilities	122	72	299
	11,513	**13,130**	**10,408**
NET CURRENT ASSETS/ (LIABILITIES)	**(2,657)**	**(6,185)**	**(4,423)**
NON-CURRENT LIABILITIES			
Borrowings	11,110	9,549	10,952
Trade and other payables	254	219	240
Financial instruments (derivatives)	1	2	—
Deferred tax liabilities	764	866	1,206
Retirement benefits	21	27	28
Provisions	427	390	344
	12,577	**11,053**	**12,770**
TOTAL LIABILITIES	**24,090**	**24,183**	**23,178**
NET LIABILITIES	**1,535**	**(872)**	**(848)**
EQUITY			
Share capital	29	29	29
Hedging reserve	(88)	(90)	(94)
Other reserves	(456)	(750)	(792)
Retained earnings	(2,598)	(2,537)	(2,571)
Equity attributable to equity holders of the parent	**(3,113)**	**(3,348)**	**(3,428)**
Non-controlling interests	4,648	2,476	2,580
TOTAL EQUITY	**1,535**	**(872)**	**(848)**

Summary of Consolidated Cash Flow Statement

	Fiscal Year		
	2022	**2023**	**2024**
		($ million)	
Cash flows from operating activities			
Profit before taxation	4,148	1,632	1,754

	Fiscal Year		
	2022	2023	2024
		($ million)	
Adjustments for:			
Depreciation and amortisation	1,228	1,382	1,283
Investment revenues	(153)	(251)	(202)
Finance costs	1,402	1,558	1,882
Other (gains) and losses (net)	38	79	37
Loss/(profit) on disposal of property plant and equipment	(17)	1	14
Capital creditor written back	—	—	(96)
Exploration costs written off	351	30	89
Share-based payment charge	14	11	14
Write off of asset under construction, land and capital advances	27	—	—
Liabilities written back	(9)	(34)	(16)
Impairment charge/(reversal) of assets (net)	(843)	61	(28)
Transfer of CSR Assets	—	15	—
Provision for doubtful debts/expected credit loss/bad debts written off	—	53	33
Other special items	57	—	—
Other non cash items	—	(7)	(0)
Operating cash flows before movements in working capital	**6,243**	**4,530**	**4,764**
(Increase)/Decrease in inventories	(585)	(92)	204
(Increase)/Decrease in receivables	(4,465)	280	(35)
Increase/(Decrease) in payables	4,281	363	(415)
Cash generated from operations	**5,474**	**5,081**	**4,515**
Dividends received	—	2	5
Interest received	185	210	152
Interest paid	(1,559)	(1,503)	(1,840)
Income taxes paid (net of refunds)	(795)	(998)	(351)
Dividends paid	(131)	(16)	—
Refund of dividend distribution tax	—	10	—
Cash Flows from operating activities (Continuing activities)	**3,174**	**2,786**	**2,484**
Net cash inflow from operating activities	**3,174**	**2,786**	**2,484**

	Fiscal Year		
	2022	**2023**	**2024**
		($ million)	
Cash flows from investing activities			
Purchases of property, plant and equipment, intangibles, exploration and evaluation assets	(1,407)	(1,700)	(2,019)
Proceeds on disposal of property, plant and equipment, intangibles, exploration and evaluation assets	44	16	23
Proceeds from redemption of short-term/investments	16,601	16,185	8,199
Purchases of short-term investments	(14,603)	(15,092)	(8,028)
Proceeds from sale of stake in subsidiaries	—	—	904
Proceeds from sale of investment in subsidiaries	—	—	10
Purchase of long term investments	—	(30)	(59)
Proceeds from sale of long term investments	—	—	1
Payment made to site restoration fund	(20)	(16)	(25)
Total cash from/(used in) investing activities	**615**	**(637)**	**(994)**
Cash flows from financing activities			
Payment for acquiring non-controlling interest	(1,971)	(2)	—
Dividends paid to non-controlling interests of subsidiaries	(1,075)	(2,523)	(967)
Proceeds/ (repayment of) working capital loan (net)	118	(118)	(18)
Proceeds from other short-term borrowings	2,815	2,971	1,301
Repayment of other short-term borrowings	(2,349)	(2,281)	(2,367)
Proceeds from long-term borrowings	4,207	3,819	4,764
Repayment of long-term borrowings	(4,893)	(4,317)	(4,613)
Purchase of stock option	—	—	(24)
Payment of lease liabilities	(31)	(23)	(48)
Total cash (used in)/from financing activities	**(3,179)**	**(2,474)**	**(1,972)**
Net increase/(decrease) in cash and cash equivalents	610	(325)	(482)
Effect of foreign exchange rate changes	(45)	(83)	(11)
Cash and cash equivalents at beginning of period	**701**	**1,266**	**858**
Cash and cash equivalents at end of period	**1,266**	**858**	**365**

Consolidated Business Segments Data

	Fiscal Year		
	2022	2023	2024
	($ million)		
Revenue (before special items):			
Aluminium	6,823	6,582	5,837
Zinc			
— India	3,844	4,126	3,369
— International	602	649	430
Oil and gas	1,669	1,873	2,155
Copper	2,035	2,179	2,383
Iron ore	837	753	1,080
Power	739	838	743
Others	1,070	1,141	1,131
Total	**17,619**	**18,141**	**17,128**
EBITDA[1]:			
Aluminium	2,328	699	1,167
Zinc			
— India	2,170	2,177	1,638
— International	206	241	84
Oil and gas	809	972	1,184
Copper	(15)	(7)	(9)
Iron ore	304	124	200
Power	145	114	117
Others	308	288	337
Total	**6,255**	**4,608**	**4,718**

Note:

(1) Please see "*Management's Discussion and Analysis of Financial Condition and Results of Operations — Certain Non-GAAP Measures — EBITDA*".

The following table reconciles profit/loss for the year to EBITDA.

	Fiscal Year		
	2022	**2023**	**2024**
		($ million)	
Profit/(Loss) for the year	**2,578**	**838**	**99**
Adjusted for:			
Net tax (credit)/expense	1,570	794	1,655
Other gains and losses (net)	38	79	37
Finance costs	1,402	1,558	1,882
Investment revenue	(153)	(251)	(202)
Special Items[(1)]	(408)	178	(124)
Depreciation and amortisation	1,228	1,382	1,282
Other Expenses[(2)]	—	30	89
EBITDA	**6,255**	**4,608**	**4,718**

Notes:

(1) Special Items are defined in Notes to the Audited Financial Statements. Special items include non-cash impairment charges relating to the oil and gas, copper assets, aluminium capital work-in-progress, among others.

(2) Cost of exploration wells written off.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion is intended to convey our management's perspective on our financial condition and results of operations. Please read "Presentation of Financial Information" before reading this section. This section should be read together with "Risk Factors", "Industry Overview", "Our Business" and "Selected Consolidated Financial Information". This section contains forward-looking statements. Our actual results may differ materially from those expressed in, or implied by, these forward-looking statements. See "Forward-Looking Statements" for a discussion of the risks and uncertainties related to those statements and "Risk Factors" for a discussion of certain factors that may affect our business, financial condition, results of operations or cash flows.

Unless stated or the context requires otherwise, all financial information is presented on a consolidated basis, and such financial information as of and for Fiscal Years 2023 and 2024 has been derived from the Audited Financial Statements, included elsewhere in this Offering Circular, and such financial information as of and for Fiscal Year 2022 has been extracted from the comparative information included in the Fiscal Year 2023 Financial Statements, included elsewhere in this Offering Circular.

Certain information in this section includes extracts from a report by ICRA Analytics Limited titled 'Industry Overview Report for Vedanta Ltd.' dated July 5, 2024 (the "ICRA Report"), which has been exclusively commissioned and paid for by us in connection with this offering of the Bonds. The relevant industry sources are indicated at all relevant places within this section. For more information, see "Risk Factors — Risks Relating to Business. Third party statistical and industry related data in this Offering Circular may be incomplete or unreliable and any reliance on such information for making an investment decision in this offering of the Bonds is subject to inherent risk". None of us, the Joint Global Coordinators and Managers or any other person connected with the offering of the Bonds has independently verified all the information contained in the ICRA Report.

Overview

We are a globally diversified natural resource group engaged in exploring, extracting and processing minerals and oil and gas. We are the largest aluminium producer in India accounting for approximately 56.5% of the overall smelting capacity in the country and are the second largest producer of zinc and the third largest silver producing company in the world (*Source: ICRA Report*). We have operations in India, Namibia, Ireland, South Africa, Liberia, UAE, Zambia, Japan, South Korea and Taiwan. This geographical reach and diverse portfolio of commodities allows us to capitalise on regional market demands and economic strengths.

Our Group is primarily engaged in the following businesses: (i) aluminium ("**Aluminium Business**"), (ii) zinc, lead and silver ("**Zinc, Lead and Silver Business**"), (iii) oil and gas ("**Oil and Gas Business**"), (iv) copper ("**Copper Business**") (v) iron ore ("**Iron Ore Business**"), (vi) steel ("**Steel Business**") and (vii) commercial power generation ("**Power Business**").

(i) <u>*Aluminium Business*</u>. Our Aluminium Business is the largest aluminium producer in India and accounts for approximately 56.5% of the overall smelting capacity in the country (*Source: ICRA Report*), with present installed capacity of 2.4 mtpa aluminium capacity. We have a market share of approximately 45% in producing primary aluminium sector in India (*Source: ICRA Report*). Our Aluminium Business is conducted by Vedanta Limited in Odisha and also through our Subsidiary, Bharat Aluminium Company Limited ("**BALCO**"), in Chhattisgarh, India. Vedanta Limited's operations include 1.8 mtpa smelter at Jharsuguda in Odisha, an alumina refinery at Lanjigarh and captive power plants. BALCO's operations include the Chotia coal block, a 1,410 MW captive power plant, a 245 ktpa aluminium smelter, a 325 ktpa aluminium smelter and the fabrication facilities in Chhattisgarh.

(ii) *Zinc, Lead and Silver Business*. Our Zinc, Lead and Silver Business comprises operations in India ("**Zinc India**") and outside India ("**Zinc International**"). Our Zinc India Business is conducted through our Subsidiary, Hindustan Zinc Limited ("**HZL**"). HZL is the second largest producer of zinc and the third largest silver producing company in the world (*Source: ICRA Report*) and has five zinc-lead mines at the Agucha, Kayad, Sindesar Khurd, Dariba and Zawar facilities in Rajasthan. Our Zinc International Business is conducted through several subsidiaries, namely THL Zinc Namibia Holdings Limited and its subsidiaries ("**Skorpion**") in Namibia, Vedanta Lisheen Holdings Limited and its subsidiaries ("**Lisheen**") in Ireland and Black Mountain Mining Pty Ltd ("**Black Mountain Mining**") in South Africa. Zinc India produced 817 kt of zinc, 216 kt of lead and 746 tonnes of silver in Fiscal Year 2024 and produced 211 kt of zinc, 51 kt of lead and 167 tonnes of silver during the three months ended June 30, 2024, while Zinc International produced 208 kt of metal-in-concentrate in Fiscal Year 2024 and produced 38 kt of metal-in-concentrate during the three months ended June 30, 2024.

(iii) *Oil and Gas Business*. Our Oil and Gas Business is conducted by Vedanta Limited and its Subsidiary, Cairn Energy Hydrocarbons Limited ("**CEHL**"). We contributed approximately 25% of India's domestic crude oil production during Fiscal Year 2024 (*Source: ICRA Report*). Our Oil and Gas Business produced 46.7 mmboe of gross operated production in Fiscal Year 2024 across our diversified asset base of 62 blocks in India. The blocks are primarily located across the Indian basins in Barmer, Krishna-Godavari, Cambay, Assam, Gujarat Kutch and Cauvery.

(iv) *Copper Business*. Our Copper Business comprises operations in India and the UAE. Our Copper Business in India is conducted by Vedanta Limited and our business in the UAE is operated by our Subsidiary, Fujairah Gold FZC ("**Fujairah Gold**").

(v) *Iron Ore Business*. Our Iron Ore Business comprises operations in India and Liberia. We are one of the leading iron ore producers in India in Fiscal Year 2024 (*Source: ICRA Report*). Our Iron Ore Business is conducted by Vedanta Limited in Goa and Karnataka, India and our Iron Ore Business in Liberia is conducted through our Subsidiary, Western Cluster Limited ("**WCL**").

(vi) *Steel Business*. Our Steel Business is conducted through our Subsidiary, ESL Steel Limited ("**ESL**"). ESL's manufacturing facility is a greenfield integrated steel plant located near Bokaro, Jharkhand, India, which has a current capacity of 1.7 mtpa.

(vii) *Power Business*. Our Power Business is primarily conducted by Vedanta Limited and our Subsidiary, Talwandi Sabo Power Limited ("**TSPL**"). Our Power Business has power purchase agreements ("**PPAs**") in place with public utilities involved in power distribution for 2,580 MW of our merchant capacity.

For Fiscal Years 2022, 2023 and 2024, we reported revenue of $17,619 million, $18,141 million and $17,128 million and EBITDA of $6,255 million, $4,608 million and $4,718 million, respectively.

Significant Factors Affecting Our Results of Operations

Our results of operations are primarily affected by commodity prices, costs of production and efficiency, production output and mix, government policy in India, South Africa and Namibia and exchange rates. Each of these key factors is discussed below.

Generally, the metals we sell in India are sold at a premium to the London Metal Exchange Limited ("**LME**") market price due to a number of factors, including the customs duties levied on imports by the GoI, the costs to transport metals to India and regional market conditions. See the section entitled "— *Indian Government Policy*" for more information.

We have historically engaged in hedging strategies to a limited extent to partially mitigate our exposure to fluctuations in commodity prices, as further described in the section entitled "— *Quantitative and Qualitative Disclosure about Market Risk Disclosure — Commodity Price Risk*".

Commodity Prices

Our results of operations are significantly affected by the commodity prices of the natural resources that we produce, which are based on LME prices of metals produced, benchmark prices of oil, gas and iron ore and by the treatment charge and refining charge ("**TcRc**") of our Copper Business. While natural resource producers are unable to influence the commodity or benchmark prices directly, events such as changes in copper smelting or commodity production capacities, temporary price reductions or other attempts to capture market share by individual natural resources producers, including us, may affect market prices.

Moreover, the prices that we realised can, to some extent, be affected by the particular terms we are able to negotiate for the contractual arrangements we enter into with buyers. Price variations and market cycles have historically influenced, and are expected to continue to influence, our financial performance. In Fiscal Year 2022, the increase in the prices of zinc, aluminium, copper, silver, lead and Dated Brent by 34%, 54%, 40%, 7%, 22% and 82%, respectively, positively affected our revenue and operating profit. In Fiscal Year 2023, the decrease in the prices of aluminium, copper, silver and lead by 11%, 12%, 13% and 8%, respectively, negatively affected our revenue and operating profit. However, this was offset by the increase in zinc and Dated Brent prices by 2% and 18%, respectively. In Fiscal Year 2024, the increase in the prices of silver and lead by 10% and 1%, respectively, positively affected our revenue and operating profit. However, this was offset by the decrease in zinc, Dated Brent, aluminium, and copper prices by 25%, 14%, 11% and 2%, respectively. Additionally, fluctuation in coal price will also impact the cost of production of our metal production businesses, as a majority of our power requirements are met by captive power plants which are primarily coal-fuelled. See "*— Production Costs and Efficiency of Operations*" for further information.

Aluminium

The revenue of our Aluminium Business fluctuates based on the volume of sales and the aluminium LME price. In Fiscal Year 2024, 91% of BALCO's alumina requirement and 52% of our alumina requirement were sourced from third parties. For the portion of our Aluminium Business where the required alumina is sourced internally, profitability is dependent upon the aluminium LME price less the cost of production, which comprises the costs of bauxite mined or purchased from third-party, the cost of refining of bauxite into alumina at our aluminium refinery and the cost of smelting of alumina into aluminium. For the portion of our Aluminium Business where alumina is sourced from third parties, profitability is dependent upon the aluminium LME price less the cost of the sourced alumina and the cost of smelting. See the section entitled "*Risk Factors — Our businesses depend upon certain third parties for the supply of our raw material, equipment and services, the execution of projects and, as well as the offtake of our production.*" for more information.

The following table sets out the daily average aluminium LME prices for Fiscal Years 2022, 2023 and 2024:

	Fiscal Year		
	2022	**2023**	**2024**
		($ per tonne)	
Aluminium LME	2,774	2,481	2,200

Zinc, Lead and Silver

The revenue of our Zinc, Lead and Silver Business fluctuates based on the volume of sales and the LME price of zinc and lead and London Bullion Metal Association ("**LBMA**") price for silver. Our Zinc India Business is fully integrated, so our profitability is dependent upon the difference between the LME price of zinc, lead and silver and the cost of production, which includes the costs of mining and smelting.

The following table sets out the daily average zinc, lead and silver LME prices for Fiscal Years 2022, 2023 and 2024:

	Fiscal Year		
	2022	**2023**	**2024**
		($ per tonne, except for silver which is $ per ounce)	
Zinc LME	3,257	3,319	2,475
Lead LME	2,285	2,101	2,122
Silver LBMA	24.58	21.37	23.55

Crude oil and natural gas

We experienced supply-demand fluctuations in Fiscal Year 2024, leading to higher volatility in the oil and gas market. Crude oil price averaged $83.1 per barrel in Fiscal Year 2024 compared to $96.2 per barrel in Fiscal Year 2023 and $81.2 per barrel in Fiscal Year 2022. The decline is largely attributed to ongoing geopolitical risk, concerns about demand in major economies, like the US and China, monetary tightening by major banks and expectations of global oil production surpassing consumption in 2024. The previous period was influenced by the Russia-Ukraine war which resulted in a rally in prices.

The following table sets out the price of Dated Brent, an international benchmark oil blend, according to Platts, McGraw Hill Financial, for Fiscal Years 2022, 2023 and 2024.

	Fiscal Year		
	2022	**2023**	**2024**
		($ per tonne)	
Dated Brent	81.2	96.2	83.1

Copper

The revenue of our Copper Business fluctuates based on the volume of sales and the copper LME price. Our Copper Business is mainly custom smelting and refining, and sources almost all of our copper concentrates and blisters from third parties. We purchase copper concentrates and blisters at a copper LME price for the relevant quotation period less a TcRc that we negotiate with our suppliers, which is influenced by the prevailing market rate for the TcRc. The market rate for the TcRc is significantly dependent upon the availability of copper concentrate, worldwide copper smelting capacity and transportation costs. The TcRc that we are able to negotiate is also substantially influenced by the TcRc terms established by certain large Japanese custom smelters. As a result, the profitability of our Copper Business is significantly dependent upon the market rate of the TcRc and our ability to negotiate the TcRc. See the section entitled "*Risk Factors — Risks Relating to*

Business — Our businesses depend upon certain third parties for the supply of our raw material, equipment and services, the execution of projects and, as well as the offtake of our production." for more information.

The following table sets out the daily average copper LME price for Fiscal Years 2022, 2023 and 2024:

	Fiscal Year		
	2022	**2023**	**2024**
		($ per tonne)	
Copper LME	9,689	8,530	8,353

The profitability of our Copper Business is also affected by the prices we receive upon the sale of by-products, such as sulphuric acid and precious metals, which are generated during the copper smelting and refining process. The prices we receive for by-products can vary significantly, including as a result of changes in supply and demand and local market factors in the location the by-product is produced.

Iron ore

The revenue of our Iron Ore Business fluctuates based on the volume of sales and the market price of iron ore. The prices for iron ore are significantly dependent on the global and regional imbalances between the demand and supply of iron ore, worldwide steel-making capacity and transportation costs. Spot prices fluctuate based on short-term imbalances between demand and supply. See the section entitled "*Risk Factors — Risks Relating to Business — Our businesses depend upon certain third parties for the supply of our raw material, equipment and services, the execution of projects and, as well as the offtake of our production.*" for more information.

Production Costs and Efficiency of Operations

The results of our operations are, to a significant degree, dependent upon our ability to efficiently run our operations and maintain low costs of production. Efficiencies relating to recovery of metal from ore, process improvements, by-product management and increasing productivity help drive costs down. Costs associated with mining and metal production include energy costs, ore extraction and processing costs at the captive mines, labour costs and other manufacturing expenses.

In our Oil and Gas Business, production costs consist of expenditure incurred towards the production of crude oil and natural gas including statutory levies, such as cess, royalties and production payments payable pursuant to the relevant production sharing contract as well as operational expenditures such as costs relating to repairs on, and maintenance of, facilities, power generation and fuel for facilities, water injection, insurance, and storage, transportation and freight of crude oil and natural gas, among others.

Energy cost is the most significant component of the cost of production of our metal production businesses. A majority of our power requirements are met by captive power plants which are primarily coal-fuelled. Thermal coal, diesel fuel and fuel oil, which are used to operate our power plants, and metallurgical coke, which is used in the zinc smelting process, are sourced from a combination of long-term and spot contracts. Our Aluminium Business has high energy consumption due to the power-intensive nature of aluminium smelting. Coal is sourced from linkage coal, import and domestic purchase. Any change in coal prices or the mix of coal that is utilised, primarily whether the coal is sourced locally or imported, can affect the cost of generating power.

For our Zinc and Iron Ore Businesses and the portions of Aluminium Businesses where ore is sourced from our own mines, ore extraction and processing costs affect the cost of production. In our Aluminium Business, alumina costs represent approximately one-third of the cost of production of aluminium. In addition, a significant cost of production in our Zinc India Business is the royalty that HZL pays to the GoI on the lead-zinc ore that is mined. The royalty is a function of the LME prices of zinc and lead. See the section entitled "—*Indian Government Policy*" for more information. In our Iron Ore Business, the principal activities are ore extraction, processing and sales. The cost of transporting ore from the mines to the port and the ore extraction cost account for a majority of our total cost of production.

In our Power Business, production costs are mainly coal costs, and the coal is primarily sourced domestically.

Labour costs are principally a function of the number of employees and increases in compensation from time to time. Improvements in labour productivity in recent years have resulted in a decrease in the per-unit labour costs. The majority of BALCO's mining operations, a substantial portion of HZL's and Vedanta Limited's iron ore mining operations, our oil and gas operations, and a limited number of functions at our copper, zinc and aluminium smelting operations are outsourced to third-party contractors.

Other manufacturing expenses include, among other things, additional materials and consumables that are used in the production processes and routine maintenance to sustain ongoing operations. None of these represents a significant portion of our costs of production.

Cost of production as reported for our metal products includes an offset for any amounts we receive upon the sale of the by-products from the refining or smelting processes. The cost of production is divided by the daily average exchange rate for the year to calculate the US dollar cost of production per lb or tonne of metal as reported.

Production costs and costs per unit are also significantly affected by changes in production volumes and variable costs. Therefore, our production levels and variable costs are key factors in determining our overall cost competitiveness.

Costs of production for Fiscal Years 2022, 2023 and 2024 are reflected in the following table:

	Fiscal Year		
	2022	**2023**	**2024**
Oil and Gas Business ($ per boe)	10.0	13.7	13.9
Zinc India Business ($ per tonne)[(1)(2)]	1,567	1,707	1,450
Zinc International Business ($ per tonne)[(1)]	1,442	1,577	1,488
Iron Ore Business (value-added business) ($ per tonne)	441	532	442
Aluminium Business ($ per tonne)[(1)]	1,858	2,324	1,796
Steel Business	585	656	588

Notes:

(1) Cost of production per unit (net of by-products).

(2) Includes royalties of $445 per tonne, $450 per tonne and $333 per tonne in Fiscal Years 2022, 2023 and 2024, respectively.

Production Volume and Mix

Production volume has a substantial effect on our results of operations. We are generally able to sell all of the products we produce, so our revenue generally fluctuates as a result of changes in production volume. Production volume is dependent on production capacity. For our mining operations, production volume is also dependent upon the quality and consistency of the ore. Per unit production costs are also significantly affected by changes in production volume in that higher volumes of production generally reduce the per unit production costs. Therefore, production levels are a key factor in determining our overall cost competitiveness.

The following table summarises the production volumes for our primary products in each of Fiscal Years 2022, 2023 and 2024:

		Fiscal Year		
Business vertical	**Product**	**2022**	**2023**	**2024**
		(000' tonnes unless otherwise stated)		
Aluminium Business				
- Vedanta Limited	Alumina	1,968	1,793	1,813
	Aluminium	1,687	1,721	1,784
- BALCO	Aluminium	582	570	586
Zinc, Lead and Silver Business				
- HZL	Zinc	776	821	817
	Lead(1)	191	211	216
	Silver (moz)(2)	647	714	746
- Black Mountain Mining	Mined metal content	52	65	61
- Gamsberg	Mined metal content	170	208	147
Oil and Gas Business	Oil and Gas — Gross (mmboe)	58.7	52.1	46.7
	Oil and Gas — Working Interest (mmboe)	37.9	33.4	30.2
Copper Business	Copper	125	148	141
	Copper rods	126	155	188
Iron Ore Business	Saleable ore (dry million tonnes)	5.4	5.3	5.6
Steel Business(3)	Pig Iron	186	192	203
	Billet	91	26	30
	TMT	399	463	505
	Wire rod	421	407	436
	Ductile iron Pipe	164	196	212
Power Business	Power sold (million units)	11,872	14,835	13,443

Notes:

(1) Excludes lead contained in lead with a high content of silver (high silver lead) produced from the pyrometallurgical lead-zinc smelter for captive use, which was 6,951 tonnes, 7,912 tonnes and 7,622 tonnes in Fiscal Years 2022, 2023 and 2024, respectively.

(2) Excludes silver contained in lead with a high content of silver (high silver lead) produced from pyrometallurgical zinc-lead smelter for captive use which was 37.4 tonnes, 41.4 tonnes and 39.0 tonnes in Fiscal Years 2022, 2023 and 2024, respectively.

(3) Periodically, our facilities are shut down for planned and unplanned repairs and maintenance which temporarily reduce production volume. In addition, the mix of products we produce can have a substantial impact on our results of operations as we have different margins in each of our business vertical, and within each business vertical, our margins vary between the lower margins of primary metals and the higher margins of value-added products such as copper rods and aluminium rolled products. For example, copper cathodes are converted in the copper rod plant into copper rods, a value-added product which has a higher margin than copper cathodes. As copper rods have higher margins, we endeavour to sell as large a percentage of copper rods as possible. As the production volume of our various products fluctuates primarily based on market demand and production capacity for such products, the percentage of revenue from those products will also fluctuate between higher and lower margin products, which will in turn cause our operating profit and operating margins to fluctuate.

Indian Government Policy

India customs duties

We sell our products in India at a premium to the LME price, due in part to the customs duties payable on imported products. Profitability is affected by the levels of customs duties as we price our products sold in India generally on an import-parity basis.

We also pay a premium on certain raw materials that we import, or which are sourced locally but which are priced on an import-parity basis as a result of customs duties, with copper concentrate, coal, petroleum products, alumina, carbon and caustic soda being the primary examples.

The following table sets forth the customs duties that are applicable as of the date of this Offering Circular:

	BCD rate July 24, 2024 till present
Copper	5.0%
Zinc	5.0%
Lead	5.0%
Silver	5.0%
Aluminium	7.5%

Further, social welfare surcharge as a duty of customs has been introduced through the Finance Act, 2018 on imported goods at a rate of 10.0% on basic custom duty (the rate of social welfare surcharge on silver used to be 3.0%, however the rate has been increased to 10.0% after the announcement of budget 2021). However, pursuant to Notification 4/2023 – Customs dated February 1, 2023, social welfare surcharge on silver has been exempted from February 2, 2023, therefore no social welfare surcharge is imposed on import of silver. Furthermore, Agriculture and Infrastructure Development Cess ("**AIDC**") has been introduced at 2.5% (or at 5.0% post 2 February 2023). On the other hand, education cess and secondary education cess that was together levied at a rate of 3.0% on imported goods were abolished.

The above duties are subject to change as and when notifications are issued by the GoI in this regard. Any reduction in Indian tariff on imports may have an impact on our import parity pricing.

The import of coal attracts below duties as on date:

- Basic custom duty ("**BCD**") at the rate of 1.0% (or 2.5% post February 2, 2023) on Assessable Value which is non creditable;

- AIDC of 1.5% (or nil post February 2, 2023) on the Assessable Value, which is non creditable;
- social welfare surcharge of 10.0% on (BCD + AIDC), which is non creditable;
- Integrated GST at the rate of 5.0%, which is a creditable duty; and
- GST compensation cess at ₹400/MT cess, for which proportionate refund is available with respect to exported goods in ratio of export turnover/total turnover.

Specific goods mentioned in List 33 when imported for the purposes of "petroleum operations" are exempt from basic customs duty under Notification No 50/2017 – Customs dated June 30, 2017 *Sr. No: 404, Condition No: 48*. Similar exemption was given in pre-GST regime. Further, the list of goods for which exemption were available was pruned down pursuant to India's Union Budget 2022, resultantly, denial of custom duty exemption on the few goods imported for petroleum operations. This list of goods for which exemption is available has been further narrowed down vide Union Budget 2024.

Imported goods for purposes other than petroleum operations, such as software, IT-related goods, any other material goods which are deemed necessary for office purposes and goods imported for petroleum operations, for which custom duty exemption is not available, are liable to customs duty as per the applicable rates in force which may vary from approximately 21.0% to 30.0% depending on the classification of goods as mentioned in the revised customs tariff 2024.

Export incentives

In Fiscal Years 2022, 2023 and 2024, exports accounted for 44%, 40% and 36%, respectively, of our revenue from our Aluminium Business and accounted for 25%, 29% and 24%, respectively, of our revenue from our Zinc India Business. The GoI provides a variety of export incentives to Indian companies. Exports of copper, aluminium and zinc from India receive assistance premiums from the GoI. Export incentives do not outweigh the Indian market price premiums. Accordingly, notwithstanding the export incentives, we endeavour to sell large quantities of our products domestically.

The following table sets out the export assistance premiums (Duty Drawback), as a percentage of the free-on-board ("**FOB**") value of exports, on zinc concentrate, zinc ingots and lead concentrate for the periods indicated:

	February 4, 2020 to October, 29 2023	**October 29, 2023 till present**
Zinc concentrate	—	—
Zinc ingots	1.3%	1.2%
Lead concentrate	—	—
Lead ingots[(1)]	2.4%	2.4%

Note:

(1) With a drawback cap.

Currently, various export incentives are availed by Vedanta Limited for the exports made during the fiscal year under the provisions of Foreign Trade Policy 2023. Further, in order to boost exports and make Indian exports cost competitive and in compliance with the World Trade Organization regulations, the GoI introduced a scheme for Remission of Duties and Taxes on Exported Products ("**RoDTEP**"), with effect from January 1, 2021, replacing the erstwhile Merchandise Exports from India Scheme. Under the RoDTEP scheme, various taxes/duties/ levies, at the central, state and local levels, which are incurred during manufacturing and distribution of exported products, (applicable to those which are currently not being refunded under any other mechanism) are reimbursed to the exporters. The rates were notified during August 2021 and updated on January 2023 through issuance of a notification. The export benefits have been extended to advance authorisation holders, EOU and SEZ units effective from March 8, 2024.

	January 2023 till date
Aluminium ingots/billets	2.2% (*with a cap in terms of quantity*)
Aluminium wire	1.8% (*with a cap in terms of quantity*)
Zinc ingots	2% (*with a cap of ₹3,300 per MT*)
Lead ingots	1.4%

Notes:

(1) RoDTEP export benefits are not available for iron and steel sector.

(2) Copper products are also not entitled on account of exclusions specified.

(3) The above rates are subject to change as and when notifications are issued by the government in this regard.

In Fiscal Year 2015, export assistance premiums on aluminium rolled products were eliminated and duty exemption scheme of duty free import authorisation was introduced to enable duty free import of inputs required for export production pursuant to Chapter 4 of the Foreign Trade Policy whereby advance authorisation for inputs and exports items was given under the Standard Input Output Norm ("**SION**") policy scheme.

India export duties

The GoI levies duty on the export from India of certain products mentioned under the second schedule of the Customs Tariff Act 1975, including iron ore and concentrates, at a specified rate (ad valorem on the FOB value of exports). The GoI levied export duty on iron ore fines and lumps at a rate of 20.0% on FOB value. Currently, the export duty on iron ore fines and lumps with Fe content less than 58.0% is nil and equal to or more than 58.0% Fe, duty rate is 30.0%

Taxes, royalties, and cess payments

Section 115BAA has been inserted by the Taxation Laws (Amendment) Act, 2019 (the "**Amendment Act, 2019**") granting an option to domestic companies to compute corporate tax at a reduced effective rate of 25.17% (22.0% plus surcharge of 10.0% and cess of 4.0%), provided such companies do not avail specified exemptions/incentives (e.g. deduction under Section 10AA, 32(1)(iia), 33ABA, 35(2AB), 80-IA etc.)

The Amendment Act, 2019 further provides that domestic companies availing such option will not be required to pay Minimum Alternate Tax ("**MAT**") under Section 115JB. A corporate taxpayer is required to exercise its option of being governed under the concessional tax regime before the due date of filing of its tax return. Once exercised, the option cannot be withdrawn and is applicable to all subsequent tax years. This is effective from April 1, 2019.

Our Company evaluated and has exercised the above option u/s 115BAA of the Act in its ITR filed for Fiscal Year 2023 relevant to year assessment 2024.

Withholding Tax on Dividend

The tax rates imposed on Vedanta Limited in respect of dividends paid in prior periods have varied. Earlier, the distribution of dividends by a domestic company was subject to the Dividend Distribution Tax ("**DDT**"). Such dividends were generally exempt from tax in the hands of the shareholders. However, the IT Act has been amended to abolish the DDT regime. Accordingly, any dividend distributed by a domestic company is subject to tax in the hands of the investors at the applicable rate and the company is required to withhold tax on such dividends distributed at the prescribed rates The remittance of dividends outside India is governed by Indian law on foreign exchange and is also subject to withholding tax at applicable rates.

Goods and Service Tax

India introduced a goods and services tax ("**GST**") with effect from July 1, 2017, wherein tax is levied on supply of goods and services Most of the central and state levies (such as excise duty, service tax, countervailing duty and special additional duty, central sales tax and value added tax) which existed prior to this date were subsumed into GST. Consequently, the taxable events which existed before the GST regime were replaced by a single taxable event of supply of goods and services under GST. BCD and related customs cess continue to be applicable on import of goods.

Taxes under GST apply as follows:

- Central GST and state goods and services tax are simultaneously levied on intra-state supply of goods and/or services.
- Integrated GST are levied on imports and inter-state supply of goods and/or services.
- In addition, GST compensation cess also applies on certain specified goods and services.

The general rate of GST on our output supplies is 18.0%. However, supply of silver attracts GST at 3.0%. Further, crude oil and natural gas will be subject to GST from the date to be notified by GST council and therefore, until the time GST council notifies inclusion of these products in GST, they would continue to attract erstwhile indirect tax levies. Effective July 1, 2017, countervailing duty and special additional duty has been subsumed in integrated GST which is applicable at the rates as mentioned in below table:

	Integrated Goods and Service Tax rate from July 1, 2017
Copper	18.00%
Copper concentrate	18.00%
Zinc	18.00%
Lead	18.00%
Silver	3.00%
Aluminium	18.00%
Iron ore	18.00%
Steel	18.00%

Tax Incentives

Section 80M – Deduction in respect of inter-corporate dividends. Section 80M has been inserted by the Finance Act, 2020 with effect from April 1, 2020 providing for deduction from gross total income of a domestic company, of an amount equal to dividends received by such company from another domestic company or a foreign company or a business trust that does not exceed the amount of dividends distributed by it on or before one month prior to the date of filing of its tax return as prescribed under Section 139(1) of the Act. Where Vedanta Limited receives any such dividends during a Fiscal Year and also, distributes dividends to its shareholders before the aforesaid date, as may be relevant to the said Fiscal Year, it shall be entitled to the deduction under Section 80M of the Act.

Exchange Rates

Our financial statements are presented in US dollars. As a majority of our operations are located in India, the Indian Rupee is the currency in which most of our costs are incurred and whose fluctuation against the US dollar may have a significant impact on our financial results. When the Indian Rupee depreciates against the US dollar, our financial results can improve as our costs of production become lower relative to the price we can obtain for our products in the global marketplace, especially as compared to competitors with costs of production that are denominated in a currency that has not depreciated against the US dollar. Conversely, when the Indian Rupee appreciates against the US dollar, our financial results can be negatively impacted. We also have capital expenditure and services denominated in currencies other than the Indian Rupee. Some financial assets and liabilities of our subsidiaries are not held in the functional currency of such subsidiaries. As a result, we are exposed to movements in the functional currency of those entities.

Our exposure to various currencies means that currency fluctuations may have a large impact on our financial results. See the section entitled "*Risk Factors — Risks Relating to Business —Currency fluctuations among the Indian Rupee, other currencies and the US dollar could have a material adverse effect on our results of operations.*" for more information.

Material Accounting Policies and Significant Accounting Estimates and Judgements

Material Accounting Policies

Basis of consolidation

The consolidated financial statements incorporate the results of our Company and all our subsidiaries, being the entities that it controls. 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 our Group.

A joint arrangement is an arrangement of which two or more parties have joint control. Our Group accounts for its share of assets, liabilities, income and expenditure of joint operations in which our Group holds an interest. Our Group accounts for its interest in joint venture using the equity method, after initially being recognised at cost in the consolidated statement of financial position. Investments in associates are also accounted for using the equity method.

Under the equity method of accounting applicable for investments in associates and joint ventures, investments are initially recorded at the cost to our Group and then, in subsequent periods, the carrying value is adjusted to reflect our Group's share of the post-acquisition profits or losses of the investee, and our 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 income statement and consolidated statement of comprehensive income include our Group's share of investee's results, except where the investee is generating losses, share of such losses in excess of our Group's interest in that investee are not recognised. Losses recognised under the equity method in excess of our Group's investment in ordinary shares are applied to the other components of our 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).

Business combination

Business combinations are accounted for under the acquisition method. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair value at the acquisition date, except certain assets and liabilities required to be measured as per the applicable standards. Acquisition expenses are charged to the consolidated income statement in the periods in which the costs are incurred and the services are received except costs to issue debt or equity securities which shall be recognised in accordance with IAS 32 and IFRS 9.

Revenue recognition

Our 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 our 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. Interest income from debt instruments carried at amortised cost is recognised using the effective interest rate method as per IFRS 9. Dividend income is recognised in the consolidated income statement only when the right to receive payment is established, provided it is probable that the economic benefits associated with the dividend will flow to our Group, and the amount of the dividend can be measured reliably.

Property, plant and equipment

The costs of mining properties and leases include the costs of acquiring and developing mining properties. 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 our Group determines that the mining property will not provide sufficient and sustainable returns relative to the risks and our Group decides not to proceed with the mine development. 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 income statement.

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.

Assets under construction are capitalised in the assets under construction account. Asset under construction is carried at cost less accumulated impairment losses, if any. Mining properties and other assets in the course of development or construction, freehold land and goodwill are not depreciated or amortised.

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. Our 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 our Group as part of the service concession arrangement.

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 (property, plant and equipment) and stated at cost less impairment, if any. Exploration and evaluation assets are transferred to the appropriate category of property, plant and equipment when the technical feasibility and commercial viability has been determined. Exploration and evaluation assets are assessed for impairment and impairment loss, if any, is recognised prior to reclassification. 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 & 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 income statement.

Impairment of non-financial assets

Impairment charges and reversals are assessed at the level of cash-generating units. Our Group assesses at each reporting date, whether there is an indication that an asset may be impaired. Our 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.

Financial instruments

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. Trade receivables that do not contain a significant financing component are measured at transaction price as per IFRS 15.

Our 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 our Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime expected credit losses at each reporting date, right from its initial recognition. 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.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. 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 our Group are recognised at the proceeds received, net of direct issue costs.

In order to hedge its exposure to foreign exchange, interest rate, and commodity price risks, our Group enters into forward, option, swap contracts and other derivative financial instruments. Our Group does not hold derivative financial instruments for speculative purposes.

Leases

Our 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. Our Group as a lessee applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. Our Group recognises lease liabilities towards future lease payments and right-of-use assets representing the right to use the underlying assets.

Inventories

Inventories and work-in-progress are valued at the lower of cost and net realisable value. Net realisable value is determined based on estimated selling price, less further costs expected to be incurred for completion and disposal.

Government grants

Grants and subsidies from the government are recognised when there is reasonable assurance that our Group will comply with the conditions attached to them and the grant/subsidy will be received. Government grants relating to tangible fixed assets are deducted in calculating the carrying amount of the assets and recognised in the consolidated income statement over the expected useful lives of the assets concerned as a reduced depreciation expense.

Taxation

Tax expense represents the sum of current tax and deferred tax. 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.

Retirement benefit schemes

Our 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 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.

Share-based payments

Certain employees (including executive directors) of our 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 our Group’s estimate of shares that will eventually vest.

Provisions, contingent liabilities and contingent assets

Provisions represent liabilities for which the amount or timing is uncertain. Provisions are recognised when our 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. 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 our 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. Our Group does not recognise 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.

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.

Accounting for foreign currency translations

The functional currency for each entity in our 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 US dollars.

Buyers' credit/suppliers' credit and vendor financing

Our 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 our Group at a later date providing working capital timing benefits. 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 our Group is treated as cash flows from operating activity reflecting the substance of the payment.

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.

Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash at bank and in 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.

Special items

Special 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 years.

Significant estimates

Carrying value of exploration and evaluation assets

The recoverability of a project is assessed under IFRS 6. 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 exist. Change to the valuation of exploration assets is an area of judgement. 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.

Recoverability of deferred tax and other income tax assets

The majority of the deferred tax liability represent accelerated tax relief for the depreciation of property, plant and equipment, depreciation of mining reserves and the fair value uplifts created on acquisitions net of deferred tax assets representing unabsorbed depreciation and carried forward losses. 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. Our deferred tax assets have been recognised to the extent that 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, deferred tax assets on carry forward unused tax losses have been recognised to the extent of deferred tax liabilities on taxable temporary differences available.

Copper operations in Tamil Nadu, India

Please see "*Our Business — Litigation*".

Renewal of consent to operate of ESL

Please see "*Our Business — Litigation*".

Oil and Gas reserves

Significant technical and commercial judgements are required to determine our Group's estimated oil and natural gas reserves. Oil and gas reserves are estimated on a proved and probable entitlement interest basis. Proven and probable reserves are estimated using standard recognised evaluation techniques. The estimate is reviewed annually. Future development costs are estimated taking into account the level of development required to produce the reserves by reference to operators, where applicable and internal engineers. Net entitlement reserves estimates are subsequently calculated using our Group's current oil price and cost recovery assumptions, in line with the relevant agreements. Changes in reserves as a result of factors such as production cost, recovery rates, grade of reserves or oil and gas prices could impact the depletion rates, carrying value of assets and environmental and restoration provisions.

Carrying value of developing/producing oil and gas assets

Management performs impairment tests on our Group's developing/producing oil and gas assets where indicators of impairment are identified in accordance with IAS 36.

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 the Rajasthan Block, cash flows are considered based on economic life of the fields.

Estimates/Assumptions	Basis
Discount rates	Cost of capital risk-adjusted for the risk specific to the asset/cash generating unit.

Any subsequent changes to cash flows due to changes in the above -mentioned factors could impact the carrying value of the assets.

Climate change

Climate change may have various impacts on us 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) recoverable amounts of existing assets and (c) review of estimates of useful lives of property, plant and equipment.

As our 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 our 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, our Group believes that there is no material impact on carrying values of its assets or liabilities.

Significant judgments

Determining whether an arrangement contains a lease

We have 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 IFRS 16 “*Leases*”. Accordingly, the consideration receivable under the power purchase agreement 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. We have determined that since the capacity charges under the power purchase agreement 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 power purchase agreement, which requires it to be accounted for on a straight line basis.

Contingencies and other litigations

In the normal course of business, contingent liabilities may arise from litigation, taxation and other claims against us. A provision is recognised when we have a present obligation as a result of past events and it is probable that we 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, we do not expect them to have a materially adverse impact on our financial position or profitability.

Revenue recognition and receivable recovery in relation to power division

In certain cases, our power customers are disputing various contractual provisions of power purchase agreements. Significant judgement is required in both assessing the tariff to be charged under the PPA in accordance with IFRS 15 and to assess the recoverability of withheld revenue currently accounted for as receivables.

Results of Operations

The following table sets out our consolidated operating results for Fiscal Years 2022, 2023 and 2024:

	Fiscal Year		
	2022	**2023**	**2024**
		($ million)	
Continuing operations			
Revenue[1]	17,619	18,283	17,128
Cost of sales[1]	(11,927)	(14,437)	(12,863)
Gross profit	**5,692**	**3,846**	**4,265**
Other operating income	244	239	247
Distribution costs	(459)	(476)	(473)
Administrative expenses	(507)	(530)	(596)
Impairment reversal/(charge) net[1]	465	(61)	28
Operating Profit/(Loss)	**5,435**	**3,018**	**3,471**
Investment revenues	153	251	202
Finance costs	(1,402)	(1,558)	(1,882)
Other (losses)/gains (net)	(38)	(79)	(37)
Profit/(Loss) before taxation	**4,148**	**1,632**	**1,754**
Net (expense)/tax credit — special items	(170)	100	(818)
Net (expense)/tax credit — others	(1,400)	(894)	(837)
Profit/(Loss) for the year	**2,578**	**838**	**99**
Profit/(loss) after tax for the period from discontinued operations and gain on deconsolidation	—	—	—
Profit/(Loss) for the year	**2,578**	**838**	**99**

	Fiscal Year		
	2022	2023	2024
		($ million)	
Attributable to:			
Equity holders of the parent	1,002	(5)	(400)
Non-controlling interests	1,576	843	499
Profit/(Loss) for the year	**2,578**	**838**	**99**

Note:

(1) Includes special items.

Revenue by Geographic Location

The following table sets out our revenue (before special items) from each of our primary markets in each of Fiscal Years 2022, 2023 and 2024:

	Fiscal Year					
	2022	%	2023	%	2024	%
			($ million, except percentages)			
India	9,887	56%	10,851	59%	11,009	64%
Europe	2,824	16%	1,985	11%	907	5%
China	1,299	7%	661	4%	641	4%
United States	468	3%	481	3%	283	2%
Mexico	310	2%	579	3%	189	1%
Others	2,831	16%	3584	20%	4,099	24%
Total	**17,619**	**100%**	**18,141**	**100%**	**17,128**	**100%**

Certain Non-GAAP Measures

In evaluating our business, we consider and use certain non-GAAP financial measures that are presented below as supplemental measures to review and assess our operating performance. The presentation of these non-GAAP financial measures is not intended to be considered in isolation or as an alternative to cash flows, profit/(loss) for any year or any other measure of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with IFRS or US GAAP. We present these non-GAAP financial measures because they are used by our management to evaluate our operating performance. These non-GAAP financial measures are not defined under IFRS and are not presented in accordance with IFRS. The non-GAAP financial measures have limitations as analytical tools. Further, these non-GAAP financial measures may differ from the similar information used by other companies, including peer companies, and hence their comparability may be limited and has limited usefulness. Therefore, these matrices should not be considered in isolation or construed as an alternative to IFRS measures of performance or as an indicator of our operating performance, liquidity, profitability or results of operation.

EBITDA

We define EBITDA as the aggregate of profit/loss for the year, net tax credit/expense, other gains and losses (net), finance costs, investment revenue, special items, depreciation and amortisation, and other expenses, for the relevant year.

We have presented EBITDA in this Offering Circular because it is a supplementary measure used by our management and directors to understand and evaluate our core operating performance and trends. In particular, we believe that the exclusion of the expenses eliminated in calculating EBITDA can provide a useful measure for period-to-period comparisons of our core business. We believe that EBITDA provides useful information to investors and others in understanding and evaluating our operating results in the same manner as our management and directors.

EBITDA is not a measurement of financial profitability or liquidity under IFRS and should not be considered as an alternative to performance measures derived in accordance with IFRS. In addition, EBITDA is not a standardized term, hence a direct comparison between companies using such a term may not be possible. Our use of EBITDA thus has limitations as an analytical tool, and you should not consider them either in isolation or as a substitute for analysis of our financial results as reported under IFRS. Because of these and other limitations, you should consider EBITDA along with other IFRS-based financial performance measures, including various cash flow metrics, profit or loss after tax, and our other IFRS financial results. We make no representations as to the methodology used to define and/or calculate EBITDA or whether it reflects an appropriate measure of our Company's operating performance or ability to service debt.

The following is a reconciliation from our profit/(loss) for the year under IFRS to our definition of EBITDA:

	Fiscal Year		
	2022	**2023**	**2024**
		($ million)	
Profit/(Loss) for the year	**2,578**	**838**	**99**
Adjusted for:			
Net tax (credit)/expense	1,570	794	1,655
Other gains and losses (net)	38	79	37
Finance costs	1,402	1,558	1,882
Investment revenue	(153)	(251)	(202)
Special Items(1)	(408)	178	(124)
Depreciation and amortisation	1,228	1,382	1,282
Other Expenses(2)	—	30	89
EBITDA	**6,255**	**4,608**	**4,718**

Notes:

(1) Special Items are defined in Notes to the Audited Financial Statements. Special items include non-cash impairment charges relating to the oil and gas, copper assets, aluminium capital work-in-progress, among others.

(2) Cost of exploration wells written off.

Results of Operations: Fiscal Year 2024 compared to Fiscal Year 2023

Revenue (before special items)

Our revenue (before special items) was $17,128 million in Fiscal Year 2024, a decrease of $1,013 million, or 6%, from $18,141 million in Fiscal Year 2023. This was mainly driven by lower output commodity prices primarily of zinc, aluminium and Dated Brent, which was partially offset by higher volume at our Aluminium, Zinc, Lead and Silver and Oil and Gas Businesses and a one-time arbitration award. Please see "*Our Business — Litigation*" for further details on the one-time arbitration award.

Our Aluminium, Zinc, Lead and Silver, Oil and Gas, Copper, Iron Ore and Power Businesses contributed 34%, 22%, 13%, 14%, 6%, and 4%, respectively to the revenue in Fiscal Year 2024.

Aluminium

Segment revenue from our Aluminium Business was $5,843 million in Fiscal Year 2024, a decrease of $772 million, or 12%, from $6,615 million in Fiscal Year 2023. This decrease was primarily due to a slip in LME prices which was partially offset by increase in volume. Specifically:

- Aluminium production increased from 2,291 kt during Fiscal Year 2023 to 2,370 kt during Fiscal Year 2024, an increase of 79 kt, or 3%.
- Aluminium sales increased from 2,285 kt during Fiscal Year 2023 to 2,357 kt during Fiscal Year 2024, an increase of 72 kt, or 3%. Sales of aluminium ingots decreased from 1,373 kt for Fiscal Year 2023 to 1,261 kt during Fiscal Year 2024, a decrease of 112 kt or 8%. The decrease in sales was in line with production. Rolled product sales increased from 29 kt during Fiscal Year 2023 to 34 kt during Fiscal Year 2024, an increase of 5 kt, or 17%. Wire rod, billet, alloy ingot and other sales increased from 884 kt during Fiscal Year 2023 to 1,062 kt during Fiscal Year 2024, an increase of 178 kt, or 20%. The increase in sales was in line with production.
- Aluminium sales in the domestic market increased from 775 kt during Fiscal Year 2023 to 977 kt during Fiscal Year 2024, an increase of 202 kt, or 26%. Aluminium exports decreased from 1,510 kt during Fiscal Year 2023 to 1,380 kt during Fiscal Year 2024, a decrease of 130 kt or 9%. Our domestic sales as a percentage of total sales increased from 34% during Fiscal Year 2023 to 41% during Fiscal Year 2024.
- The daily average aluminium cash settlement price on the LME decreased from $2,481 per ton during Fiscal Year 2023 to $2,200 per ton during Fiscal Year 2024, a decrease of 11%.
- The benchmark Japanese premium increased from $88 per ton during Fiscal Year 2023 to $92 per ton during Fiscal Year 2024, an increase of 4 per ton or 5%.

Zinc India

Segment revenue from our Zinc India Business was $3,373 million in Fiscal Year 2024, a decrease of $753 million, or 18%, from $4,126 million in Fiscal Year 2023. The decrease was primarily due to lower zinc LME prices and zinc metal volume, which was partially offset by higher silver and lead prices and volume. Specifically:

- The daily average zinc cash settlement price on the LME decreased from $3,319 per ton during Fiscal Year 2023 to $2,475 per ton during Fiscal Year 2024, a decrease of 25%.
- Refined zinc ingot production was flat from 821 kt during Fiscal Year 2023 to 817 kt during Fiscal Year 2024. Refined zinc ingot sales were in line with production.

- Refined zinc sales in the domestic market increased from 484 kt during Fiscal Year 2023 to 580 kt during Fiscal Year 2024, an increase of 20%. Export sales decreased from 337 kt during Fiscal Year 2023 to 238 kt during Fiscal Year 2024, a decrease of 29%.

- The daily average lead cash settlement price on the LME increased from $2,101 per ton during Fiscal Year 2023 to $2,122 per ton during Fiscal Year 2024, an increase of 1%.

- Refined lead production increased from 211 kt for Fiscal Year 2023 to 216 kt for Fiscal Year 2024, an increase of 2%. Lead sales were in line with production.

- Refined silver production increased from 714 tons during Fiscal Year 2023 to 746 tons during Fiscal Year 2024, an increase of 5%. This increase was primarily due to the management's operation and financial strategy. The daily average silver LBMA price marginally increased from $21.4/oz to $23.6/oz, an increase of 10% during Fiscal Year 2024 compared to Fiscal Year 2023. Sale of refined silver ingots were in line with production.

Zinc International

Segment revenue from our Zinc International Business was $430 million in Fiscal Year 2024, a decrease of $219 million, or 34% from $649 million in Fiscal Year 2023. The decrease was due to lower production volumes and LME prices which was partially offset by lower treatment charges. Specifically:

- Production of mined metal in concentrate from Black Mountain mines decreased from 65 kt during Fiscal Year 2023 to 61 kt during Fiscal Year 2024, a decrease of 4 kt or 6%, primarily due to lower grades which was partially offset by higher recoveries.

- Production of zinc metal in concentrate from Gamsberg mine decreased from 208 kt in Fiscal Year 2023 to 147 kt in Fiscal Year 2024, a decrease of 61 kt or 29%, primarily due to lower throughput, grades and recovery.

- The daily average zinc cash settlement price on the LME decreased from $3,319 per ton during Fiscal Year 2023 to $2,475 per ton during Fiscal Year 2024, a decrease of 25%.

- The daily average lead cash settlement price on the LME increased from $2,101 per ton during Fiscal Year 2023 to $2,122 per ton during Fiscal Year 2024, an increase of 1%.

Oil and Gas

Segment revenue from our Oil and Gas Business was $2,155 million in Fiscal Year 2024, an increase of $282 million, or 15% to, from $1,873 million in Fiscal Year 2023. The increase was due to the above-mentioned one-time arbitration award which was partially offset by fall in oil prices.

Copper

Segment revenue from our Copper Business was $2,383 million in Fiscal Year 2024, an increase of $204 million, or 9%, from $2,179 million in Fiscal Year 2023. The increase was primarily due to higher sales volumes which was partially offset by lower LME prices.

Total production for the Fiscal Year 2024 was 141 kt as compared to 148 kt for the Fiscal Year 2023, a decrease of 5% on account of temporary disruptions in raw material sourcing.

Iron ore

Segment revenue from our Iron Ore Business was $1,095 million in Fiscal Year 2024, an increase of $286 million, or 35%, from $809 million in Fiscal Year 2023. The increase was mainly due to the higher sales volumes in Karnataka and higher sales volume from our value-added business within the Iron Ore Business. Specifically:

Saleable iron ore production increased from 5.3 million dry metric tonnes during Fiscal Year 2023 to 5.6 million dry metric tonnes during Fiscal Year 2024.

Pig iron production increased from 696 kt in Fiscal Year 2023 to 831 kt in Fiscal Year 2024, an increase of 19%. This was primarily due to improvement in process efficiency and Fiscal Year 2023 production was impacted due to a shut down in one of smaller blast furnaces.

Steel

Segment revenue from our Steel Business was $1,003 million in Fiscal Year 2024, an increase of $25 million, or 3%, from $978 million in Fiscal Year 2023. The increase was primarily due to higher sales volumes which was partially offset by lower realisation. Specifically:

- Pig iron production increased from 192 kt during Fiscal Year 2023 to 203 kt during Fiscal Year 2024, an increase of 11 kt or 6%. The sale of pig iron increased from 193 kt during Fiscal Year 2023 to 206 kt during Fiscal Year 2024, an increase of 13 kt or 7%, in line with production.
- Billet production increased from 947 kt (out of which 920 kt is internally consumed) during Fiscal Year 2023 to 997 kt (out of which 967 kt is internally consumed) during Fiscal Year 2024, an increase of 50 kt or 5%. The sale of billet increased from 19 kt during Fiscal Year 2023 to 26 kt during Fiscal Year 2024, an increase of 7 kt or 37%.
- The production of TMT increased from 463 kt during Fiscal Year 2023 to 505 kt during Fiscal Year 2024, an increase of 42 kt or 9%. The sale of TMT increased from 450 kt during Fiscal Year 2023 to 513 kt during Fiscal Year 2024, an increase of 63 kt or 14%, in line with increase in production.
- The production of wire rod increased from 407 kt during Fiscal Year 2023 to 436 kt during Fiscal Year 2023, an increase of 29 kt or 7%. The sale of wire rod increased from 404 kt in Fiscal Year 2023 to 437 kt in Fiscal Year 2024, an increase of 33 kt or 8%, in line with the increase in production.
- The production of ductile iron pipe increased from 196 kt during Fiscal Year 2023 to 212 kt during Fiscal Year 2024, an increase of 16 kt or 8%. The sale of ductile iron pipe increased from 196 kt during Fiscal Year 2023 to 212 kt during Fiscal Year 2024, an increase of 21 kt or 11%, in line with the increase in production.

Power

Segment revenue from our Power Business was $743 million in Fiscal Year 2024, a decrease of $95 million, or 11% from $838 million in Fiscal Year 2023. This was primarily due to lower volume and power realisation price. Specifically:

- Power sold decreased from 14,835 units during Fiscal Year 2023 to 13,443 units during Fiscal Year 2024. The Jharsuguda 600 MW power plant operated at a plant load factor of 58% in Fiscal Year 2024, as compared to 63% in Fiscal Year 2023. At TSPL, the sale of power increased to 10,278 units during Fiscal Year 2024 from 10,744 units during Fiscal Year 2023, in line with the power demand of our customer. The power purchase agreement with the State of Punjab compensates us based on the availability of the plant.
- The average power realisation price (excluding TSPL) for Fiscal Year 2023 and Fiscal Year 2024 was $3.04 per unit and $2.82 per unit, respectively. The average power realisation price for TSPL for Fiscal Year 2023 and Fiscal Year 2024 was $4.50 per unit and $4.10 per unit, respectively, based on the plant availability factor.

- The average power generation cost (excluding TSPL) for Fiscal Year 2023 and Fiscal Year 2024 was $2.38 per unit and $2.57 per unit, respectively. The average power generation cost for TSPL for Fiscal Year 2023 and Fiscal Year 2024 was 3.65 per unit and 3.26 per unit, respectively, based on the plant availability factor.

Operating Profit/(Loss)

Our operating profit was $3,471 million in Fiscal Year 2024, an increase of $453 million, or 15%, from $3,018 million for Fiscal Year 2023.

EBITDA

Aluminium

EBITDA for our Aluminium Business was $1,167 million in Fiscal Year 2024, an increase of $468 million, or 67%, from $699 million in Fiscal Year 2023 mainly due to the softening of input commodity prices with improved operational performance which was partially offset by lower LME prices and strategic hedging gain recognised in previous year.

Zinc India

EBITDA for our Zinc India Business was $1,638 million in Fiscal Year 2024, a decrease of $539 million, or 25%, from $2,177 million in Fiscal Year 2023. The decrease was driven by lower zinc LME prices, zinc metal volumes and strategic hedging gain recognised in previous year, which was partially offset by higher silver and lead prices and volumes.

Zinc International

EBITDA for our Zinc International Business was $84 million in Fiscal Year 2024, a decrease of $157 million, or 65%, from $241 million in Fiscal Year 2023. The decrease in our EBITDA was primarily on account of lower production volumes and LME prices.

Oil and Gas

EBITDA for our Oil and Gas Business was $1,184 million in Fiscal Year 2024, an increase of $212 million, or 22%, from $972 million in Fiscal Year 2023. This was mainly due to the one-time arbitration award which was partially offset by lower Dated Brent prices.

Copper

EBITDA for our Copper Business was $(9) million in Fiscal Year 2024, a decrease of $2 million, or 29%, from $(7) million in Fiscal Year 2023. The decrease was primarily on account of global blister supply shortage.

Iron ore

EBITDA for our Iron Ore Business was $200 million in Fiscal Year 2024, an increase of $76 million or 60% from $124 million in Fiscal Year 2023. This was mainly due to increase in sales at Karnataka and value-added business and softening of input commodity prices.

Steel

EBITDA for our Steel Business was $27 million in Fiscal Year 2024, a decrease of $12 million or 31%, from $39 million in Fiscal Year 2023. This was driven by lower sale realisation which was partially offset by higher sales volumes.

Power

EBITDA for our Power business was $117 million in Fiscal Year 2024, an increase of $3 million, or 2%, from $114 million in Fiscal Year 2023. This is primarily due to recognition of provisions in Jharsuguda power in Fiscal Year 2023.

Investment revenue, finance costs and other gains/(losses)

Our investment revenue was $202 million in Fiscal Year 2024, a decrease of $49 million, or 20%, from $251 million in Fiscal Year 2023. This was mainly due to decrease in average investments which is partly offset by mark to market movement.

Our finance cost was $1,882 million in Fiscal Year 2024, an increase of $324 million, or 21%, from $1,558 million in Fiscal Year 2023. This was primarily due to increase in average rate of borrowings, partly offset by decline in average borrowings.

Other gains/(losses) (net) in Fiscal Year 2024 was a loss of $(37) million compared to a loss of $(79) million in Fiscal Year 2023 on account of foreign exchange loss.

Profit for the year

As a result of the foregoing, our profit for Fiscal Year 2024 was $99 million, a decrease of $739 million, or 88%, from $838 million for Fiscal Year 2023.

Results of Operations: Fiscal Year 2023 compared to Fiscal Year 2022

Revenue (before special items)

Our revenue (before special items) was $18,141 million in Fiscal Year 2023, an increase of $522 million, or 3%, from $17,619 million in Fiscal Year 2022. This was mainly driven by higher sales volumes at copper, zinc and aluminium, strategic hedging gains, partially offset by slip in commodity prices of aluminium, copper, lead, and silver.

Our Aluminium, Zinc, Lead and Silver, Oil and Gas, Copper, Iron Ore and Power Businesses contributed 36%, 26%, 10%, 12%, 4% and 5%, respectively to the revenue in Fiscal Year 2023.

Aluminium

Segment revenue from our Aluminium Business was $6,615 million in Fiscal Year 2023, a decrease of $218 million, or 3%, from $6,833 million in Fiscal Year 2022. This decrease was primarily due to improved operational performance, strategic hedging gains which was partially offset by reduced LME. Specifically:

- Aluminium production increased from 2,268 kt during Fiscal Year 2022 to 2,291 kt during Fiscal Year 2023, an increase of 23 kt, or 1%.
- Aluminium sales increased from 2,270 kt during Fiscal Year 2022 to 2,285 kt during Fiscal Year 2023, an increase of 15 kt, or 1%. Sales of aluminium ingots decreased from 1,377 kt for Fiscal Year 2022 to 1,373 kt during Fiscal Year 2023, a decrease of 4 kt. Rolled product sales decreased from 33 kt during Fiscal Year 2022 to 29 kt during Fiscal Year 2023, a decrease of 4 kt, or 12%. Wire rod, billet and slab sales increased from 860 kt during Fiscal Year 2022 to 884 kt during Fiscal Year 2023, an increase of 24 kt, or 3%.
- Aluminium sales in the domestic market increased from 605 kt during Fiscal Year 2022 to 775 kt during Fiscal Year 2023, an increase of 170 kt, or 28%. Aluminium exports decreased from 1,665 kt during Fiscal Year 2022 to 1,510 kt during Fiscal Year 2023, a decrease of 155 kt or 9%. Our domestic sales as a percentage of total sales increased from 27% during Fiscal Year 2022 to 34% during Fiscal Year 2023.

- The daily average aluminium cash settlement price on the LME decreased from $2,774 per ton during Fiscal Year 2022 to $2,481 per ton during Fiscal Year 2023, a decrease of 11%.
- The benchmark Japanese premium decreased from $151 per ton during Fiscal Year 2022 to $88 per ton during Fiscal Year 2023, a decrease of $63 per ton or 42%.

Zinc India

Segment revenue from our Zinc India Business was $4,126 million in Fiscal Year 2023, an increase of $282 million, or 7%, from $3,844 million in Fiscal Year 2022. The increase was primarily due to higher metal and silver production, higher Zinc LME prices, gains from strategic hedging which was partially offset by lower lead and silver prices. Specifically:

- The daily average zinc cash settlement price on the LME increased from $3,257 per ton during Fiscal Year 2022 to $3,319 per ton during Fiscal Year 2023, an increase of 2%.
- Refined zinc ingot production increased from 776 kt during Fiscal Year 2022 to 821 kt during Fiscal Year 2023, an increase of 6%. Fiscal Year 2023 achieved the highest ever integrated production at 821 kt. This increase was in line with better plant and MIC availability. Refined zinc ingot sales were in line with production.
- Zinc ingot sales in the domestic market decreased from 506 kt during Fiscal Year 2022 to 484 kt during Fiscal Year 2023, a decrease of 4%. Export sales increased from 271 kt during Fiscal Year 2022 to 337 kt during Fiscal Year 2023, an increase of 24%.
- The daily average lead cash settlement price on the LME decreased from $2,285 per ton during Fiscal Year 2022 to $2,101 per ton during Fiscal Year 2023, a decrease of 8%.
- Refined lead production increased from 191 kt for Fiscal Year 2022 to 210 kt for Fiscal Year 2023, an increase of 10%. Lead sales were in line with lead production.
- Refined silver production increased from 647 tons during Fiscal Year 2022 to 714 tons during Fiscal Year 2023, an increase of 10%. This increase is in line with lead metal production. The daily average silver LBMA price marginally decreased from $24.6/oz to $21.4/oz, a decrease of 13% during Fiscal Year 2023 compared to Fiscal Year 2022. Sale of silver were in line with production.

Zinc International

Segment revenue from our Zinc International Business was $649 million in Fiscal Year 2023, an increase of $47 million, or 8% from $602 million in Fiscal Year 2022. The increase was primarily due to the higher sales volumes compared to Fiscal Year 2022, higher zinc LME prices which was partially offset by lower lead and silver prices. Specifically:

- Production of mined metal in concentrate from Black Mountain mines increased from 52 kt during Fiscal Year 2022 to 65 kt during Fiscal Year 2023, an increase of 13 kt or 25%, primarily due to tonnes treated and higher recoveries.
- Production of zinc metal in concentrate from Gamsberg mine increased from 170 kt in Fiscal Year 2022 to 208 kt in Fiscal Year 2023, primarily due to production ramp up.
- The daily average zinc cash settlement price on the LME increased from $3,257 per ton during Fiscal Year 2022 to $3,319 per ton during Fiscal Year 2023, an increase of 2%.
- The daily average lead cash settlement price on the LME decreased from $2,285 per ton during Fiscal Year 2022 to $2,101 per ton during Fiscal Year 2023, a decrease of 8%.

Oil and Gas

Segment revenue from our Oil and Gas Business was $1,873 million in Fiscal Year 2023, an increase of $204 million, or 12%, from $1,669 million in Fiscal Year 2022. The increase was mainly due to an increase in oil prices which was partially offset by lower sales volume.

Copper

Segment revenue from our Copper Business was $2,179 million in Fiscal Year 2023, an increase of $144 million, or 7%, from $2,035 million in Fiscal Year 2022. The increase was primarily due to higher sales volumes which was partially offset by lower LME prices.

Total production for the Fiscal Year 2023 was 148 kt as compared to 125 kt for the Fiscal Year 2022, an increase of 18% on account of continuous debottlenecking of plant capacity and improved operational efficiencies.

Iron ore

Segment revenue from our Iron Ore Business was $809 million in Fiscal Year 2023, a decrease of $44 million, or 5%, from $852 million in Fiscal Year 2022. The decrease was primarily due to the mainly due to decrease in sales at Karnataka and value-added business. Specifically:

- Saleable iron ore production decreased from 5.4 million dry metric tonnes during Fiscal Year 2022 to 5.3 million dry metric tonnes during Fiscal Year 2023.
- Pig iron production decreased from 790 kt in Fiscal Year 2022 to 696 kt in Fiscal Year 2023, a decrease of 12%. This was primarily due to the shut down in blast furnaces in Fiscal Year 2023.

Steel

Segment revenue from our Steel Business was $978 million in Fiscal Year 2023, an increase of $109 million, or 13%, from $869 million in Fiscal Year 2022. The increase was primarily due to higher production volume. Specifically:

- Pig iron production increased from 186 kt during Fiscal Year 2022 to 192 kt during Fiscal Year 2023, an increase of 6 kt or 3%. The sale of pig iron increased from 189 kt during Fiscal Year 2022 to 193 kt during Fiscal Year 2024, an increase of 4 kt or 2%, in line with production.
- Billet production increased from 932 kt (out of which 840 kt is internally consumed) during Fiscal Year 2022 to 947 kt (out of which 920 kt is internally consumed) during Fiscal Year 2023, an increase of 15 kt or 2%. The sale of billet decreased from 96 kt during Fiscal Year 2022 to 19 kt during Fiscal Year 2023, a decrease of 77 kt or 80%.
- The production of TMT increased from 399 kt during Fiscal Year 2022 to 463 kt during Fiscal Year 2023, an increase of 64 kt or 16%. The sale of TMT increased from 402 kt during Fiscal Year 2022 to 450 kt during Fiscal Year 2023, an increase of 48 kt or 12%, in line with increase in production.
- The production of wire rod decreased from 421 kt during Fiscal Year 2023 to 407 kt during Fiscal Year 2022, a decrease of 14 kt or 3%. The sale of wire rod decreased from 422 kt in Fiscal Year 2022 to 404 kt in Fiscal Year 2023, a decrease of 18 kt or 4%, in line with the decrease in production.
- The production of ductile iron pipe increased from 164 kt during Fiscal Year 2022 to 196 kt during Fiscal Year 2023, an increase of 32 kt or 20%. The sale of ductile iron pipe increased from 167 kt during Fiscal Year 2022 to 191 kt during Fiscal Year 2023, an increase of 24 kt or 14%, in line with the increase in production.

Power

Segment revenue from our Power Business was $838 million in Fiscal Year 2023, an increase of $55 million, or 7%, from $783 million in Fiscal Year 2022. This was primarily due to the increase in sale of power units. Specifically:

- Power sold increased from 11,872 units during Fiscal Year 2022 to 14,835 units during Fiscal Year 2023. The Jharsuguda 600 MW power plant operated at a plant load factor of 63% in Fiscal Year 2023, as compared to 53% in Fiscal Year 2022. At TSPL, the sale of power increased to 10,744 units during Fiscal Year 2023 from 8,259 units during Fiscal Year 2022, in line with the power demand of our customer. The power purchase agreement with the State of Punjab compensates us based on the availability of the plant.

- The average power realisation price (excluding TSPL) for Fiscal Year 2022 and Fiscal Year 2023 was $3.10 per unit and $3.04 per unit, respectively. The average power realisation price for TSPL for Fiscal Year 2022 and Fiscal Year 2023 was $3.62 per unit and $4.50 per unit, respectively, based on the plant availability factor.

- The average power generation cost (excluding TSPL) for Fiscal Year 2022 and Fiscal Year 2023 was $2.42 per unit and $2.38 per unit, respectively. The average power generation cost for TSPL for Fiscal Year 2022 and Fiscal Year 2023 was $2.76 per unit and $3.65 per unit, respectively, based on the plant availability factor.

Operating Profit/(Loss)

Our operating profit was $3,018 million in Fiscal Year 2023, a decrease of $2,417 million, or 44.5%, compared to $5,435 million for Fiscal Year 2022.

EBITDA

Aluminium

EBITDA for our Aluminium Business was $699 million in Fiscal Year 2023, a decrease of $1,629 million, or 70%, from $2,328 million in Fiscal Year 2022. This was driven by a fall in LME, input commodity inflation.

Zinc India

EBITDA for our Zinc India Business was $2,177 million in Fiscal Year 2023, an increase of $7 million, or 0%, from $2,170 million in Fiscal Year 2022. The rise was on account of improved metal and silver volumes, higher zinc LME prices, gains from strategic hedging partly offset by higher costs and lower lead and silver prices.

Zinc International

EBITDA for our Zinc International Business was $241 million in Fiscal Year 2023, an increase of $35 million, or 17%, from $206 million in Fiscal Year 2022. The increase in EBITDA was primarily on account of improved operational performance, higher zinc LME price, favourable exchange rates movement which was partially offset by lower lead and silver prices and increase in TcRc.

Oil and Gas

EBITDA for our Oil and Gas Business was $972 million in Fiscal Year 2023, an increase of $163 million, or 20%, from $809 million in Fiscal Year 2022. This was mainly due to higher Dated Brent prices, increase in capex recovery which was partially offset by lower volumes and increased cost.

Copper

EBITDA for our Copper Business was $(7) million in Fiscal Year 2023, an increase of $7 million, or 50%, from $(15) million in Fiscal Year 2022. The increase was primarily on account of improved operational efficiencies, higher sales volumes and increase in sales margin largely offset by a one-time charge against duty entitlement scripts.

Iron ore

EBITDA for our Iron Ore Business was $124 million in Fiscal Year 2023, a decrease of $180 million, or 59%, from $304 million in Fiscal Year 2022. This was mainly due to the decrease in sales at Karnataka and value-added business and input commodity inflation.

Steel

EBITDA for our Steel Business was $39 million in Fiscal Year 2023, a decrease of $55 million, or 58%, from $94 million in Fiscal Year 2022. This was driven by an increased cost which was partially offset by increased sales realisation.

Power

EBITDA for our Power Business was $114 million in Fiscal Year 2023, a decrease of $31 million, or 22%, from $145 million in Fiscal Year 2022. This is primarily due to the recognition of provisions in Jharsuguda power in Fiscal Year 2023.

Investment revenue, finance costs and other gains/(losses)

Our investment revenue was $251 million in Fiscal Year 2023, an increase of $98 million, or 64%, from $153 million in Fiscal Year 2022. This was mainly due to interest received on income tax refund, mark to market movement and change in investment mix.

Our finance cost was $1,558 million in Fiscal Year 2023, an increase of $156 million, or 11.1%, from $1,402 million in Fiscal Year 2022. This was primarily due to increase in average rate of borrowings and other one-time items, partly offset by decline in average borrowings and forex gains.

Other gains/(losses) (net) in Fiscal Year 2023 was a loss of $(79) million compared to a loss of $(38) million in Fiscal Year 2022 on account of foreign exchange loss.

Profit for the year

As a result of the foregoing, our profit for Fiscal Year 2023 was $838 million, a decrease of $1,740 million, or 67%, from $2,578 million for Fiscal Year 2022.

Liquidity and Capital Resources

Capital Resources

As of March 31, 2024, our consolidated cash and cash equivalents and current investments were $1,940 million, the majority of which were denominated in Indian Rupee. Of this, $365 million were cash and cash equivalents, and $1,575 million were current investments. Current investments consist of investments in mutual funds and bank deposits with maturities of less than a year. Our investment policy is to invest in funds and banks with a low credit risk and high credit ratings.

The following table sets out our selected consolidated cash flow data and the cash and cash equivalents for Fiscal Years 2022, 2023 and 2024:

	Fiscal Year		
	2022	2023	2024
		($ million)	
Net cash generated from operating activities	3,174	2,786	2,484
Net cash generated/(used) in investing activities	615	(637)	(994)
Net cash used in financing activities	(3,179)	(2,474)	(1,972)
Net increase/(decrease) in cash and cash equivalents	**610**	**(325)**	**(482)**
Effect of foreign exchange rate changes	(45)	(83)	(11)
Cash and cash equivalents at beginning of period	701	1,266	858
Cash and cash equivalents at end of period	**1,266**	**858**	**365**

Net cash generated from operating activities

Net cash generated from operating activities was $2,484 million in Fiscal Year 2024, primarily comprised of profit before taxation of $1,754 million and the add-back of depreciation and amortisation of $1,283 million, interest expense of $1,882 million, $(28) million of impairment reversal of assets (net), and $(351) million in income tax paid (net). Movement in working capital primarily comprised of increase in receivables of $35 million, decrease in inventories of $204 million and decrease in payables of $(415) million.

Net cash generated from operating activities was $2,786 million in Fiscal Year 2023, primarily comprised of profit before taxation of $1,632 million and the add-back of depreciation and amortisation of $1,382 million, interest expense of $1,558 million, $61 million of impairment charge of assets(net), and $(998) million in income tax paid (net). Movement in working capital primarily comprised of increase in payables of $363 million, increase in inventory of $92 million and decrease in receivables of $280 million.

Net cash generated from operating activities was $3,174 million in Fiscal Year 2022, primarily comprised of profit before taxation of $4,148 million and the add-back of depreciation and amortisation of $1,228 million, interest expense of $1,402 million, $(843) million of impairment charge of assets (net), and $(795) million in income tax paid (net). Movement in working capital primarily comprised of increase in payables of $4,281 million, increase in inventory of $585 million and increase in receivables of $4,465 million.

Net cash generated/(used) in investing activities

Net cash used in investing activities was $(994) million in Fiscal Year 2024, primarily on account of purchase of property, plant and equipment (including intangibles, capital work-in-progress, capital advances and creditors) of $(2,019) million and short-term investment made of $(8,028) million, which was which was partially offset by proceeds from redemption of short-term/investments amounting to $8,199 million.

Net cash used in investing activities was $(637) million in Fiscal Year 2023, primarily on account of purchase of property, plant and equipment (including intangibles, capital work-in-progress, capital advances and creditors) of $(1,700) million, and short-term investment made of $(15,092) million, which was which was partially offset by proceeds from redemption of short-term/investments amounting to $16,185 million.

Net cash generated from investing activities was $615 million in Fiscal Year 2022, primarily on account of purchase of property, plant and equipment (including intangibles) of $(1,407) million and short-term investment made of $(14,603) million, which was which was partially offset by proceeds from redemption of short-term/investments amounting to $16,601 million.

Net cash used in financing activities

Net cash used in financing activities was $(1,972) million in Fiscal Year 2024, primarily as a result of payment of dividends to equity holders of our Company, non-controlling interests of subsidiaries of $(967) million, repayment of other short term borrowing of $(2,367) million and repayment of long-term borrowing $(4,613) million which was partially offset by proceeds from other short term borrowings of $1,301 million and proceeds from long-term borrowing of $4,764 million.

Net cash used in financing activities was $(2,474) million in Fiscal Year 2023, primarily as a result of payment of dividends to non-controlling interests of subsidiaries of $(2,523) million, repayment of other short term borrowing of $(2,281) million and repayment of long-term borrowing $(4,317) million, which was partially offset by proceeds from other short term borrowings of $2,971 million and proceeds from long-term borrowings of $3,819 million.

Net cash used in financing activities was $(3,179) million in Fiscal Year 2022, primarily as a result of payment of dividends to non-controlling interests of our Company of $(1,075) million, payment for acquiring non-controlling interest of $(1,971) million, repayment made for long-term borrowings of $(4,893) million and repayment of other short term borrowings of $(2,349) million, which was partially offset by proceeds from other short term borrowings of $2,815 million and proceeds from long-term borrowings of $4,207 million.

Borrowings

The following table shows our total borrowings as of March 31, 2022, 2023 and 2024:

	As of March 31		
	2022	2023	2024
		($ million)	
Non-current Borrowings	14,732	13,742	13,818
Less: Current maturities of long-term borrowings	3,622	(4,193)	(2,866)
Total Non-Current Borrowings (Net) (A)	11,110	9,549	10,952
Current Borrowings (B)	4,972	5,809	3,378
Total Borrowings (A+B)	16,082	15,358	14,330

As at March 31, 2024, we had access to funding facilities of $14,376 million, which comprised of fund-based facilities and non-fund based facilities. Fund based facilities are contractual agreements with financial institutions to provide immediate cash, such as cash credit limits and term loans and non-fund based facilities are contractual agreements with financial institutions to provide cash upon fulfilment of certain conditions, such as bank guarantees and letters of credits.

	Total Facility		
	Total Facility	Drawn	Undrawn
		($ million)	
Fund based/Non Fund Based	14,376	12,592	1,784

Capital Expenditures

The following table shows our purchases of property, plant, equipment, intangibles, evaluation and exploration assets in Fiscal Years 2022, 2023 and 2024:

	Fiscal Year		
	2022	**2023**	**2024**
		($ million)	
Additions to property, plant and equipment, exploration and evaluation assets and intangible asset.........................	1,597	2,121	2,418

In Fiscal Year 2022, majority of the capital expenditure was incurred mainly in our Aluminium and Oil and Gas Businesses. In Fiscal Year 2023, significant capital expenditure was incurred mainly in our Aluminium, Oil and Gas and Steel Businesses. In Fiscal Year 2024, majority of the capital expenditure was incurred mainly in our Aluminium, Oil and Gas and Zinc International Businesses.

The following table sets out details regarding our capital expenditure as of March 31, 2024, for projects in progress and capital expenditure with flexibility.

Capex in progress	**Status**	**Capex Approved**[2]	**Spent up to March 31, 2023**[3]	**Spent in Fiscal Year 2024**	**Unspent as at March 31, 2024**[4]
Oil and Gas[1]					
Mangala, Bhagyam & Aishwariya infill, OALP, ABH infill, RDG infill, Offshore infill etc.	In progress	904	337	246	321
Aluminium					
Jharsuguda VAP capacity expansion and others (60%-90%)...	In progress (timeline: FY2025)	237	13	98	126
Coal and bauxite Mines (Jamkhani, Radhikapur, Kurloi, Ghoghrapalli, Sijimali)...	In progress	1,079	87	42	951
Lanjigarh refinery: 2 to 5 mtpa	In progress (timeline: FY2025)	641	227	236	128
BALCO smelter and VAP expansion (0.6 mtpa to 1.0 mtpa)..	In progress (timeline: FY2025)	1,068	106	379	583
Zinc India					
Mine expansion...	In progress	2,077	1,850	13	214
Roaster (Debari)	In progress (timeline: FY2026)	101	1	35	65
Others		386	132	21	233

Capex in progress	Status	Capex Approved[(2)]	Spent up to March 31, 2023[(3)]	Spent in Fiscal Year 2024	Unspent as at March 31, 2024[(4)]
Zinc International					
Gamsberg Phase II Project (250 ktpa to 500 ktpa)	In progress (timeline: FY2025)	466	53	174	239
Iron Ore projects (Kartanaka, Goa, WCL) (13 mtpa to 13 mtpa)	In progress	37	20	8	9
ESL		349	88	45	216
1.5 to 3 mtpa hot metal	In progress				
AvanStrate Inc					
Furnace expansion and cold repair	In progress	203	121	2	80
FACOR					
150 to 450 ktpa ferro chrome	In progress (timeline: FY2027)	318	—	17	301
Athena					
Power project	In progress	36	—	6	30

Notes:

(1) Capital expenditure approved for Cairn represents net capital expenditure. However, gross capital expenditure is $1.2 billion.

(2) Based on exchange rate prevailing at the time of approval.

(3) Based on exchange rate prevailing at the time of incurrence.

(4) Unspent capital expenditure represents the difference between total projected capital expenditure and cumulative spend as at March 31, 2024.

We may undertake additional capital expenditures as opportunities or needs arise. In addition, we may increase, reduce or suspend our planned capital expenditures or change the timing and use of our capital expenditures from what is currently planned in response to market conditions or for other reasons.

Our ability to maintain and grow our revenue, net income and cash flows depends upon continued capital spending. Our current and future projects may be significantly delayed by the failure to receive regulatory approvals or renewal of approvals in a timely manner, failure to obtain sufficient funding, technical difficulties, human resources constraints, technological or other resource constraints or for other unforeseen reasons, events or circumstances. See the section entitled "*Risk Factors — Risks Relating to Business*" for more information. We adjust our capital expenditure plans and investment budget periodically, based on factors we deem relevant. Therefore, our actual capital expenditures and investments are likely to be different from our current planned amounts, and such differences may be significant.

Contractual Obligations

The following table sets out our total future commitments to settle contractual obligations as of March 31, 2024:

Payment due by period	< 1 year	1-3 years	3-5 years	> 5 years	Total
Trade and other payables[(1)]	5,094	57	—	—	5,151
Bank and other borrowings[(2)]	6,911	6,745	4,233	2,759	20,648

Payment due by period	< 1 year	1-3 years	3-5 years	> 5 years	Total
Lease liability	56	55	12	15	138
Derivative liabilities	17	0	—	—	17
Total	**12,078**	**6,857**	**4,245**	**2,774**	**25,954**

Notes:

(1) *Excludes accrued interest which has been included with borrowings.*

(2) *Includes current and non-current borrowings and committed interest payments.*

Our total future commitments to settle contractual obligations, as of March 31, 2024, were $25,954 million.

We also have commitments to purchase copper concentrate for our copper custom smelting operations. These commitments are based on future LME copper spot prices which are not ascertainable as of the date of this Offering Circular.

Off-Balance Sheet Arrangements

We have no off-balance sheet entities. In the normal course of business, we enter into certain commitments for capital and other expenditures and certain performance guarantees. The aggregate amount of indemnities and other guarantees on which there is no expected material losses was $1,122 million as of March 31, 2024.

Details of our indemnities and other guarantees are set out in "— *Guarantees*". Details of our capital commitments and contingencies are set out below.

Capital Commitments Contracted but Not Provided

We have a number of continuing operational and financial commitments in the normal course of business. Capital commitments contracted but not provided as of March 31, 2024 amounted to $2,784 million, related primarily to capacity expansion projects, including the construction of new facilities and the expansion of existing facilities.

Contingencies

As is typical for a group of its size and complexity, we are subject to litigation cases from time to time. We and certain of our subsidiaries have been named as parties to legal actions by third-party claimants and by the Indian sales tax, excise and related tax authorities for additional sales tax, excise and indirect duties. These claims primarily relate either to the assessable values of sales and purchases or to incomplete documentation supporting its tax returns. We have ongoing disputes with income tax authorities relating to the tax treatment of certain items.

We are involved in various tax disputes amounting to $162 million (March 31, 2023: $177 million) relating to income tax. It also includes similar matters where initial assessment is pending for subsequent periods and where we have made claims and assessments are in progress. These mainly relate to the disallowance 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, we believe that we have strong merits and no material adverse impact is expected.

We are 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 companies' returns or other claims. The approximate value of claims (excluding the items as set out separately above) against our Group companies total $562 million (March 31, 2023: $598 million). Based on evaluations of the matters and legal advice obtained, we believe that we has strong merits in our favour. Accordingly, no provision is considered at this stage. Except as described above, there are no pending litigations which we believe could reasonably be expected to have a material adverse effect on our results of operations, cash flows or the financial position.

Therefore, we have not recorded any additional liability in relation to litigation matters in our accompanying consolidated financial statements.

Guarantees

We provide guarantees within the normal course of business. Guarantees have also been provided in respect of certain short-term and long-term borrowings.

As of March 31, 2024, we advanced guarantees totalling $1,122 million in the normal course of business. This includes guarantees advanced to the customs authorities in India of $206 million relating to the export and payment of import duties on purchases of raw material and capital goods including export obligations, $15 million to the tax department of the GoI on behalf of Volcan Investment Limited as a collateral in respect of certain tax disputes, $19 million issued under bid bond for placing bids, $368 million issued for Group's share of minimum work programme commitments and other guarantees worth $515 million 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. We do not anticipate any amount due on these guarantees.

Export obligations

As on March 31, 2024, our Indian subsidiaries have export obligations of $323 million (March 31, 2023: $168 million) 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 prescribed by the GoI.

In the event of our inability to meet our obligations, our liability would be $70 million (March 31, 2023: $39 million) plus applicable interest.

We have given bonds of $124 million (March 31, 2023: $98 million) to custom authorities against these export obligations.

Quantitative and Qualitative Disclosure about Market Risk Disclosure

We are exposed to market risk from changes in foreign exchange rates, interest rates, counterparty and concentration of credit, and commodity prices.

We use derivative instruments to manage the exposure in foreign currency exchange rates, interest rates and commodity prices. We do not acquire or issue derivative financial instruments for trading or speculative purposes. We do 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 interest rate and currency swaps and these are subject to our guidelines and policies.

Foreign Exchange Rate Risk

Considering the countries and the economic environment in which we operate, our results of operations may be affected by fluctuations in the exchange rates primarily between the US dollar, Emirati Dirham, Great Britain Pound, Japanese Yen, Euro, Indian Rupee, South African Rand and Namibian dollar. Exposures on foreign currency loans are managed through the foreign exchange hedging policy which is reviewed periodically to ensure that the risk from fluctuating currency exchange rates is appropriately managed. We strive to achieve asset liability offset of foreign currency exposures and only the net position is hedged. 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.

We have in the past held or issued instruments such as options, swaps and other derivative instruments for purposes of mitigating exposure to exchange rate risk. We do not enter into hedging instruments for speculative purposes.

Our exposure to foreign currency arises where our group company holds monetary assets and liabilities denominated in a currency different to the functional currency of that entity with US dollar being the major non-functional currency exposure of our main operating entities. Set out below is the impact of a 10% change in the US dollar against Indian Rupee on profit/(loss) and equity arising as a result of the revaluation of our foreign currency financial instruments.

	March 31, 2024		
	Closing exchange rate	**Effect on pre-tax profit/(loss) of 10% increase in currency**	**Effect on pre-tax equity of 10% increase in currency**
Currency			
US dollar	83.3416	142	—

The sensitivities are based on financial assets and liabilities held at March 31, 2024 where balances are not denominated in the functional currency of the respective subsidiaries. The sensitivities do not take into account our sales and costs and the results of the sensitivities could change due to other factors such as changes in the value of financial assets and liabilities as a result of non-foreign exchange influenced factors. A 10% depreciation of the US dollar against Indian Rupee would have an equal and opposite effect on our financial instruments.

Counterparty and Concentration of Credit Risk

We are exposed to credit risk from trade receivables, contract assets, cash and cash equivalents, short-term investments and other financial instruments.

We have 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 mutual fund and bond investments. For derivative and financial instruments, we attempt to limit the credit risk by only dealing with reputable banks and financial institutions.

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 our businesses trade receivables are spread over a number of customers with no significant concentration of credit risk. During Fiscal Years 2022, 2023 and 2024, no single customer accounted for 10% or more of our revenue or for any of our primary businesses. The history of trade receivables shows a negligible provision for bad and doubtful debts and we do not expect any material risk on account of non-performance by any of our counterparties.

Our maximum gross exposure to credit risk as of March 31, 2024 was $5,380 million compared to $5,973 million as of March 31, 2023.

Commodity Price Risk

We are exposed to the movement of base metal commodity prices on the LME. Any decline in the prices of the base metals that we produce, and sell will have an immediate and direct impact on the profitability of the businesses. As a general policy, we aim to sell the products at prevailing market prices. The commodity price risk in import of input commodities such as copper concentrate and alumina, for our Copper and Aluminium Business respectively, is hedged on a 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, based on applicable guidelines.

While we aim 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.

We are also exposed to the movement of international crude oil price and the discount in the price of Rajasthan crude oil to Dated Brent price.

Financial instruments with commodity price risk are entered into in relation to the following activities: (i) economic hedging of prices realised on commodity contracts; and (ii) cash flow hedging of revenues and forecasted highly probable transactions.

Aluminium

The requirement of the primary raw material, alumina, is partly met from our own sources and the rest is purchased primarily on negotiated price terms. Sales prices are linked to the LME prices. At present on a selective basis we hedge the aluminium content in outsourced alumina to protect our margins.

We also enter into hedging arrangements for our aluminium sales to realise average month of sale LME prices.

Zinc, Lead and Silver

The sales prices for zinc, lead and silver are linked to the LME prices. We also enter into hedging arrangements for our zinc, lead and silver sales to realise month of sale LME prices.

In Zinc International, raw material for zinc and lead is mined in Namibia and South Africa with sales prices linked to the LME prices.

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, such as supply and demand. The regional producers price their crude on the basis of the benchmark crude with a premium or discount over the benchmark based upon quality differential and competitiveness of various grades.

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, namely the United States (Henry Hub Prices), the United Kingdom (NBP Price) and Japan (imported gas price, mostly linked to crude oil).

Copper

Our custom smelting copper operations at Silvassa are benefited by a natural hedge except to the extent of a possible mismatch in quotational periods between the purchase of copper concentrates and blisters with the sale of finished copper. Our policy on custom smelting is to generate margins from 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. We hedge this variability of LME prices through forward contracts and try to make the LME price a pass-through cost between purchases of copper concentrate and sales of finished products, both of which are linked to the LME price.

Rc is a major source of income for the Indian copper smelting operations. Fluctuation in Rc is influenced by factors including demand and supply conditions prevailing in the market for smelters output. Our Copper Business has a strategy of securing a majority of our concentrate feed requirement under long-term contracts with smelters/traders.

Iron Ore

We sell our iron ore production from Goa at the prevailing market prices and from Karnataka through an e-auction route as mandated by the State Government of Karnataka in India.

Provisionally priced financial instruments

On March 31, 2024, the value of net financial liabilities linked to commodities (excluding derivatives) accounted for on provisional prices was a liability of $43 million (March 31, 2023: liability of $73 million). 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 April 1, 2024.

Set out below is the impact of a 10% increase in LME prices on profit/(loss) for the year and total equity as a result of changes in value of our commodity financial instruments as at March 31, 2024 and 2023:

	Total Exposure	Effect on pre-tax profit/(loss) of a 10% increase in the LME	Effect on pre-tax equity of a 10% increase in the LME
Commodity price sensitivity			
Copper (March 31, 2024)	(71)	(7)	—
Copper (March 31, 2023)	(106)	(11)	—

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 our financial instruments.

Further, the impact of a 10% increase in closing copper LME price for provisionally priced copper concentrate purchased at our Copper Business custom smelting operations as at March 31, 2024 is of $12 million (March 31, 2023: $16 million), which is pass through in nature and as such will not have any impact on profitability.

Known Trends or Uncertainties

Other than as described in this Offering Circular, particularly in this section and the section titled "*Risk Factors*", to our knowledge, there are no trends or uncertainties that have or had or are expected to have a material adverse impact on our income from continuing operations.

Related Party Transactions

We enter into various transactions with related parties in the ordinary course of business. For details, see "*Related Party Transactions*".

Unusual or Infrequent Events or Transactions

As otherwise described in this Offering Circular, to our knowledge, there have been no events or transactions that may be described as "unusual" or "infrequent".

Seasonality

Our Iron Ore Business's mining operations are affected by changes in weather conditions, particularly heavy rains. Goa, where our iron ore mining operations are located, experiences monsoon seasons, which usually occurs from early June to early October. During the monsoon season, restricted barge movements result in significantly lower exports through the Mormugao port in Goa, where our iron ore is shipped to customers. We attempt to mitigate the effects of the monsoon season by concentrating on mine development and extracting larger quantities of overburden waste during the monsoon season in order to permit speedier extraction of iron ore during the dry season. In addition, during the monsoon season, we typically conduct annual maintenance at our processing plants and our other mining machinery.

Our Oil and Gas, Zinc, Lead and Silver, Copper, Aluminium and Power Businesses are not subject to seasonality.

Competitive Conditions

We expect competition from existing and potential competitors to intensify. For further details regarding our competitive conditions and our main competitors, see the sections "*Risk Factors*" and "*Our Business*" of this Offering Circular.

Future Relationship between Costs and Income

Other than as described in the sections "*Risk Factors*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" of this Offering Circular, to our knowledge, there are no known factors which will have a material adverse impact on our operations and finances.

Significant Dependence on a Single or Few Customers

For details, please refer to the sections "*Risk Factors*" and "*Our Business*" in this Offering Circular.

Significant Developments after March 31, 2024

Other than as disclosed in this Offering Circular, there have been no significant developments after March 31, 2024 that have had any material impact on our business, financial condition and results of operations.

SELECTED CONSOLIDATED FINANCIAL INFORMATION OF VEDANTA LIMITED

As we have not prepared or published any financial statements (on a consolidated or a standalone basis), including interims, up to any date subsequent to March 31, 2024, we have included Vedanta Limited's Unaudited Consolidated Condensed Interim Financial Statements together with Vedanta Limited's Audited Financial Statements elsewhere in this Offering Circular. Vedanta Limited is the primary operating subsidiary of our Company and includes all of our operating assets except for KCM. Following the loss of control, KCM was deconsolidated on May 21, 2019. However, the board of KCM was subsequently reinstated on July 31, 2024, and accordingly we regain control from such date. For Fiscal Year 2024, Vedanta Limited, on a consolidated basis together with its subsidiaries, joint ventures and its associates, contributed 99% of our EBITDA. Whilst we believe that the financial conditions, cash flow and results of operation of Vedanta Limited (on a consolidated basis) as reflected in Vedanta Limited's Unaudited Consolidated Condensed Interim Financial Statements provides a meaningful reflection of our financial conditions, cash flow and results of operations expected for same period, there can be no assurance and none of the Joint Global Coordinators and Managers or any of their respective affiliates, directors or advisors makes any representation or warranty, express or implied that Vedanta Limited's Unaudited Consolidated Condensed Interim Financial Statements would be sufficiently representative of our financial condition and results of operations expected for the same period. See the section entitled "Risk Factors — Risks Relating to Business — Vedanta Limited's Unaudited Consolidated Condensed Interim Financial Statements may not be representative of our financial condition, results of operations and cash flow for the same period.".

Vedanta Limited's Audited Financial Statements have been prepared in accordance with Ind AS and Vedanta Limited's Unaudited Consolidated Condensed Interim Financial Statements have been prepared in accordance with Ind AS – 34 "Interim Financial Reporting" prescribed under Section 133 of the Companies Act and other accounting principles generally accepted in India. Significant differences exist between Ind AS and IFRS, hence the adjustments that are ultimately required to convert from Ind AS to IFRS could be significant. For a summary of the significant differences between Ind AS and IFRS, see the section entitled "Summary of Significant Differences Between IFRS and Ind AS". Potential investors should consult their own professional advisers for an understanding of the differences between Ind AS and IFRS, and how these differences might affect their understanding of the financial information contained herein.

The following tables present the selected historical consolidated financial information for Vedanta Limited for the periods ended and at the dates indicated below. The financial information of Vedanta Limited for the three months ended June 30, 2024 has been derived from Vedanta Limited's Unaudited Consolidated Condensed Interim Financial Statements. The financial information of Vedanta Limited the three months ended June 30, 2023 has been extracted from the comparative information included in Vedanta Limited's Unaudited Consolidated Condensed Interim Financial Statements. Vedanta Limited's Unaudited Consolidated Condensed Interim Financial Statements should be read in conjunction with the notes and the review report thereto, included elsewhere in this Offering Circular.

In this section, segment revenue, segment assets, segment liabilities and segment results for Aluminium Business, Zinc India Business, Zinc International Business, Oil and Gas Business, Copper Business, Iron Ore Business and Power Business represents Segment Revenue, Segment Assets, Segment Liabilities and Segment Results respectively of the respective Business Segments as per Ind AS 108 – Operating Segments.

Vedanta Limited's Consolidated Summary Statement of Profit and Loss

	For the three months ended June 30		
	2023	2024	
	(₹ in crore except as stated)	*(₹ in crore except as stated)*	*($ in million except as stated)*
Revenue from operations	33,342	35,239	4,224
Other operating income	391	525	63
Other income	546	934	112
Total income	**34,279**	**36,698**	**4,399**
Expenses			
Cost of materials consumed	11,090	11,166	1,339
Purchases of stock-in-trade	13	14	2
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(86)	(1,390)	(167)
Power and fuel charges	6,181	5,872	704
Employee benefits expense	853	901	108
Finance costs	2,110	2,222	266
Depreciation, depletion and amortization expense	2,550	2,731	327
Other expenses	9,262	9,286	1,113
Total expenses	**31,973**	**30,802**	**3,692**
Profit before share in profit/(loss) of jointly controlled entities and associates, exceptional items and tax	**2,306**	**5,896**	**707**
Add: Share in profit/(loss) of jointly controlled entities and associates	0	0	0
Profit before exceptional items and tax	**2,306**	**5,896**	**707**
Net exceptional gain	1,780	—	—
Profit before tax	**4,086**	**5,896**	**707**
Tax expense			
Net current tax expense	679	1,558	187
Net deferred tax expense/(benefit)	99	(734)	(88)
Net tax expense	**778**	**824**	**99**
Profit after tax for the period (A)	**3,308**	**5,072**	**608**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Re-measurement gain on defined benefit plans	2	11	1

	For the three months ended June 30		
	2023	2024	
	(₹ in crore except as stated)	*(₹ in crore except as stated)*	*($ in million except as stated)*
Tax benefits	1	1	0
Gain on FVOCI equity investment	0	12	1
Total	**3**	**24**	**3**
Items that will be reclassified to profit or loss			
Net gain on cash flow hedges recognized during the period	180	290	35
Tax expense	(59)	(73)	(9)
Net loss on cash flow hedges recycled to profit or loss	(54)	(148)	(18)
Tax benefit	21	37	4
Net gain on FVOCI debt investment	33	1	0
Tax benefit/(expense)	(4)	0	0
Exchange differences on translation	(1,965)	206	25
Tax expense	(5)	(2)	0
Total	**(1,853)**	**311**	**37**
Total Other Comprehensive Income/(Loss) (B)	**(1,850)**	**335**	**40**
Total Comprehensive Income for the period (A + B)	**1,458**	**5,407**	**648**
Profit attributable to:			
Owners of Vedanta Limited	2,640	3,592	431
Non-controlling interests	668	1,480	177
Other Comprehensive Income/(Loss) attributable to:			
Owners of Vedanta Limited	(1,853)	272	33
Non-controlling interests	3	63	8
Total Comprehensive Income attributable to:			
Owners of Vedanta Limited	787	3,864	463
Non-controlling interests	671	1,543	185
Paid up equity share capital (*face value of ₹1 each*)	**372**	**372**	**45**
Earnings per equity share attributable of owners of Vedanta Limited (₹) (*not annualised*)			
– Basic	7.11	9.72	1.17
– Diluted	7.06	9.64	1.16

Vedanta Limited's Consolidated Summary Balance Sheet

	As at		
	March 31, 2024	June 30, 2024	
	(₹ in crore except as stated)	*(₹ in crore except as stated)*	*($ in million except as stated)*
ASSETS			
Non-current assets			
Property, Plant and Equipment.	96,715	96,309	11,552
Capital work-in-progress.	20,331	22,799	2,735
Intangible assets	2,248	2,183	262
Exploration intangible assets under development	2,558	2,689	323
Financial assets			
Investments	987	1,305	157
Trade receivables	2,409	2,452	294
Loans	5	5	0
Derivatives	3	0	0
Others	2,670	3,769	452
Deferred tax assets (net)	2,689	3,358	403
Income tax assets (net)	3,796	3,792	455
Other non-current assets	4,472	4,420	530
Total non-current assets	**138,883**	**143,081**	**17,162**
Current assets			
Inventories	13,001	15,169	1,819
Financial assets			
Investments	10,882	11,051	1,325
Trade receivables	3,607	4,205	504
Cash and cash equivalents	2,812	2,397	288
Other bank balances	1,515	2,500	300
Loans	3,364	3,620	434
Derivatives	168	169	20
Others	12,757	12,878	1,545
Income tax assets (net)	48	16	2
Other current assets	3,770	6,168	740
Total current assets	**51,924**	**58,173**	**6,977**
Total Assets	**190,807**	**201,254**	**24,139**

	As at		
	March 31, 2024	June 30, 2024	
	(₹ in crore except as stated)	*(₹ in crore except as stated)*	*($ in million except as stated)*
EQUITY AND LIABILITIES			
Equity			
Equity share capital	372	372	45
Other equity	30,350	30,424	3,649
Equity attributable to owners of Vedanta Limited	**30,722**	**30,796**	**3,694**
Non-controlling interests	11,347	11,161	1,339
Total Equity	**42,069**	**41,957**	**5,032**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	50,633	48,238	5,786
Lease liabilities	536	554	66
Derivatives	—	13	2
Other financial liabilities	493	584	70
Provisions	3,105	3,128	375
Deferred tax liabilities (net)	10,152	10,122	1,214
Other non-current liabilities	5,158	4,303	516
Total non-current liabilities	**70,077**	**66,942**	**8,029**
Current liabilities			
Financial liabilities			
Borrowings	21,125	29,778	3,572
Lease liabilities	477	476	57
Operational buyers' credit / suppliers' credit	14,935	15,757	1,890
Trade payables	10,095	10,634	1,275
Derivatives	144	205	25
Other financial liabilities	17,569	18,293	2,194
Other current liabilities	11,477	13,841	1,660
Provisions	341	397	48
Income tax liabilities (net)	2,498	2,974	357
Total current liabilities	**78,661**	**92,355**	**11,077**

	As at		
	March 31, 2024	**June 30, 2024**	
	(₹ in crore except as stated)	*(₹ in crore except as stated)*	*($ in million except as stated)*
Total Equity and Liabilities	**190,807**	**201,254**	**24,139**

Vedanta Limited's Consolidated Summary Statement of Cash Flows

	For the three months ended June 30		
	2023	**2024**	
	(₹ in crore except as stated)	*(₹ in crore except as stated)*	*($ in million except as stated)*
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation	4,086	5,896	707
Adjustments for:			
Depreciation, depletion and amortisation	2,555	2,749	330
Net exceptional gain	1,780	—	—
Provision for doubtful advances/ expected credit loss/ bad debts written off	7	78	9
Exploration costs written off	312	97	12
Liabilities written back	(20)	(89)	(11)
Fair value gain on financial assets held at fair value through profit or loss	(44)	(58)	(7)
Gain on sale/discard of property, plant and equipment (net)	(5)	(97)	(12)
Foreign exchange loss (net)	203	48	6
Unwinding of discount on decommissioning liability	30	34	4
Share based payment expense	32	29	3
Interest and dividend income	(386)	(610)	(73)
Interest expense	2,080	2,188	262
Deferred government grant	(77)	(73)	(9)
Changes in working capital			
Increase in trade and other receivables	(1,810)	(3,350)	(402)
Increase in inventories	(212)	(2,242)	(269)
Increase in trade and other payables	825	3,760	451

	For the three months ended June 30		
	2023	2024	
	(₹ in crore except as stated)	*(₹ in crore except as stated)*	*($ in million except as stated)*
Cash generated from operations	**5,796**	**8,360**	**1,002**
Income taxes (paid) / refund (net)	353	(1,014)	(122)
Net cash generated from operating activities	**6,149**	**7,346**	**881**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment (including intangibles, CWIP, capital advances and creditors)	(4,217)	(4,511)	(541)
Proceeds from sale of property, plant and equipment	22	261	31
Deposits made	(112)	(8,257)	(990)
Proceeds from redemption of deposits	611	6,357	762
Short term investments made	(13,188)	(16,163)	(1,938)
Proceeds from sale of short term investments	15,111	16,228	1,945
Interest received	367	604	72
Dividends received	14	5	1
Payment made to site restoration fund	—	(25)	(3)
Purchase of long term investments	(106)	(280)	(34)
Net cash used in investing activities	**(1,498)**	**(5,781)**	**(693)**
CASH FLOWS FROM FINANCING ACTIVITIES			
(Repayment of)/proceeds from short-term borrowings (net)	1,074	(37)	(4)
Proceeds from current borrowings	5,739	2,854	341
Repayment of current borrowings	(7,811)	(527)	(63)
Proceeds from long-term borrowings	9,919	5,551	665
Repayment of long-term borrowings	(1,529)	(1,735)	(208)
Interest paid	(1,944)	(2,457)	(295)
Payment of dividends to equity holders of the company, net of taxes	(14,485)	(4,082)	(489)
Payment of dividends to non-controlling interests	—	(1,481)	(178)
Payment of lease liabilities	(42)	(79)	(9)
Net cash used in financing activities	**(9,079)**	**(1,993)**	**(239)**

	For the three months ended June 30		
	2023	2024	
	(₹ in crore except as stated)	(₹ in crore except as stated)	($ in million except as stated)
Effect of exchange rate changes on cash and cash equivalents	(17)	13	2
Net decrease in cash and cash equivalents	**(4,445)**	**(415)**	**(50)**
Cash and cash equivalents at the beginning of the period	6,926	2,812	337
Cash and cash equivalents at end of the period	**2,481**	**2,397**	**288**

Vedanta Limited's Consolidated Business Segment Data

	For the three months ended June 30		
	2023	2024	
	(₹ in crore except as stated)	(₹ in crore except as stated)	($ in million except as stated)
Segment revenue			
Zinc — India	7,062	7,848	941
Zinc — International	1,103	753	90
Oil & gas	2,857	2,925	351
Aluminium	11,905	13,515	1,620
Copper	4,733	4,734	567
Iron Ore	2,038	1,320	158
Power	1,588	1,689	202
Others	2,240	2,574	309
Total	**33,526**	**35,358**	**4,239**
Less: Inter Segment Revenue	184	119	14
Revenue from Operations	**33,342**	**35,239**	**4,224**

	For the three months ended June 30		
	2023	2024	
	(₹ in crore except as stated)	*(₹ in crore except as stated)*	*($ in million except as stated)*
Segment results (VEDL EBITDA)			
Zinc — India	3,314	3,873	465
Zinc — International	282	185	22
Oil & gas	1,145	1,081	130
Aluminium	1,817	4,441	532
Copper	(2)	(57)	(7)
Iron Ore	164	183	22
Power	287	282	34
Others	(32)	257	31
Total	**6,975**	**10,245**	**1,229**

	As at		
	March 31, 2024	June 30,2024	
	(₹ in crore except as stated)	*(₹ in crore except as stated)*	*($ in million except as stated)*
Segment assets			
Zinc — India	22,594	23,376	2,803
Zinc — International	7,957	8,791	1,054
Oil & gas	28,028	28,686	3,441
Aluminium	68,400	71,035	8,520
Copper	3,439	4,439	532
Iron Ore	5,716	6,321	758
Power	15,209	15,685	1,881
Others	10,736	11,108	1,332
Unallocated			
Financial assets investments	11,869	12,356	1,483
Deferred tax assets	2,689	3,358	403
Income tax assets	3,844	3,808	457

	As at		
	March 31, 2024	June 30,2024	
	(₹ in crore except as stated)	*(₹ in crore except as stated)*	*($ in million except as stated)*
Cash and bank balances (including restricted cash and bank balances)	5,152	6,799	815
Others	5,174	5,492	659
Total	**190,807**	**201,254**	**24,139**
Segment liabilities			
Zinc — India	7,353	7,987	958
Zinc — International	2,099	2,460	295
Oil & gas	14,671	15,771	1,892
Aluminium	25,322	25,631	3,074
Copper	5,398	5,812	697
Iron Ore	3,486	3,369	404
Power	837	897	108
Others	3,805	4,382	526
Unallocated			
Deferred tax liabilities	10,152	10,122	1,213
Borrowing	71,758	78,016	9,358
Income tax liabilities (net of payments)	2,498	2,974	357
Others	1,359	1,876	225
Total	**148,738**	**159,297**	**19,107**

VEDL EBITDA

We define VEDL EBITDA as the aggregate of profit after tax for the period, net tax expense, finance costs, depreciation, depletion and amortisation expense and other expense (net of income), less net exceptional gain and other unallocable income (net of expenses), for the relevant year of Vedanta Limited. We have presented VEDL EBITDA in this Offering Circular because it is a supplementary measure used by our management and directors to understand and evaluate our core operating performance and trends. In particular, we believe that the exclusion of the expenses eliminated in calculating VEDL EBITDA can provide a useful measure for period-to-period comparisons of our core business. We believe that VEDL EBITDA provides useful information to investors and others in understanding and evaluating our operating results in the same manner as our management and directors.

VEDL EBITDA is not a measurement of financial profitability or liquidity under Ind AS and should not be considered as an alternative to performance measures derived in accordance with Ind AS. In addition, VEDL

EBITDA is not a standardized term, hence a direct comparison between companies using such a term may not be possible. Our use of VEDL EBITDA thus has limitations as an analytical tool, and you should not consider them either in isolation or as a substitute for analysis of our financial results as reported under Ind AS. Because of these and other limitations, you should consider VEDL EBITDA along with other Ind AS-based financial performance measures, including various cash flow metrics, profit or loss after tax, and our other Ind AS financial results. We make no representations as to the methodology used to define and/or calculate EBITDA or whether it reflects an appropriate measure of our Company's operating performance or ability to service debt.

The following is a reconciliation from Vedanta Limited's profit after tax for the period under Ind AS to our definition of VEDL EBITDA:

	For the three months ended June 30		
	2023	**2024**	
	(₹ in crore)	*(₹ in crore)*	*($ in million)*
Reconciliation of VEDL EBITDA			
Profit after tax for the period	3,308	5,072	608
Adjusted for:			
(Add): Net tax expense	778	824	99
(Add): Finance cost	2,110	2,222	266
(Add): Depreciation, depletion and amortisation expense	2,550	2,731	327
(Less): Other expense, net of expenses[(1)]	236	23	3
(Less): Net exceptional gain	1,780	0	0
(Less): Other unallocable income, net of expenses[(2)]	227	627	75
VEDL EBITDA	**6,975**	**10,245**	**1,229**

Notes:

(1) Includes amortisation of duty benefits relating to assets recognised as government grant and cost of exploration wells written off in oil and gas segment.

(2) As per Ind AS 108 – *Operating Segment*.

Vedanta Limited's Results of Operations: the three months ended June 30, 2024 compared to the three months ended June 30, 2023

Revenue from operations

Vedanta Limited's revenue from operations was ₹35,239 crore ($4,224 million) for the three months ended June 30, 2024, an increase of ₹1,897 crore, or 6%, from ₹33,342 crore for the three months ended June 30, 2023. This was mainly driven by favourable market prices.

The Aluminium, Zinc, Lead and Silver, Oil and Gas, Copper, Iron Ore and Power Businesses contributed 38%, 24%, 8%, 13%, 4% and 5%, respectively to the revenue from operations for the three months ended June 30, 2024.

Aluminium

Segment revenue from our Aluminium Business was ₹13,515 crore ($1,620 million) for the three months ended June 30, 2024, an increase of ₹1,610 crore, or 14%, from ₹11,905 crore for the three months ended June 30, 2023. This increase was primarily due to increase in LME prices, sales volume and favourable exchange rate movement. Specifically:

- Aluminium production increased from 579 kt during the three months ended June 30, 2023 to 596 kt during the three months ended June 30, 2024, an increase of 17 kt, or 3%.

- Aluminium sales increased from 566 kt during the three months ended June 30, 2023 to 582 kt during the three months ended June 30, 2024, an increase of 16 kt, or 3%. Sales of aluminium ingots decreased from 319 kt for the three months ended June 30, 2023 to 276 kt during the three months ended June 30, 2024, a decrease of 43 kt or 13%. The decrease in sales was in line with production. Rolled product sales decreased from 7 kt during the three months ended June 30, 2023 to 3 kt during the three months ended June 30, 2024, a decrease of 4 kt, or 49%. Wire rod, billet, alloy ingot and other sales increased from 240 kt during the three months ended June 30, 2023 to 302 kt during the three months ended June 30, 2024, an increase of 62 kt, or 26%. The increase in sales was in line with production.

- Aluminium sales in the domestic market increased from 211 kt during the three months ended June 30, 2023 to 269 kt during the three months ended June 30, 2024, an increase of 58 kt, or 27%. Aluminium exports decreased from 354 kt during the three months ended June 30, 2023 to 314 kt during the three months ended June 30, 2024, a decrease of 40 kt or 11%. Vedanta Limited's domestic sales as a percentage of total sales increased from 37% during the three months ended June 30, 2023 to 46% during the three months ended June 30, 2024.

- The daily average aluminium cash settlement price on the LME increased from $2,258 per ton during the three months ended June 30, 2023 to $2,520 per ton during the three months ended June 30, 2024, an increase of 12%.

- The benchmark Japanese premium increased from $127.5 per ton during the three months ended June 30, 2023 to $145.75 per ton during the three months ended June 30, 2024, an increase of 18.3 per ton or 14%.

Zinc India

Segment revenue from our Zinc India Business was ₹7,848 crore ($941 million) for the three months ended June 30, 2024, an increase of ₹786 crore, or 11%, from ₹7,062 crore for the three months ended June 30, 2023. The increase was primarily due to increase in LME prices and favourable exchange rate movement. Specifically:

- The daily average zinc cash settlement price on the LME increased from $2,526 per ton during the three months ended June 30, 2023 to $2,833 per ton during the three months ended June 30, 2024, an increase of 12%.

- Refined zinc production increased from 209 kt during the three months ended June 30, 2023 to 211 kt during the three months ended June 30, 2024. Refined zinc ingot sales were in line with production.

- Refined zinc sales in the domestic market increased from 132 kt during the three months ended June 30, 2023 to 147 kt during the three months ended June 30, 2024, an increase of 12%. Export sales decreased from 77 kt during the three months ended June 30, 2023 to 63 kt during the three months ended June 30, 2024, a decrease of 17%.

- The daily average lead cash settlement price on the LME increased from $2,117 per ton during the three months ended June 30, 2023 to $2,167 per ton during the three months ended June 30, 2024, an increase of 2%.
- Refined lead production remained at 51 kt for the three months ended June 30, 2024 and for the three months ended June 30, 2023. Lead sales were in line with production.
- Refined silver production decreased from 179 tons during the three months ended June 30, 2023 to 167 tons during the three months ended June 30, 2024, a decrease of 7%. This decrease was primarily due to the management's operation and financial strategy. The daily average silver LBMA price increased from $24.1/oz to $28.8/oz, an increase of 20% during the three months ended June 30, 2024 compared to the three months ended June 30, 2023. Sale of refined silver ingots were in line with production.

Zinc International

Segment revenue from our Zinc International Business was ₹753 crore ($90 million) for the three months ended June 30, 2024, a decrease of ₹350 crore, or 32% from ₹1,103 crore for the three months ended June 30, 2023. The decrease was due to lower sales volume which was partially offset by increase in LME prices and favourable exchange rate movement. Specifically:

- Production of mined metal in concentrate from Black Mountain mines decreased from 19 kt during the three months ended June 30, 2023 to 11 kt during the three months ended June 30, 2024, a decrease of 8 kt or 41%, primarily due to lower throughput and feed grades.
- Production of zinc metal in concentrate from Gamsberg mine decreased from 49 kt for the three months ended June 30, 2023 to 26 kt for the three months ended June 30, 2024, primarily due to lower tonnes milled and lower zinc grades.
- The daily average zinc cash settlement price on the LME increased from $2,526 per ton during the three months ended June 30, 2023 to $2,833 per ton during the three months ended June 30, 2024, an increase of 12%.
- The daily average lead cash settlement price on the LME increased from $2,117 per ton during the three months ended June 30, 2023 to $2,167 per ton during the three months ended June 30, 2024, an increase of 2%.

Oil and Gas

Segment revenue from our Oil and Gas Business was ₹2,925 ($351 million) for the three months ended June 30, 2024, an increase of ₹68 crore, or 2% from ₹2,857 crore for the three months ended June 30, 2023. The increase was due to increase in Dated Brend prices which was partially offset by sales volumes and favourable exchange rate movement.

Copper

Segment revenue from our Copper Business slightly increased to ₹4,734 crore ($567 million) for the three months ended June 30, 2024, from ₹4,733 crore for the three months ended June 30, 2023.

Total production for the three months ended June 30, 2024 was 20 kt as compared to 31 kt for the three months ended June 30, 2023, a decrease of 35% on account of temporary disruptions in raw material sourcing.

Iron ore

Segment revenue from our Iron Ore Business was ₹1,320 crore ($158 million) for the three months ended June 30, 2024, a decrease of ₹718 crore, or 35%, from ₹2,038 crore for the three months ended June 30, 2023. The decrease was mainly due to lower sales realisation. Specifically:

- Saleable iron ore production increase from 1.2 million dry metric tonnes tons during the three months ended June 30, 2023 to 1.3 million dry metric tonnes during the three months ended June 30, 2024.
- Pig iron production decreased from 213 kt for the three months ended June 30, 2023 to 205 kt for the three months ended June 30, 2024, a decrease of 4%. This was primarily due to the shutdown of furnace during the end of the period.

Steel

Segment revenue from our Steel Business was ₹2,027 crore ($243 million) for the three months ended June 30, 2024, an increase of ₹106 crore, or 6%, from ₹1,921 crore for the three months ended June 30, 2023. The increase was primarily due to increase in sales volumes which is getting partially offset by lower sales realisation. Specifically:

- Pig iron production decreased from 63 kt during the three months ended June 30, 2023 to 58 kt during the three months ended June 30, 2024, a decrease of 5 kt or 9%. The sale of pig iron decreased from 63 kt during the three months ended June 30, 2023 to 55 kt during the three months ended June 30, 2024, a decrease of 8 kt or 12%, in line with production.
- Billet production increased from 218 kt (out of which 214 kt is internally consumed) during the three months ended June 30, 2023 to 255 kt (out of which 253 kt is internally consumed) during the three months ended June 30, 2024, an increase of 37 kt or 17%. The sale of billet increased from 3.7 kt during the three months ended June 30, 2023 to 4.4 kt during the three months ended June 30, 2024, an increase of 0.7 kt or 18%.
- The production of TMT increased from 112 kt during the three months ended June 30, 2023 to 137 kt during the three months ended June30, 2024, an increase of 25 kt or 22%. The sale of TMT increased from 117 kt during the three months ended June 30, 2023 to 124 kt during the three months ended June 30, 2024, an increase of 7 kt or 6%, in line with increase in production.
- The production of wire rod increased from 96 kt during the three months ended June 30, 2023 to 109 kt during the three months ended June 30, 2023, an increase of 13 kt or 14%. The sale of wire rod increased from 91 kt for the three months ended June30, 2023 to 104 kt for the three months ended June 30, 2024, an increase of 13 kt or 14%, in line with the increase in production.
- The production of ductile iron pipe increased from 49 kt during the three months ended June 30, 2023 to 50 kt during the three months ended June 30, 2024, an increase of 1 kt or 2%. The sale of ductile iron pipe remained stable at 49 kt during the three months ended June 30, 2024.

Power

Segment revenue from the Power Business was ₹1,689 crore ($202 million) for the three months ended June 30, 2024, an increase of ₹101 crore, or 6% from ₹1,588 crore for the three months ended June 30, 2023. This was primarily due to increase in sales volumes. Specifically:

- Power sold increased from 3,569 units during the three months ended June 30, 2023 to 3,924 units during the three months ended June 30, 2024. The Jharsuguda 600 MW power plant operated at a plant load factor of 69% for the three months ended June 30, 2024, as compared to 51% for the three months ended June 30, 2023. At TSPL, the sale of power increased to 2,990 units during the three months ended June 30, 2024 from 2,830 units during the three months ended June 30, 2023, in line with the power demand of customers. The power purchase agreement with the State of Punjab compensates us based on the availability of the plant.

- The average power realisation price (excluding TSPL) for the three months ended June 30, 2023 and the three months ended June 30, 2024 was 2.90 per unit and 2.81 per unit, respectively. The average power realisation price for TSPL for the three months ended June 30, 2023 and the three months ended June 30, 2024 was 4.35 per unit and 4.39 per unit, respectively, based on the plant availability factor.

- The average power generation cost (excluding TSPL) for the three months ended June 30, 2023 and the three months ended June 30, 2024 was 2.36 per unit and 2.69 per unit, respectively. The average power generation cost for TSPL for the three months ended June 30, 2023 and the three months ended June 30, 2024 was 3.52 per unit and 3.56 per unit, respectively, based on the plant availability factor.

Total expenses

Vedanta Limited's total expenses were ₹30,802 crore ($3,692 million) for the three months ended June 30, 2024, a decrease of ₹1,171 crore, or 4%, from ₹31,973 crore for the three months ended June30, 2023. This was mainly driven by:

- Cost of materials consumed increased to ₹11,166 crore for the three months ended June 30, 2024 from ₹11,090 crore for the three months ended June 30, 2023, an increase of ₹76 crore or 1%. This was primarily due to higher LME of copper partially offset by reduction in cost of production in our Aluminium Business mainly driven by reduction in input costs and operational efficiencies.

- Changes in inventories of finished goods, work-in-progress and stock-in-trade and purchases of stock-in-trade resulted in income of ₹1,376 crore for the three months ended June 30, 2024 from an income of ₹73 crore for the three months ended June 30, 2023, an increase of ₹1,304 crore or 94%. This was primarily due to lower finished goods stock at year ended March 31, 2024 and higher procurement of coal in the first quarter due to forthcoming monsoon in our Aluminium Business.

- Power and fuel charges decreased to ₹5,872 crore for the three months ended June 30, 2024 from ₹6,181 crore for the three months ended June 30, 2023, a decrease of ₹309 crore or 5%. This was primarily due to the reduction in coal prices.

- Finance costs increased to ₹2,222 crore for the three months ended June 30, 2024 from ₹2,110 crore for the three months ended June 30, 2023, an increase of ₹112 crore or 5%. This was primarily due to the increase in average borrowing and cost of borrowing.

- Depreciation, depletion and amortisation expense increased to ₹2,731 crore for the three months ended June 30, 2024 from ₹2,550 crore for the three months ended June 30, 2023, an increase of ₹181 crore or 7%. This was primarily due to an increase in capitalisation in our Aluminium Business.

- Other expenses slightly increased to ₹9,286 crore for the three months ended June 30, 2024 from ₹9,262 crore for the three months ended June 30, 2023, an increase of ₹24 crore or 0.3%.

Profit before tax

As a result of the foregoing, Vedanta Limited's profit before tax was ₹5,896 crore ($707 million) for the three months ended June 30, 2024, an increase of ₹1,810 crore, or 44%, from ₹4,086 crore for the three months ended June 30, 2023.

VEDL EBITDA

Aluminium

VEDL EBITDA for our Aluminium Business was ₹4,441 crore ($532 million) for the three months ended June 30, 2024, an increase of ₹2,624 crore, or 144%, from ₹1,817 crore for the three months ended June 30, 2023 mainly due to increase in LME prices, softening of input commodity inflation, operational cost savings, increase in sales volume and favourable exchange rate movement.

Zinc India

VEDL EBITDA for our Zinc India Business was ₹3,873 crore ($464 million) for the three months ended June 30, 2024, an increase of ₹559 crore, or 17%, from ₹3,314 crore for the three months ended June 30, 2023. The increase was driven by increase in LME prices, softening of input commodity inflation, operational cost savings and favourable exchange rate movement which was partially offset by sale volumes.

Zinc International

VEDL EBITDA for our Zinc International Business was ₹185 crore ($22 million) for the three months ended June 30, 2024, a decrease of ₹97 crore, or 34%, from ₹282 crore for the three months ended June 30, 2023. The decrease in VEDL EBITDA was primarily on account of decrease in sales volumes which was partially offset by increase in LME prices.

Oil and Gas

VEDL EBITDA for the Oil and Gas Business was ₹1,081 crore ($130 million) for the three months ended June 30, 2024, a decrease of ₹64 crore, or 6%, from ₹1,145 crore for the three months ended June 30, 2023. This was mainly due to decrease in sales volumes.

Copper

VEDL EBITDA for our Copper Business was ₹(57) crore ($(7) million) for the three months ended June 30, 2024, a decrease of ₹55 crore, from ₹(2) crore for the three months ended June 30, 2023. The decrease was primarily on account of decrease in sales volumes.

Iron ore

VEDL EBITDA for the Iron Ore Business was ₹183 crore ($22 million) for the three months ended June 30, 2024, an increase of ₹19 crore or 12% from ₹164 crore for the three months ended June 30, 2023. This was mainly due to operational efficiencies and softening of input commodity inflation.

Steel

VEDL EBITDA for our Steel Business was ₹236 crore ($28 million) for the three months ended June 30, 2024, an increase of ₹221 crore, from ₹15 crore for the three months ended June 30, 2023. This was driven by softening of input commodity inflation, increase in sales volumes and one-time gain.

Power

VEDL EBITDA for our Power Business was ₹282 crore ($34 million) for the three months ended June 30, 2024, decrease of ₹5 crore, or 2%, from ₹287 crore for the three months ended June 30, 2023. This is primarily due to recognition of provisions in Jharsuguda power in three months ended June 30, 2023.

Tax expense other than tax expense on exceptional item

Net tax expense was ₹824 crore ($99 million) for the three months ended June 30, 2024, an increase of ₹46 crore, or 6%, from ₹778 crore for the three months ended June 30, 2023. This was primarily due to increase in profit before exceptional items and tax to ₹5,896 crores for the three months ended June 30, 2024 from ₹2,306 crores for the three months ended June 30, 2023 and non-availability of tax holiday deduction due to shift to new tax regime which is offset with deferred tax credit recognised on Avanstrate Inc. tax losses.

Net current tax expense was ₹1,558 crore ($187 million) for the three months ended June 30, 2024, an increase of ₹879 crore, or 129%, from ₹679 crore for the three months ended June 30, 2023. This was primarily due to increase in profit before exceptional items and tax to ₹5,896 crores for the three months ended June 30, 2024 from ₹2,306 crores for the three months ended June 30, 2023 and non-availability of tax holiday deduction due to shift to new tax regime.

Net deferred tax (benefit)/expense was ₹(734) crore for the three months ended June 30, 2024, a decrease of ₹833 crore or 841%, compared to a net deferred tax (benefit)/expense of ₹99 crore for the three months ended June 30, 2023. This was primarily due to recognition of deferred tax asset creation of ₹662 crore in Avanstrate Inc. pertaining to unutilised tax losses.

The effective tax rate was 14% for the three months ended June 30, 2024 compared to 19% for the three months ended June 30, 2023. Tax expense for the period ended June 30, 2024 is provided under the new tax regime as per provisions of section 115BAA of the Income-tax Act, 1961. Accordingly, tax expense for period ended June 30, 2024 is not comparable with the reported tax expense for the period ended June 30, 2023.

Net exceptional gain

Net exceptional gain was nil for the three months ended June 30, 2024 as compared to ₹1,780 crore for the three months ended June 30, 2023.

For the three months ended June 30, 2024, exceptional item was nil. For the three months ended June 30, 2023, Foreign currency translation reserve recycled to profit or loss on redemption of optionally convertible redeemable preference shares was ₹1,780 crore.

Total comprehensive income

As a result of the foregoing, total comprehensive income for the three months ended June 30, 2024 was ₹5,407 crore ($648 million), an increase of ₹3,949 crore, or 271%, compared to ₹1,458 crore for the three months ended June 30, 2023. Total comprehensive income attributable to non-controlling interests for the three months ended June 30, 2024 was ₹1,543 crore ($185 million) in comparison to ₹671 crore for the three months ended June 30, 2023.

Liquidity and Capital Resources

As of June 30, 2024, Vedanta Limited's cash and cash equivalents and current investments and other bank balances were ₹15,948 crore, the majority of which were denominated in Indian Rupee. ₹2,397 crore was cash and cash equivalents, and ₹13,551 crore were current investments and other bank balances. Current investments and other bank balances consist of investments in mutual funds and bank deposits with maturities of more than 90 days. Vedanta Limited's investment policy is to invest in funds and banks with a low credit risk and high credit ratings.

The following table sets out Vedanta Limited's selected consolidated cash flow data and the cash and cash equivalents for the three months ended June 30, 2023 and 2024:

	For the three months ended June 30		
	2023	**2024**	
	(₹ in crore except as stated)	*(₹ in crore except as stated)*	*($ million)*
Net cash generated from operating activities	6,149	7,346	881
Net cash used in investing activities	(1,498)	(5,781)	(693)
Net cash used in financing activities	(9,079)	(1,993)	(239)

	For the three months ended June 30		
	2023	2024	
	(₹ in crore except as stated)	*(₹ in crore except as stated)*	*($ million)*
Effect of exchange rate changes on cash and cash equivalents	(17)	13	2
Net decrease in cash and cash equivalents	**(4,445)**	**(415)**	**(50)**
Cash and cash equivalents at beginning of period	6,926	2,812	337
Cash and cash equivalents at end of period	**2,481**	**2,397**	**288**

Net cash generated from operating activities

Net cash generated from operating activities was ₹7,346 crore for the three months ended June 30, 2024, primarily comprised of profit before taxation of ₹5,896 crore and the add-back of depreciation, depletion and amortisation of ₹2,749 crore, interest expense of ₹2,188 crore, less ₹610 crore of interest and dividend income and ₹1,014 crore in income taxes (paid) / refund (net). Changes in working capital primarily comprised of increase in trade and other receivables of ₹3,350 crore, increase in inventories of ₹2,242 crore and increase in trade and other payables of ₹3,760 crore.

Net cash generated from operating activities was ₹6,149 crore for the three months ended June 30, 2023, primarily comprised of profit before taxation of ₹4,086 crore and the add-back of depreciation, depletion and amortisation of ₹2,555 crore, interest expense of ₹2,080 crore, less ₹386 crore of interest and dividend income and ₹353 crore in income taxes (paid) / refund (net). Changes in working capital primarily comprised of increase in trade and other receivables of ₹1,810 crore, increase in inventories of ₹212 crore and increase in trade and other payables of ₹825 crore.

Net cash used in investing activities

Net cash used in investing activities was ₹5,781 crore for the three months ended June 30, 2024, primarily on account of purchases of property, plant and equipment (including intangibles, capital work-in-progress, capital advances and creditors) of ₹4,511 crore, deposits made of ₹8,257 crore and short term investment made of ₹16,163 crore, which was partially offset by proceeds from sale of short term investments amounting to ₹16,228 crore and proceeds from redemption of deposits of ₹6,357 crore.

Net cash used in investing activities was ₹1,498 crore for the three months ended June 30, 2023, primarily on account of purchases of property, plant and equipment (including intangibles, capital work-in-progress, capital advances and creditors) of ₹4,217 crore, and short term investment made of ₹13,188 crore, which was partially offset by proceeds from sale of short term investments amounting to ₹15,111 crore and proceeds from redemption of deposits of ₹611 crore.

Net cash used in financing activities

Net cash used in financing activities was ₹1,993 crore for the three months ended June 30, 2024, primarily as a result of payment of dividends to equity holders of Vedanta Limited, net of taxes of ₹4,082 crore, payment of dividends to non-controlling interests of ₹1,481 crore, repayment of current borrowing of ₹527 crore and repayment of long-term borrowing ₹1,735 crore which was partially offset by proceeds from current borrowings of ₹2,854 crore and proceeds from long-term borrowing of ₹5,551 crore.

Net cash used in financing activities was ₹9,079 crore for the three months ended June 30, 2023, primarily as a result of payment of dividends to equity holders of Vedanta Limited, net of taxes of ₹14,485 crore, repayment of current borrowing of ₹7,811 crore and repayment of long-term borrowing ₹1,529 crore, which was partially offset by proceeds from current borrowings of ₹5,739 crore and proceeds from long-term borrowings of ₹9,919 crore.

OVERVIEW OF INDUSTRIES

The information contained in this section is taken from the ICRA Report. Neither we, nor any other person connected with the offering of the Bonds has independently verified all the information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends.

References to various segments in Industry overview section and information derived from therein are references to industry segments and in accordance with the presentation, analysis and categorisation in the ICRA Report. Our segment reporting in our financial statements is based on the criteria set out in IFRS 8 – Operating Segments, or in the case of Vedanta Limited, Ind AS 108 – Operating Segments, and we do not present such industry segments as operating segments.

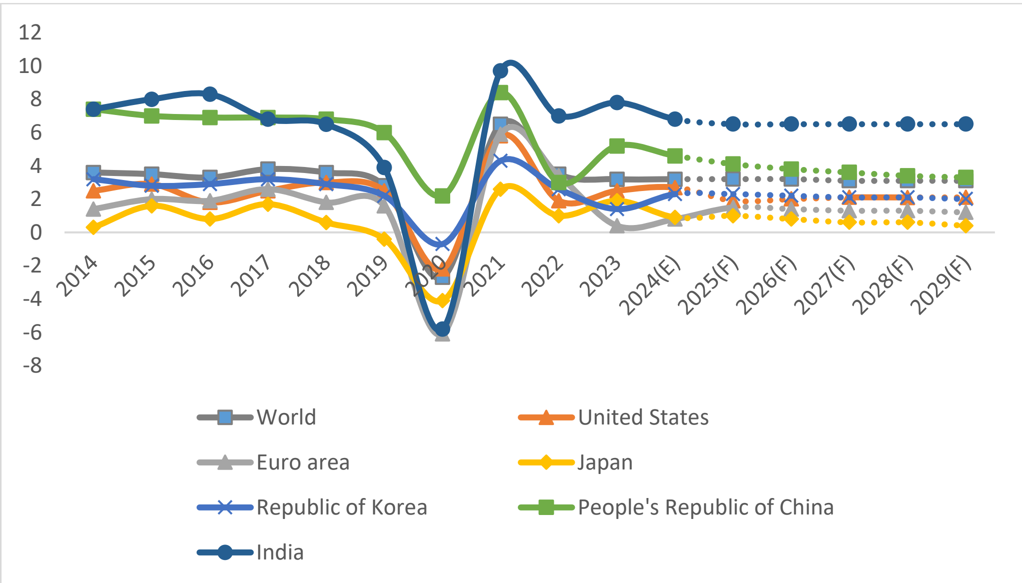
1 Global economic overview

The size of global economy is projected to be at USD 109.53 trillion in CY2024 in nominal terms. As per the International Monetary Fund (IMF)'s World Economic Outlook published in April 2024, the global growth has been estimated to hold steady at ~3.2% for CY2024 and CY2025, similar to the growth rate registered in CY2023. Despite elevated interest rates, the global economy remains resilient, avoiding a global recession.

The global inflation rate is predicted to decline from an annual average of 6.8 % in CY2023 to 5.9% in CY2024 and further to 4.5% in CY2025, thereby indicating a soft landing. The global pace of growth has been slower due to factors like prevailing high borrowing costs and withdrawal of fiscal support, spill-over effects from the COVID-19 pandemic, Russia-Ukraine conflict, weak growth in productivity and increasing geoeconomic fragmentation.

1.1 **Top Global Economies and Growth Trend**:

Chart 1: Real GDP growth rate of top metal consumers of the world



Source: International Monetary Fund (IMF), ICRA Analytics

Table 1: India v/s Other Economies (Real GDP, Y-o-Y % change)

Real GDP growth	2018	2019	2020	2021	2022	2023	2024 (E)	2025 (F)	2026 (F)	2027 (F)	2028 (F)	2029 (F)
						(Annual percent change)						
World....................	**3.6**	**2.8**	**-2.7**	**6.5**	**3.5**	**3.2**	**3.2**	**3.2**	**3.2**	**3.1**	**3.1**	**3.1**
United States..........	3	2.5	-2.2	5.8	1.9	2.5	2.7	1.9	2	2.1	2.1	2.1
Euro area...............	1.8	1.6	-6.1	5.9	3.4	0.4	0.8	1.5	1.4	1.3	1.3	1.2
Japan.....................	0.6	-0.4	-4.1	2.6	1	1.9	0.9	1	0.8	0.6	0.6	0.4
Korea	2.9	2.2	-0.7	4.3	2.6	1.4	2.3	2.3	2.2	2.1	2.1	2
China	6.8	6	2.2	8.4	3	5.2	4.6	4.1	3.8	3.6	3.4	3.3
India......................	6.5	3.9	**-5.8**	**9.7**	**7**	**7.8**	**6.8**	**6.5**	**6.5**	**6.5**	**6.5**	**6.5**

Note:

E- Estimated; F- Forecasted; 2024 data is estimated, data from 2025-2029 are forecasted

Source: IMF, ICRA Analytics analysis

India remains the fastest growing economy globally. It witnessed a rise in growth rate from ~7% in CY2022 to ~7.8% in CY2023. The country is projected to grow by ~6.8% in CY2024 and ~6.5% in CY2025. Robust domestic demand, growth in manufacturing and services, strong private investment activity coupled with government's focus on infrastructural and economic development has supported this upward trend in the country's growth rate, which is forecasted to continue till CY2029.

1.2 Upside trends impacting Global Economy:

1. **Short-term fiscal adjustments in a year of elections:** In 2024, many countries will have elections, and, in that context, the policymakers commit to expansionary measures such as tax cuts, increased fiscal transfers, and infrastructure investment which could boost economic activity. However, such projections can come with inflationary pressures as well for few overheated economies with steep inflation unemployment trade-offs.

2. **Technological breakthroughs:** The world is transitioning to renewable energy technologies to meet the net zero emissions. Various technological breakthroughs- especially in renewables and batteries, requiring extraction, processing and use of critical minerals – has opened up new opportunities for boosting economic growth. Major advances in the field of Artificial Intelligence with the emergence of large language models, generative pretrained transformers, have marked a leap in the ability of technology to surpass human abilities in various intellectual areas. This could bring a short-term labour market disruption especially in emerging economies at the cost of achieving higher productivity and advanced knowledge, thus creating better advantages for advanced economies.

3. **Global supply improvements and monetary policy easing:** The easing of supply constraints and fading of the pass-through effects from past relative price shocks are probable in various cases. Similarly, a faster-than-envisioned compression of profit margins to absorb past cost increases is also probable. Ultimately, there could be monetary easing of policies which would reduce borrowing costs, raise consumer confidence, and strengthen global growth.

1.3 Key Macro-Economic challenges impacting global economy:

Geopolitical conflicts: The geopolitical tension arising from the ongoing war in Gaza and Israel, continued attacks in Red Sea and Russia-Ukraine war, have the potential to deliver additional supply shocks to the global economy, increasing costs of food, oil, energy, and transportation. The adverse impact of the supply shocks maybe asymmetrical, with lower-income countries bearing the brunt of it.

1. **Persistent inflation**: Core inflation in many major economies did not decline as expected. This persisting inflation can spark a rise in interest rates resulting in fall in asset prices.

2. **Weakening in China**: China's economic downtrend mainly resulting due to a weakened real-estate sector could potentially lead to lower domestic demand, causing disinflationary pressure to intensify. This decreased demand can spill over to China's major trade partners, having potential global ramifications.

3. **Disruptive fiscal adjustment**: Fiscal consolidation is needed to curb debt-to-equity ratios, but higher tax and spending cuts can lead to slower growth and reduce reform momentum. Debt distress can cause major cuts to budget deficits and create a negative impact on growth. Thus, the risk of debt distress in low-income countries continues to limit the scope of investments.

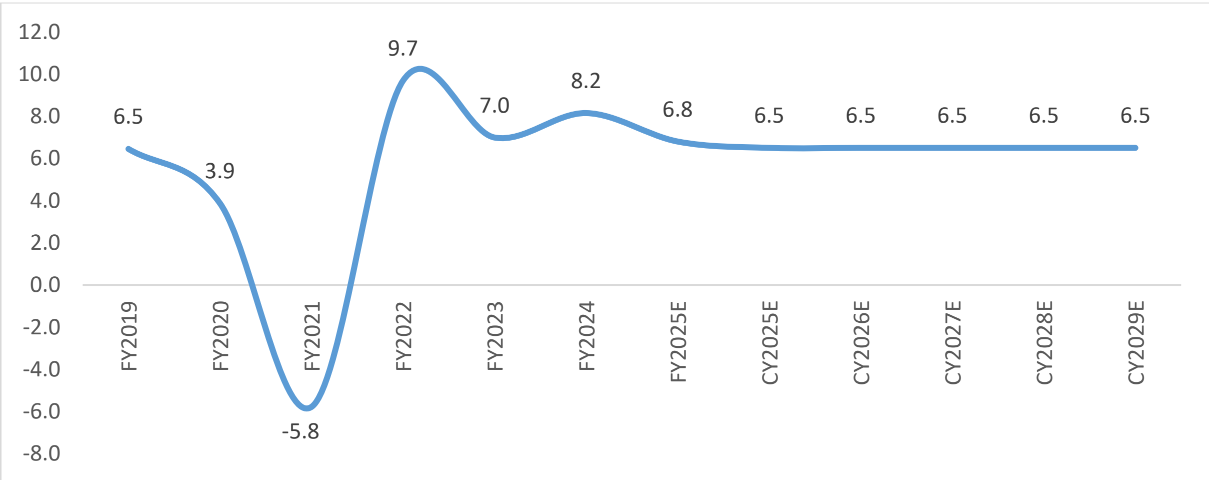
4. **Geoeconomic fragmentation**: The policy driven reversal of global economic integration can intensify amid Russia-Ukraine conflict and other geopolitical tensions. As a result, it could create more restrictions on trade and cross-border movements of capital, technology, labours and even impact international cooperation. It can also reduce foreign direct investment flows, slow down the pace of innovation, higher price volatility and ultimately harm business profitability along with consumer well-being.

1.4 Indian Macro-economic Overview:

1.4.1 GDP Trend & outlook:

India's real GDP or GDP at constant (2011-12) prices is estimated to have reached Rs. 173.82 lakh crore in FY2024. This shows a significant estimated increase of 8.2% from the FY2023 First Revised Estimates (FRE) value of Rs. 160.71 lakh crore. This 8.2% increase is higher than the 7.0% of FY2023.

Chart 3: GDP growth trend in India



Note:

E- Estimated; F- Forecasted

Source: IMF (CY2025E-CY2029E), ICRA Ratings (FY2025E), ICRA Analytics

The GDP growth in Q4 FY2024 was reported at 7.8% by the National Statistical Office (NSO), after witnessing a robust growth of 8.6% growth in Q3 FY2024. The slowdown in Q4FY2024 was mainly attributed to the gross fixed capital formation growth dropping to 6.5% in Q4 FY2024 from 9.7% in Q3 FY2024. Despite this, private final consumption expenditure continued to grow modestly at 4.0%, while Government final consumption expenditure also saw a slight increase following a contraction. The real GDP and GVA growth rates were estimated at 8.2% and 7.2%, respectively, in FY2024, compared to +7.0% and +6.7% in FY2023.

The Monetary Policy Committee (MPC) has indicated that the high frequency indicators of domestic activity are resilient in the current fiscal period, FY2025. Additionally, the MPC has pointed out that the Indian Meteorological Department's (IMD) above-normal forecast for the South-west Monsoon season would bode well for the agriculture sector and rural demand. The sustained growth in manufacturing and services, along with other factors such as high capacity utilization, healthy balance sheets of banks and corporates, infrastructure and capital spending by the Government, and positive business sentiments, are expected to support a recovery in private consumption. The MPC also anticipates that investment activity in FY2025 will be driven by these factors, as well as an improvement in global trade prospects. However, the MPC has also highlighted potential risks to the growth outlook, including geopolitical tensions, volatility in international commodity prices, and geoeconomic fragmentation.

The MPC has raised its GDP growth forecast for FY2025 to 7.2% from 7.0% indicated in the April 2024 policy, with risks evenly balanced. In quarterly terms, the growth projection has been revised upwards for each of the quarters, including Q1 FY2025 (to +7.3% from +7.1%), Q2 FY2025 (to +7.2% from +6.9%), Q3 FY2025 (to +7.3% from +7.0%) and Q4 FY2025 (to +7.2% from +7.0%), compared to the estimates that were made in the April 2024 meeting.

As per ICRA Ratings, GDP growth is likely to stay below 6.5% in the initial six months of the fiscal year, but it is expected to rise above 7.0% in the latter half of FY2025. This increase will be supported by increased Government capital expenditure towards the end of the year, a potential rise in private investment, enhanced rural demand if the monsoon is favourable, and some improvement in export figures. As a result, ICRA Ratings predicts GDP growth to moderate to 6.8% for FY2025, down from 8.2% in FY2024, which is lower than the MPC's forecast of 7.2% for FY2025.

Table 2: RBI estimates of GDP growth

Real GDP Growth (at constant 2011-12 prices)	**FY2024**				**FY2024**	**FY2025 (F)***				**FY2025**
	Q1	**Q2**	**Q3**	**Q4**	**SRE***	**Q1**	**Q2**	**Q3**	**Q4**	**(F)***
	% change									
GDP at market prices	8.2	8.1	8.4	5.9	7.6	7.3	7.2	7.3	7.2	7.2

**SRE- Second revised estimates, F- Forecasted*
Source: RBI, ICRA Analytics ltd.

1.4.2 Growth drivers:

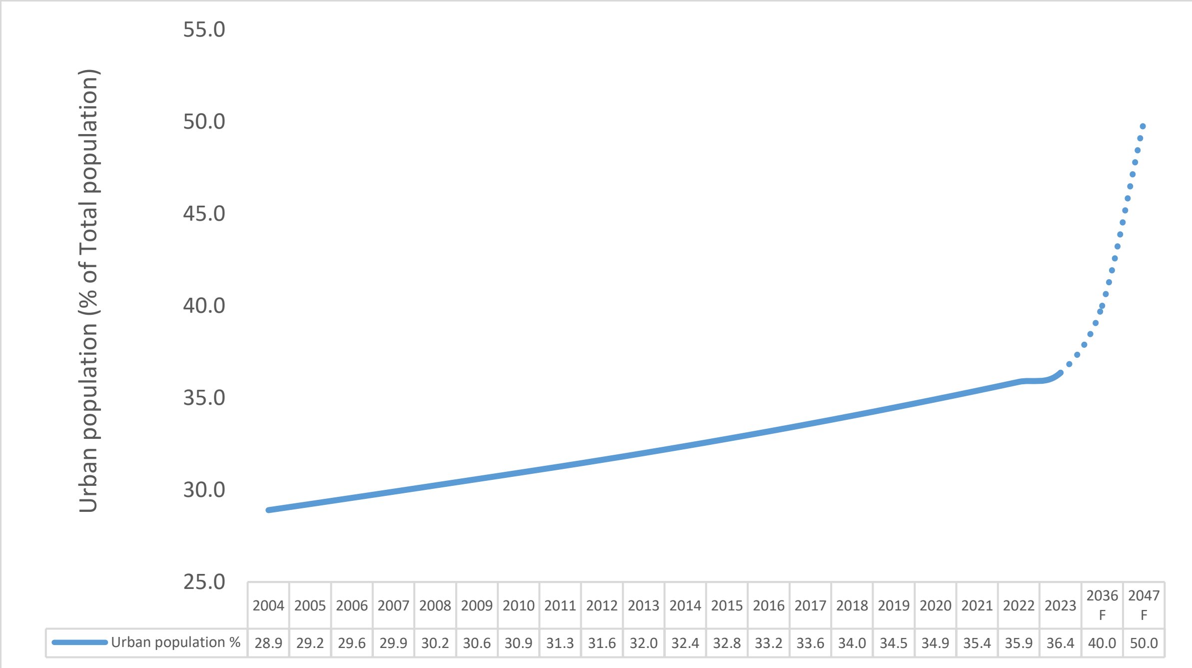
1.4.2.1 Rise in per capita income:

Per capita domestic GDP measures the country's economic output per person while per capita Gross National Income (GNI) stands for the final income of the country in a year per person. In FY2024 the per capita GDP (at 2011-2012 prices) increased by 7.2% from Rs 1.16 lakh in FY2023 to Rs 1.24 in FY2024. For the same period, the per capita GDP at current prices increased by 8.6% from Rs 1.94 in FY2023 to Rs 2.11 lakh in FY2024. Similarly at 2011-2012 prices per capita GNI, NNI and PFCE all increased by 7.2%, 7.4% and 3.1% respectively while at current prices the increase was recorded at 8.5%, 8.7% and 7.6% respectively.

India’s per capita disposable income is estimated to have reached Rs. 2.14 lakh in FY2024, according to the government.

1.4.2.2 Rapid urbanisation:

Chart 4: Urban population of India (as % of Total population)



	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2036 F	2047 F
Urban population %	28.9	29.2	29.6	29.9	30.2	30.6	30.9	31.3	31.6	32.0	32.4	32.8	33.2	33.6	34.0	34.5	34.9	35.4	35.9	36.4	40.0	50.0

*Source: World Bank, ICRA Analytics, *calendar year*

India’s urban population percentage out of total population has seen an uptick from 28.9% in CY2004 (~31.9 crore) to 36.36% in CY2023 (reaching around 51.9 crores). Over the past two decades, India has seen a steady growth in urban population. Furthermore, rural areas are gradually transitioning themselves and adapting urban characteristics in recent years.

India is urbanizing rapidly and by 2036, an estimated 60 crore people will be residing in town and cities. This figure is equivalent to 40% of the total population, increasing from the ~36% recorded in 2023. Almost 70% of the contribution in GDP will come from urban areas.

Urbanisation till 2047, will depend how well India is fulfilling its role in becoming a developed country. However, 70% of the urban infrastructure required by 2047 is yet to be constructed, thereby requiring more investments. India will require $840 billion in infrastructure- an average of $55 billion or 1.2% of GDP per annum. As per estimates, the total capital expenditure averaged at 0.6% of GDP, thus highlighting that the country lacks half the required quantum for capital expenditure. Hence private financing would play a major role decreasing reliance on government funding. The percentage of central and state government financing stands at 72%, which is much higher than commercial financing, forming only 5%.

1.4.2.3 Government policy boost:

India’s fiscal policy ensures that the domestic economy is more resilient to exogenous shocks and demonstrates the ability to mitigate the risks of global economic downturn without compromising the overall macroeconomic balances. The FY2025 fiscal strategy of the government is based on the following broad aims:

- Targeting focus towards infrastructure expansion and ensuring fiscal consolidation by reducing fiscal deficit and boosting capital expenditures.

- Targeting towards more inclusive, sustainable, and more resilient domestic economy to absorb any unanticipated shocks. Also, to sustain infrastructure development momentum, more resources are channelized and allocated towards capital expenditures.
- Targeting to enhance the public infrastructure by continuing a holistic approach of fiscal federalism and supporting the efforts of the states for capital expenditures.
- Embracing the principles of PM Gati Shakti, the country is targeting focus on integrated and coordinated planning and implementation of infrastructure projects.
- Key development sectors viz., drinking water, housing, sanitization, green energy, health education, agriculture, rural development are being prioritized in order to achieve sustainable and inclusive better living of the citizens.
- Improving the efficacy of cash management through just-in-time release of resources by using Single Nodal Agency / Treasury Single Account system, etc.

1.4.3 Gross Value Added (GVA) growth trends:

The value addition by the supply side to the economy is primarily measured by the GVA parameter. This GVA (at 2011-12 Prices) witnessed an aggregate growth of 7.2% in FY2024 from 6.7% in FY2023. Industrial growth GVA witnessed growth of 9.7% in FY2024 after it dipped by 0.6% in FY2023.

Table 4: Components Of Gross Value Added (At Basic Prices)

	GVA at Basic Prices (Base Year: 2011-12) Constant Prices (Amount in Rs crore)					
Items/Year	**2019-20**	**2020-21**	**2021-22**	**2022-23**	**2023-24**	**2024-25F**
Agriculture, Forestry and Fishing	6.20%	4.00%	4.60%	4.70%	1.40%	3.90%
Industry	-2.50%	1.10%	9.60%	-0.60%	9.50%	5.30%
Mining & Quarrying	-3.00%	-8.20%	6.30%	1.90%	7.10%	5.00%
Manufacturing	-3.00%	3.10%	10.00%	-2.20%	9.90%	4.30%
Electricity, Gas, Water Supply & Other Utility Services	2.30%	-4.20%	10.30%	9.40%	7.50%	6.60%
Services	5.80%	-7.90%	10.60%	9.90%	7.60%	7.60%
Construction	1.60%	-4.60%	19.90%	9.40%	9.90%	7.00%
Trade, Hotels, Transport, Communication and Services Related to Broadcasting	6.00%	-19.90%	15.20%	12.00%	6.40%	8.00%
Financial, Real Estate & Professional Services	6.80%	1.90%	5.70%	9.10%	8.40%	7.50%
Public Administration, Defence and Other Services	6.60%	-7.60%	7.50%	8.90%	7.80%	7.10%
GVA at Basic Prices	3.90%	-4.10%	9.40%	6.70%	7.20%	6.30%

Source: RBI, CMIE (forecast for FY2025), ICRA Analytics

Going forward in FY2025, India is expected to witness a 6.3% growth in gross value added (GVA) in real terms during FY2025. This marks moderation from the 7.2% growth achieved during FY2024. The moderation expected in GVA growth is primarily attributed to a moderation expected in the industrial activity (~5.3%) post-election. However, the services sector (~7.6%) is anticipated to maintain its strong growth momentum in FY2025, while the agricultural sector is expected to show improved performance compared to the previous year.

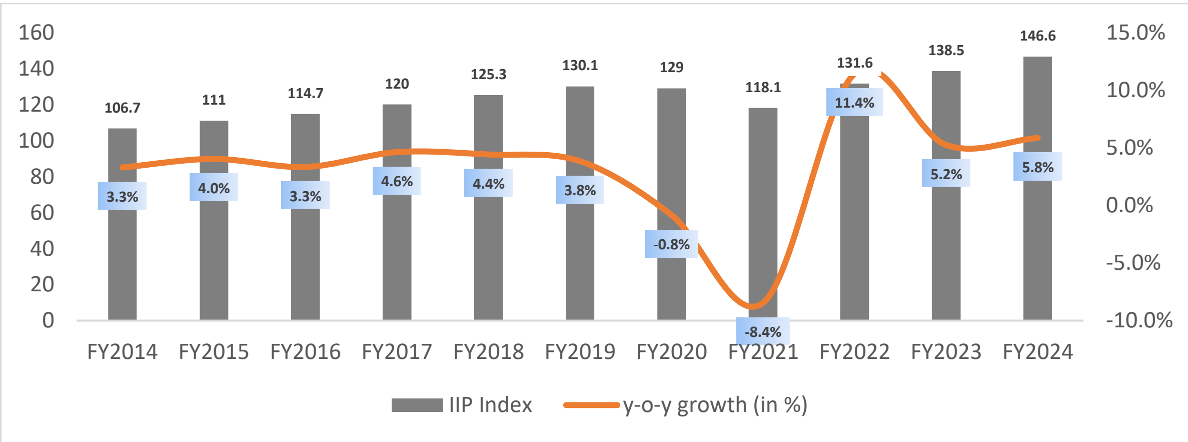
The financial services, real estate, and professional services sector are projected to expand by 7.5% in FY2025 compared to 8.4% growth in the preceding fiscal year. Anticipated growth in GVA from public administration, defense, and other services is expected to witness 7.1% growth during FY2025, following a 7.8% increase in FY2024.

1.4.4 Industrial Growth:

During FY23, the industrial output recorded a growth of 5.1% y-o-y driven by a favorable base and a resurgence in economic activities. The IIP growth rose modestly to 5.8% in FY2024 from 5.2% in FY2023, led by an improvement in mining (to +7.5% in FY2024 from +5.8% in FY2023) and manufacturing (to +5.5% from +4.7%), even as the growth in electricity generation (to +7.1% from +8.9%) moderated. Additionally, four out of the six categories based on usage showed an increase in their expansion in FY2024 compared to FY2023. This group encompasses consumer goods, both durable and non-durable, intermediate products, and infrastructure/construction materials.

While infrastructure-related sectors have performed well during FY24, the slowdown in global growth and risks to rural demand have presented challenges for industrial activity. Despite some relief from moderating inflationary pressures, high prices of certain food items remained an area of concern.

Chart 5: IIP growth trend (on year, in %)



Source: RBI, ICRA Analytics

In April 2024, the IIP growth rate eased to 5% from 5.4% in March 2024. Moderation in YoY IIP growth in April 2024 vs March 2024 was entirely led by slowdown in YoY growth of manufacturing, while mining and electricity growth saw an uptick.

1.5 Concluding remarks:

The Indian economy witnessed significant growth in the FY2024 due to various high-frequency indicators (HFI) of domestic activity performing well. Resilient and healthy macro-economic fundamentals have played a key role in driving the Indian economy forward, despite facing various domestic and international challenges in recent years.

Strong demand in both consumption and investment segments acted as a growth driver for the economy. This growth is supported by sizable capital expenditure on the government's end. Both FY2024 and the beginning of FY2025 witnessed healthy capex spending by the government, resulting in the booming manufacturing and industrial growth. Along with this, Inflation rates have eased in the past year and is expected to remain so, resulting in decline in prices in several sectors while others remain mostly stable.

Government tax revenue received a boost in April 2024, when GST collections reached all time high of Rs.2.1 trillion. This figure was 12.4% higher than the Rs.1.87 trillion collection recorded in April 2023. Along with this, the government is also streamlining the tax system with low rates, bringing in digitization of tax filing as well as rationalising the tariff structures. These factors are set to result in tax buoyancy, further supporting the growth of future capital spending of the government.

The industry and services sector demonstrated strong performance, acting as the primary growth drivers of FY2024. India also recorded the highest growth in this period among major advanced and emerging economies. As per IMF, it is possible for India to become the third-largest economy by the year CY2027.

Indian rupee remained steady in FY2024 due to various factors like macroeconomic stability, decrease in gross fiscal deficit (GFD) as well as having a comfortable forex reserve buffer. This was supported by easing inflationary pressure, majorly driven by proactive supply side initiatives by the government.

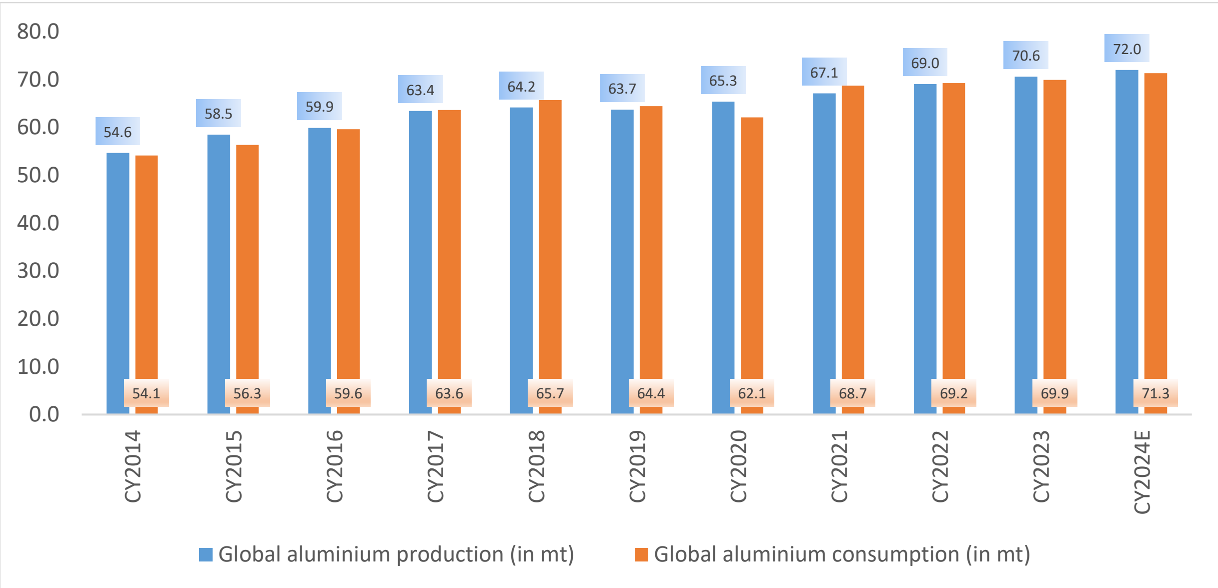
Overall, while global economic growth faces significant challenges due to rising geopolitical tensions, fluctuating commodity prices, and a lack of essential resources, the Indian economy stands out with a relatively strong real GDP growth compared to other emerging markets.

2 Aluminium

2.1 Global overview:

In terms of volumes, aluminium is the second most widely traded metal after steel. The aluminium sector includes the mining of the ore (bauxite) and both primary and secondary processing of the metal. Aluminium is a metal that can be recycled and is considered to be eco-friendly, with a wide range of uses across various industries such as power, transportation, construction, and packaging, among others.

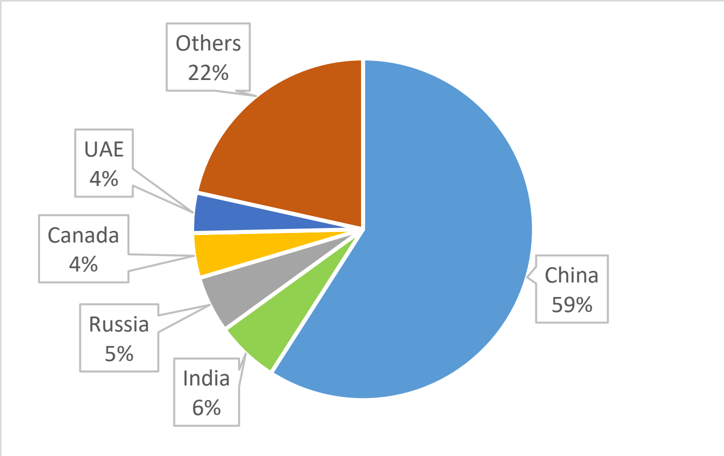
Chart 6: Global aluminium production and consumption trends



Source: international-aluminium.org, ICRA Ratings report, ICRA Analytics

China remains the leading producer and consumer of aluminium globally, with a production figure of 41.7 mt in CY2023, which accounts for about ~59% of the total worldwide production. For the last one decade, China's share in world production has always been over ~50%. India is the second largest producer of aluminium with a production of 4.2 mt in CY2023.

Chart 7: Country wise share in primary aluminium production



Source: international-aluminium.org, ICRA Analytics

The global aluminium production went up by 2.2% in CY2023, leading to a surplus of 0.7 mt in the market for that year. Primary aluminium output in China saw a 3.1% growth in CY2023 to 41.7 mt compared to the previous year as several smelters that had reduced their output in CY2022 resumed operations along with new capacity additions. The supply from the world, excluding China, also grew by 1.0% in CY2023 to 28.9 mt compared to 28.6 mt in the last year, which is attributed to the resumption of some production in South America.

World aluminium production growth in CY2024 is estimated at about 2% and the key countries contributing to the global aluminium production are China, India, Russia, Canada and UAE.

Coming to global primary aluminium consumption, it has grown by 0.7% and 1.0% during CY2022 and CY2023 to 69.2 mt and 69.9 mt respectively. Global demand for aluminium in China grew by 5.5% on year in CY2023 while demand in world ex-China fell by 5.2% owing to weaker macroeconomic scenario.

Looking at the end user segments for aluminium, it is broadly classified into transport, building & construction, electrical engineering, consumer goods, foil & packaging, machinery & equipment, and others (aluminum air batteries and solar panel nanotechnology).

Global demand in the downstream markets, particularly in the building and construction industry, fell throughout CY2023 but demand in the automotive sector remained strong throughout the year.

Going forward in CY2024, as per ICRA Ratings report, global demand for primary aluminium is expected to rise by ~2%. This would create a surplus of 0.3 mt in CY2024.

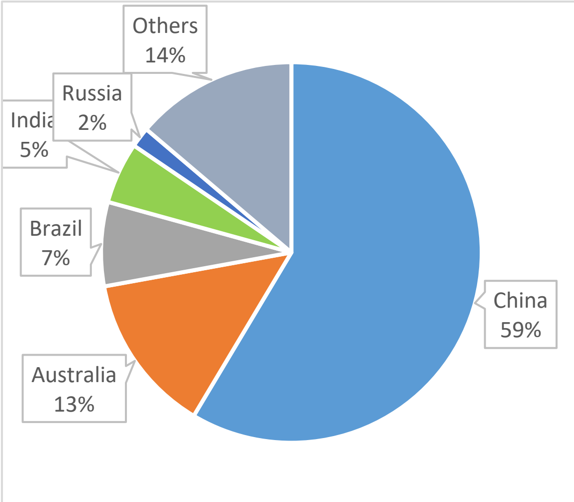
2.1.1 Raw materials:

Bauxite and alumina constitute the critical components in the value chain towards the production of aluminum metal.

The primary raw material for the production of alumina is bauxite while the raw material required to produce primary aluminium is alumina, also known as aluminium oxide. Around 3 tonnes of bauxite is required to produce one tonne of alumina, while about 2 tonnes of alumina is required to produce one tonne of aluminium.

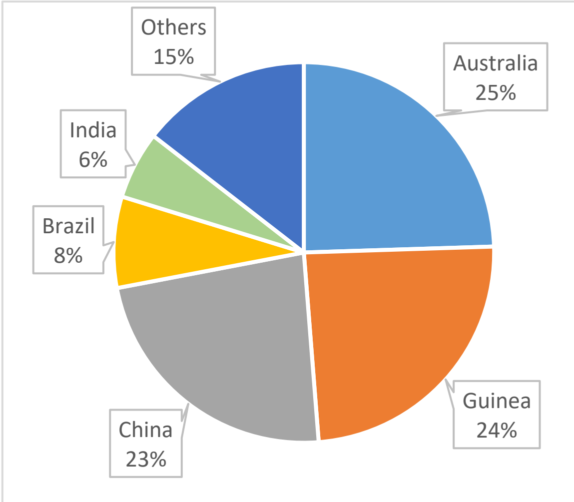
During CY2023, global alumina production stood at around 140 mt while global bauxite production stood at around 400 mt. India was ranked 4th in global alumina production while it was ranked 5th in global bauxite production.

Chart 8: Percentage share of countries in alumina production



Source: USGS, ICRA Analytics

Chart 9: Percentage share of countries in bauxite production

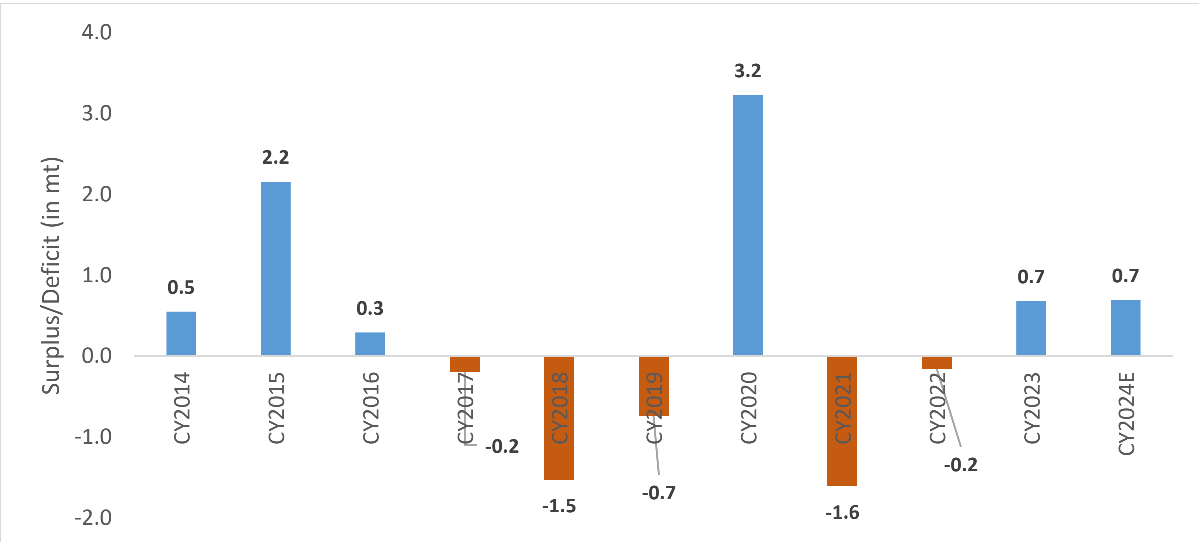


Source: USGS, ICRA Analytics

2.1.2 Long-term demand drivers:

As per analysis by the International Aluminium Institute, aluminium demand is expected to increase by 81% by 2050 backed by decarbonization efforts to be taken up by various sectors including energy, transportation, construction and packaging. By 2030, the demand is likely to increase by 40%, additional with two-thirds of growth coming from China. This is because of the importance of aluminium in terms of recyclability where almost 16 tonnes of greenhouse gas emissions can be saved by consuming one tonne of recycled aluminium.

Chart 10: Global supply- deficit situation



Source: international-aluminium.org, Annual reports, ICRA Analytics

After two consecutive years of being in deficit, CY2023 witnessed a surplus of 0.7 mt. During the past two years, the market was in deficit by 1.6 mt and 0.2 mt as the global consumption grew at a much higher rate as compared to the growth in production/supply.

In CY2023, consumption in Europe and north America remained weak which resulted in market surplus of 0.7 mt even as Chinese production remained resilient.

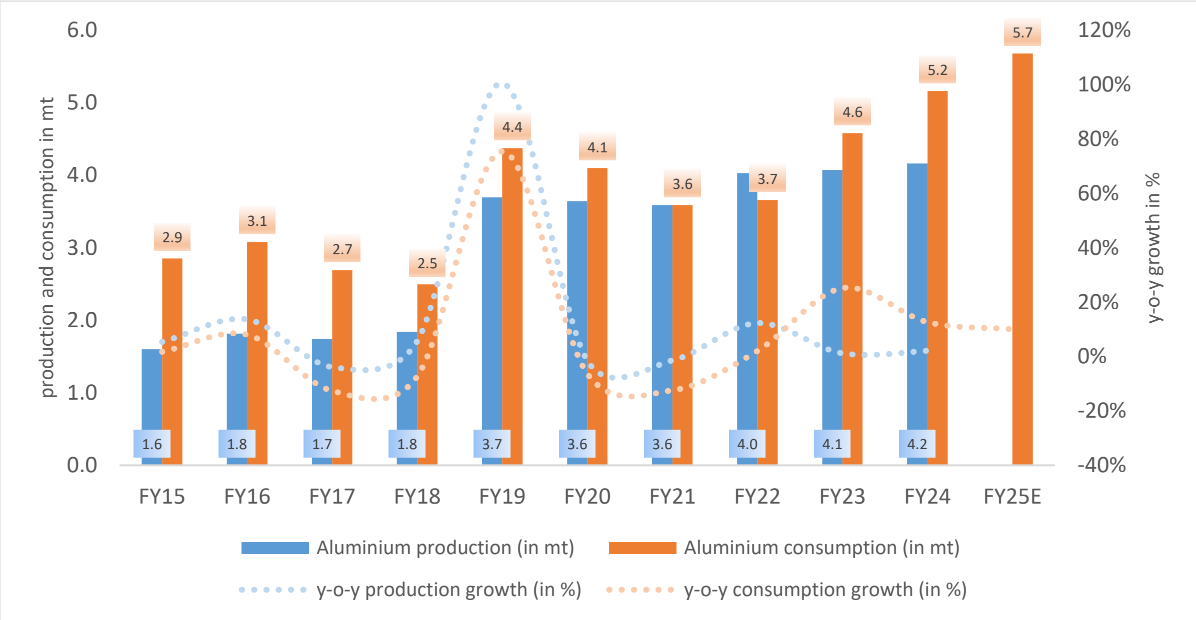
Going ahead in CY2024E, global demand is expected to remain moderate as compared to increased supply from China which in turn is expected to create a mild surplus situation.

2.2 Domestic overview:

India stands as the world's second-largest producer of primary aluminium, with an annual production exceeding 4.2 mt. The country's aluminium industry has a vast network of smelters, refineries, and downstream manufacturing facilities that play a crucial role in both domestic and international market.

Furthermore, India is currently the fastest-growing developing economy globally, witnessing a surge in construction activities and infrastructure development. This rapid growth has significantly increased the demand for aluminum and has contributed to the overall market expansion. Aluminum possesses several advantageous properties, including its light weight, corrosion-resistance, and recyclability. These properties make it a versatile material that can be widely utilized across various sectors.

Chart 11: Domestic aluminium production and consumption trend



Source: CMIE, USGS, ICRA Analytics

The production of primary aluminium in India went up by ~2% during FY2024 to 4.2 mt compared to 4.1 mt in FY2023. The rise in production is supported by robust domestic consumption owing to increased government spending during the pre-election year. However, exports remained subdued due to global macroeconomic weakness. The production of primary aluminium has grown at a CAGR of 2.4% during the last five years.

Coming to consumption, In India, both FY2020 and FY2021 witnessed significant fall in consumption demand by ~5% and ~12% respectively owing to COVID-induced lockdown. The demand started to recover from FY2022 as the situation started to stabilize and the numbers started to hover near the pre-covid levels.

During FY2023, the consumption of aluminium reached 4.6 mt which is higher than the pre-pandemic level, a significant uptick by ~25%. After two years of covid-related slump, the demand scenario remained resilient, owing to positive macroeconomic indicators in India.

Even on this high base, the demand for primary aluminium went up significantly by ~13% to 5.2 mt in FY2024 owing to increased government spending in the pre-election year, giving rise to demand from all the end-user industries pertaining to FY2024.

Going ahead in FY2025, India's aluminium consumption is likely to witness a growth of ~10% in FY 2025 as per ICRA Ratings report, on the back of sustained demand from renewables, defence, aerospace, electronics and appliances.

Key end-user industries for aluminium in India are electrical sector with a share of 48%, automobile & transport sector at 15%, construction at 13%, consumer durables at 7%, machinery & equipment at 7%, packaging at 4%, and other sectors at 6%. Within the electrical sector, aluminium is used in overhead conductors, power cables for electricity generation, transmission, and distribution. Additionally, aluminium finds application in switchboards, coil windings, capacitors, and other components.

2.2.1 Major growth drivers for aluminium market:

- India aims to decrease carbon emissions by 1 billion tonnes by CY2030 and also aims to reduce dependency on oil imports by promoting the faster adoption of EVs. India is also aiming at a 30% overall penetration in EVs by CY2030. Aluminium is a crucial material in the EV market, with applications in battery technology, body construction and infrastructure. Substituting steel by aluminium in EVs can lead to the production of more energy-efficient vehicles, with lower weight resulting in a 10-15% increase in range. This, in turn, will encourage higher EV adoption among consumers.

- In May 2023, Alstom was awarded the tender to produce 100 Vande Bharat trains with aluminium bodies, which is likely to boost aluminium consumption over the next 4-5 years. Furthermore, the substantial investments made in metro rail projects is expected to bode well for the aluminium sector.

- The power sector's demand for aluminium will be bolstered by the GOI's ambitious goal of achieving 500 GW of renewable energy by 2030, as well as the continuous investment in transmission lines. Additionally, the significant investment in solar module capacity will further drive the demand for aluminium in the manufacturing of solar panels.

- Demand pull is expected from the construction segment as various government initiatives like Make in India, 100% rural electrification, Housing for all through Pradhan Mantri Awas Yojana (for both rural and urban areas), Smart cities projects, National Infrastructure pipeline are likely to propel demand for aluminium sector.

- Consumer durable segment is also expected to create significant demand as demand for air conditioner (AC's), refrigerators and washing machines are likely to go up owing to low penetration, rising urbanisations, increasing higher disposable income and easier financing availability.

2.2.2 Ever increasing need of decarbonisation in the aluminium industry:

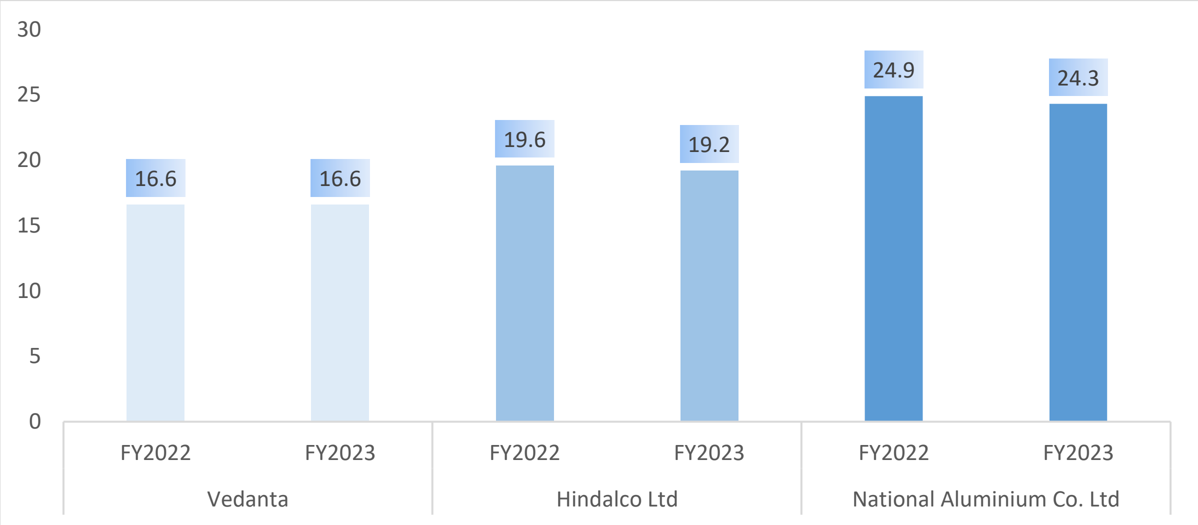
As per the International Energy Agency (IEA), aluminium production emits 3% of world's direct industrial CO_2 emissions and is the second highest greenhouse gas emitting metal after steel**.** Given the energy intensive smelting process and the expectation of 40% growth in aluminium demand by 2030, greener methods of production are increasingly needed. While the carbon intensity of companies operating in developed nations have been much lower due to their shift to low-carbon power sources such as hydropower and solar, Indian aluminium producers still rely heavily on captive coal mines and coal linkages for their power plant needs and hence have high carbon intensity of about 18 tCO2/tonne of aluminium produced compared to western economies, which have almost 60% lower carbon intensity than the global average. Globally, various methods to reduce carbon emissions like carbon capture and storage, inert anode and fuel switching in calcination are at an early stage and may take a longer time for mass adoption in countries including India. As a result, domestic aluminium producers are adopting the following routes to reduce their GHG footprint.

- Reducing scope 2 emissions – By enhancing the share of renewable energy in the power sourcing with focus on battery storage.
- Reducing scope 3 emissions – using energy efficient mode of transport of raw materials for primary aluminium production.
- Increasing aluminium scrap consumption – secondary aluminium production has almost 95% lower GHG intensity than the primary route.
- End-user scrap collection – Similar to developed countries, India too is focusing on enhancing the end-user scrap collection to increase the domestic availability and reduce import dependence.

All these measures are aimed at reducing GHG intensity by 25% by 2030 and achieve net-zero status by 2050.

In terms of GHG intensity for domestic primary aluminium producers, Vedanta Group currently has the lowest emission intensity at 16.6 MT Co2e/MT of aluminium produced compared to 19.2 MT Co2e/MT for Hindalco and 24.3 MT Co2e/MT for Nalco.

Chart 16: GHG emission of key aluminium manufacture in India



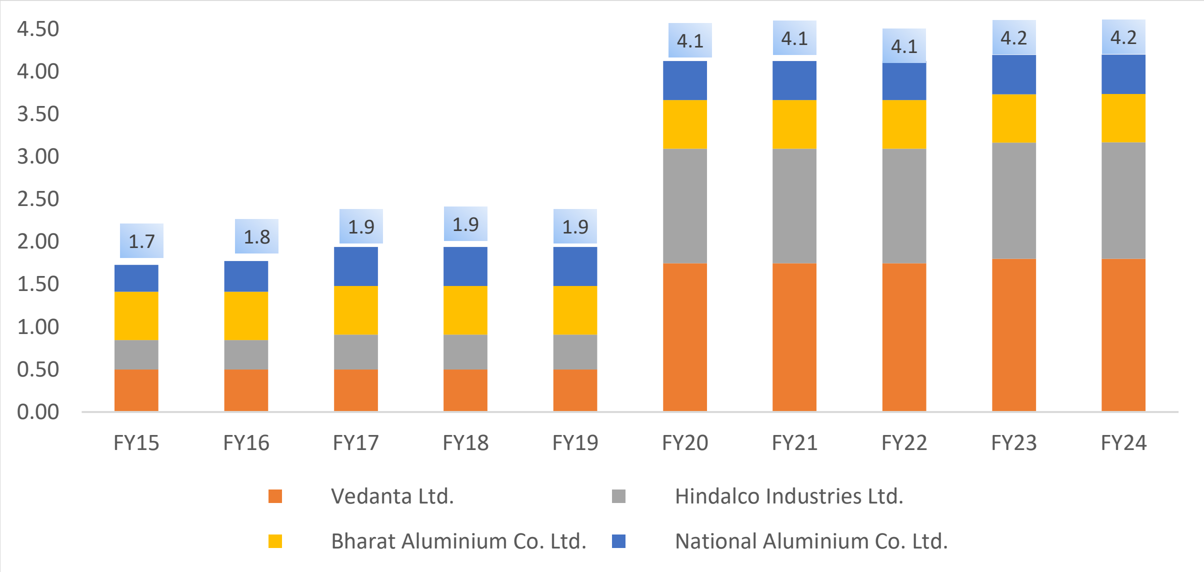
Source: Company reports, ICRA Analytics

2.2.3 Carbon Border Adjustment Mechanism (CBAM):

To avoid carbon leakage through imports, the EU in May 2023 signed the CBAM, which is applicable to imports from six sectors including aluminium. As per ICRA Ratings report, CBAM ruling will have a limited impact on the domestic primary aluminium producers as the present notification covers only the direct process related emissions and not the indirect emissions, which generate 80% of the total emissions in the primary aluminium production process. Indian primary aluminium producers have an average direct emission intensity of about 2.3 tonnes CO_2/tonne of aluminium, which is in line with the global average but 30% higher than the benchmark EU Emission Trading System (EU-ETS) free allocations. Despite that, CBAM compliance cost is likely to remain at $50-140/MT (based on carbon price of Euro 70/tonne) between CY2026 to CY2034, which would be only ~2-6% of the aluminium prices. In case the indirect emission is also included in future, then the impact would be severe at $600- 700/MT, constituting ~27-30% of the aluminium prices. However, inclusion of indirect emission is unlikely in CBAM until the electricity grid in EU is entirely decarbonised.

2.2.4 Competitive landscape in the domestic aluminium industry:

Chart 17: Company-wise existing capacity of aluminium in India



Source: CMIE, ICRA Analytics

The domestic aluminium market is majorly dominated by four key players, specifically Vedanta Ltd, Hindalco Industries, Bharat Aluminium Co (Balco), and National Aluminium Co (Nalco).

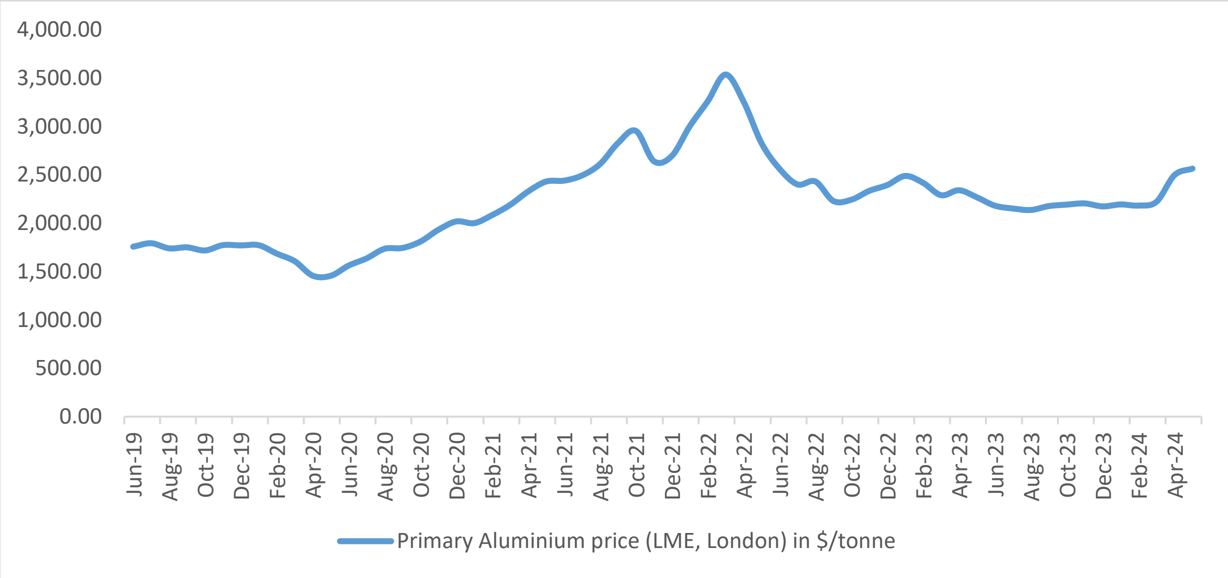
Vedanta Ltd has a smelting capacity of 1.8 mt at Jharsuguda in Odisha. Balco, a subsidiary of Vedanta, has a smelting capacity of 0.57 mt and is situated at Korba in Chhattisgarh. Together, Vedanta and its subsidiary account for approximately 56.5% of the overall smelting capacity in the country. The group has been able to achieve ~100% capacity utilization with record aluminium production in FY2024 at 2.37 mt. Also, Vedanta has a significant market share of ~45% in producing primary aluminium sector in India. The company plans to raise its smelting capacity from 2.4 mt to 3 mt by 2026.

Hindalco, the country's second largest aluminium producing company, has a total capacity of 1.37 mt. The Renukoot plant alone has a capacity of 0.43 mt, while the Hirakud plant has a capacity of 0.21 mt. Additionally, the Mahan plant in Madhya Pradesh and the Aditya Aluminium plant in Odisha both hold a capacity of 0.36 mt each. Hindalco contributes 32.6% to the total installed primary aluminium capacity in India.

Nalco has a smelting capacity of 0.46 mt at its plant in Angul, Odisha, accounting for 11% of the industry's smelting capacity. Going ahead, additional 0.5 mt of smelting capacity is to be added at the Angul district of Odisha.

Overall, the industry currently has a primary aluminium capacity of approximately 4.2 million tonnes.

Chart 18: Primary Aluminium price (LME, London) in $/tonne



Source: LME, CMIE, ICRA Analytics

The LME prices of primary aluminium averaged at $2,250/tonne during CY2023 compared to $2,700/tonne in CY2022, witnessing a drop of ~17% year on year. During CY2022, prices went up by ~9% on year mostly aided by price increase during the first four months of the year as the escalation of the conflict in Ukraine had heightened concerns about potential sanctions on Russian manufacturers and substantial interruptions to the supply of metals. However, during the rest of the year, prices fell led by weaker macroeconomic environment.

During CY2023, the initial two months witnessed improvement in prices, which averaged at around $2,450/tonne due to optimism surrounding the Chinese economy's recovery. However, for the majority of the year, prices fluctuated within the range of $2,100/tonne to $2,300/tonne. This was mainly due to subdued demand, particularly from the building and construction segments, which limited price rise. In the current year, backed by improving manufacturing activities in China, new sanctions on Russian metals and easing of inflationary pressures, aluminium prices rose to $2,565/tonne in May 2024. Continued geopolitical tensions and/or any prolonged lull in demand from the property sector in China could keep the prices volatile in the near term.

2.2.5 Operational Benchmarking:

Table 5: Operational benchmarking

Key indicator	Unit	Vedanta Group			Hindalco Ltd			National Aluminium Co. Ltd		
		FY2022	FY2023	FY2024	FY2022	FY2023	FY2024	FY2022	FY2023	FY2024
Existing capacity	mt	2.38	2.38	2.38	1.30	1.30	1.30	0.46	0.46	0.46
Production	mt	2.27	2.29	2.37	1.29	1.32	1.33	0.46	0.46	0.46
Capacity utilisation.	%	95%	96%	100%	99%	102%	102%	100%	100%	101%
Operating profit per tonne......................	$	1031	322	494	1294	792	822	950	480	401
GHG emissions	MT CO_2/ MT	16.6	16.6	NA	19.6	19.2	19.5	24.9	24.3	NA

Note:

For NALCO, Earnings before interest and taxes (EBIT) for aluminium division has been taken instead of operating profit

Source: Company annual reports, ICRA Analytics

3 Zinc

3.1 Global Overview:

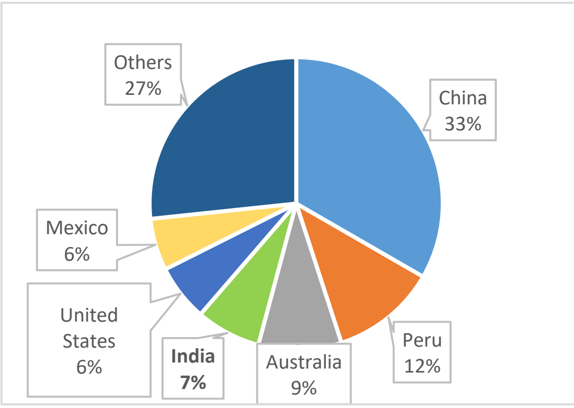
Zinc is the fourth most widely used metal in the world after steel, aluminium and copper. It has diverse chemical, physical, and electrochemical properties, which enables its use in galvanization providing an effective corrosion resistance to steel substrates. Galvanization accounts for 60% of global zinc's application, which in turn finds wide applications in various sectors such as construction, infrastructure, automobiles, home appliances, machinery, and shipbuilding.

Zinc is also used for making alloys with other metals such as aluminium, copper, and magnesium, making it suitable for die-casting alloys, which make up 13% of global zinc consumption followed by brass at 11% and oxide & chemicals at 9%.

As far as end-use market is concerned, the construction sector is the largest consumer of zinc at 50%, followed by the transport sector at 21%, and infrastructure at 16% of total global zinc consumption.

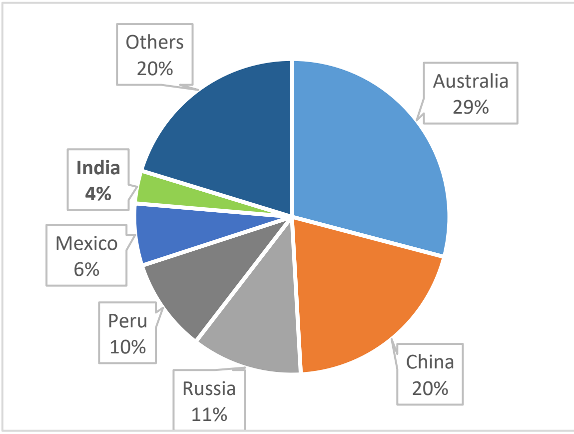
India is the 4th largest zinc producing country in the world with an overall zinc production of 0.86 mt in CY2023 compared to 0.84 mt in CY2022. As far as zinc reserve is concerned, India was ranked 6th at 7.4 mt in CY2023. China, Peru and Australia together account for 54% of the global zinc production while Australia, China and Russia remain the top 3 countries in terms of zinc reserves globally with a combined share of 60%.

Chart 19: Global ranking of zinc producing countries in CY2023



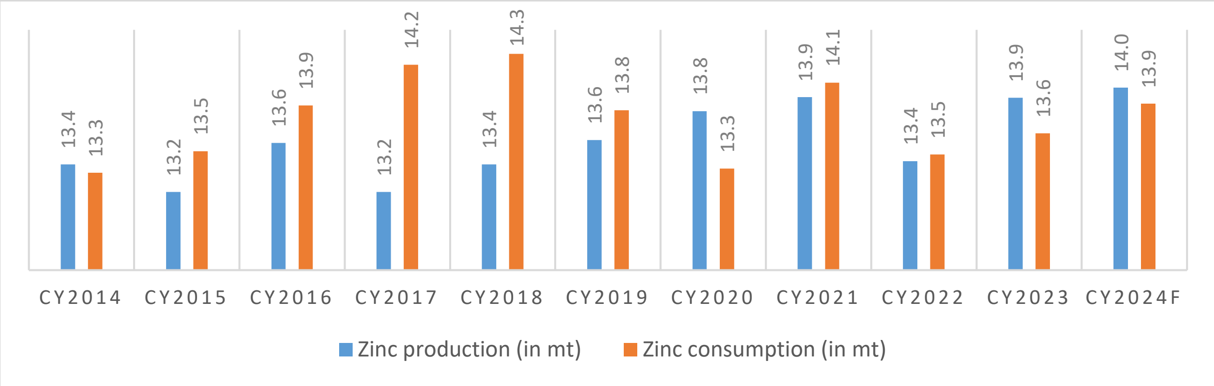
Source: USGS (United States Geological Survey), ICRA Analytics

Chart 20: Ranking of countries in terms of zinc reserves – CY2023



Source: USGS (United States Geological Survey), ICRA Analytics

Chart 21: Global zinc production and consumption trend



Source: International Lead & Zinc Study Group (ILZSG), ICRA Analytics

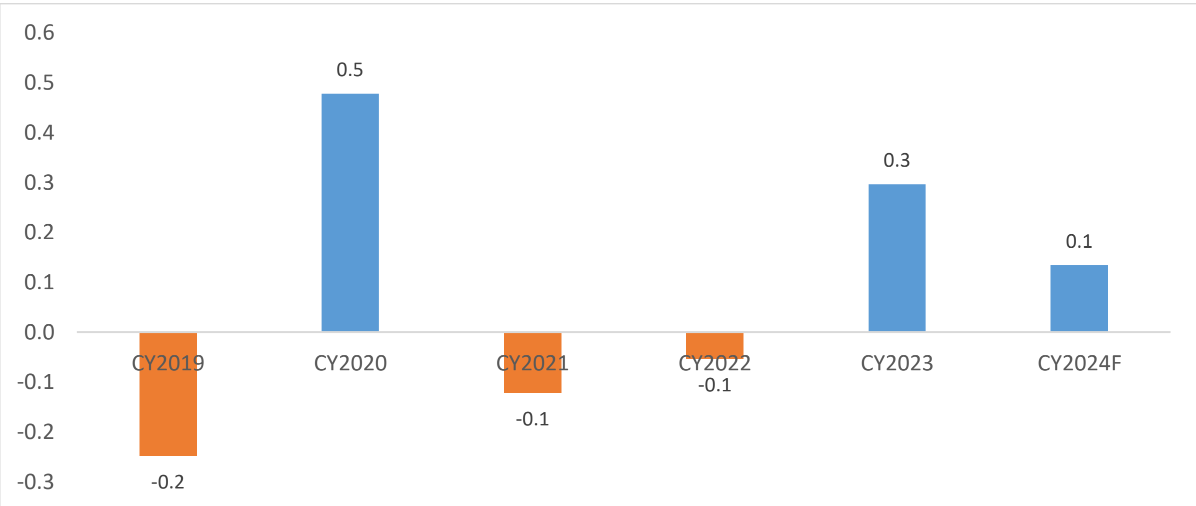
The refined primary zinc production, on the other hand, went up by ~3.9% to 13.9 mt in CY2023 compared to 13.4 mt in CY2022 largely driven by significant uptick in Chinese refined metal production. The demand from the European countries remained muted owing to rise in energy prices, higher interest rates and lower consumer demand. As per ILZSG, the total production in the global market is expected to go up by 0.6% to 14.01 mt in CY2024 owing to production uptick in China.

In terms of zinc demand, it went up by 1.3% in CY2023 to 13.6 mt from 13.4 mt in CY2022 led by strong demand pull from India and China while weakness in United States, Europe, Taiwan and Japan moderated the overall global demand in CY2023. Demand from China was supported by automotive output and infrastructure build, offsetting the weakness witnessed in property sector. It has also resumed imports signalling better demand sentiments.

As per ILZSG, global demand is expected to reach 13.96 mt in CY2024, up by 1.8%. The main contributors to this growth are projected to be India, Italy, Japan, Southeast Asia, South America, and the Middle East. Although demand in Europe and North America is expected to rise, it is likely to grow at rates below the historical trend.

The top producers of refined zinc in the global market are Glencore with a market share of ~7%, Hindustan Zinc at ~6% and Teck Resources at ~2% of the total global zinc consumption.

Chart 22: Global surplus/deficit situation



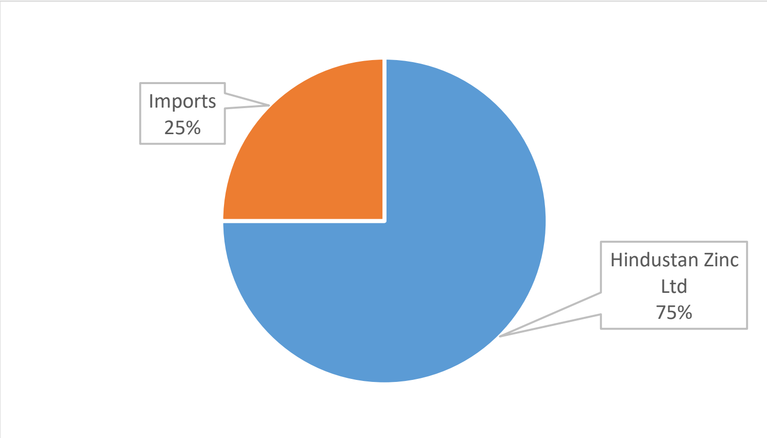
Source: International Lead & Zinc Study Group (ILZSG), ICRA Analytics

The year CY2023 remained in surplus owing to higher uptick in production as compared to moderate rise in consumption which got affected by the subdued demand from world ex-China (mainly United States, Europe, Taiwan and Japan). Going forward in CY2024, the surplus is likely to reduce as growth in consumption will outpace the growth in production on the back of healthy demand from India and China.

3.2 Domestic overview:

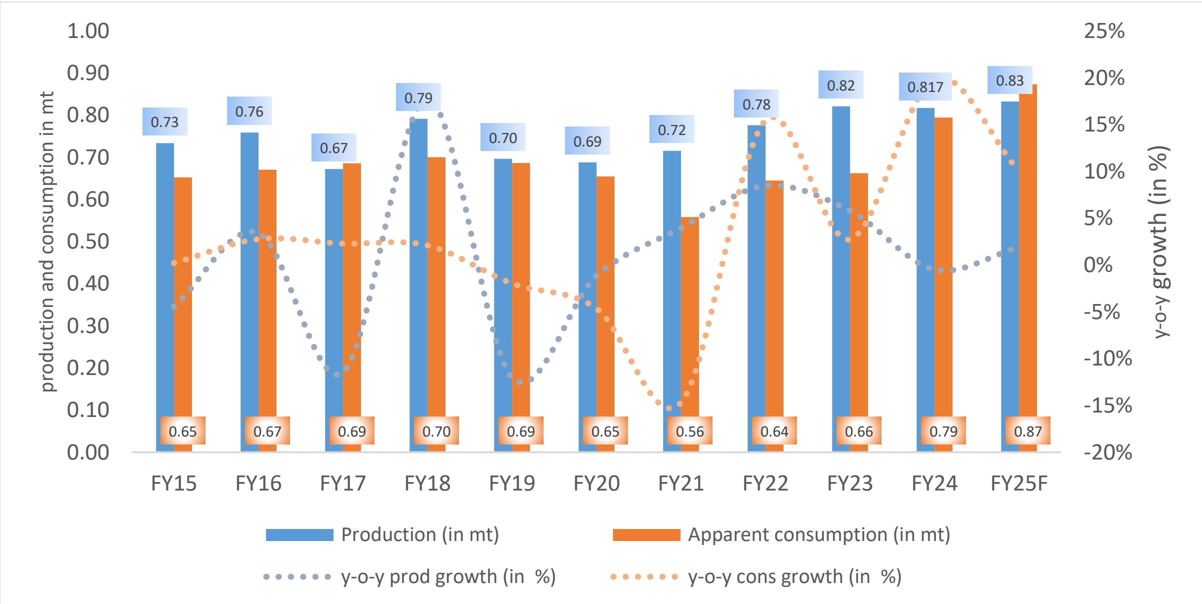
In India, Hindustan Zinc is the market leader with a significant ~75% market share (in domestic consumption terms) and also ranked as the second largest producer of zinc in the world. Apart from Hindustan Zinc, there is no other primary zinc producer in India and hence the balance 25% of its consumption is met through imports. With respect to the end-use industries of zinc, the construction and infrastructure sectors in India predominantly rely on galvanised steel, which accounts for over 70% of the zinc demand in the country.

Chart 23: Source of India's zinc consumption



Source: Company reports, CMIE, ICRA Analytics

Chart 24: India's refined zinc production and consumption trend



*Source: CMIE, ICRA Analytics, *Apparent consumption = production +imports -exports*

During FY2024, India's mine production went up while the refined zinc production remained largely unchanged at 0.82 mt. For FY2025, refined zinc production growth of up to 1.9% is expected as per the guidance given by HZL.

During FY2024, primary zinc consumption went up significantly by ~20% to 0.79 mt compared to ~0.66 mt in FY2023 owing to demand pull from infrastructure and construction segment led by increased government's spending owing to FY2024 being the pre-election year. As per ICRA ratings report, domestic primary zinc consumption is likely to grow at a healthy rate of ~10% in FY2025 driven by similar growth rate expected in domestic steel consumption during that year.

Per capita zinc consumption in India is at a much lower rate at 0.4-0.5 kg compared to the global standards at 1.7-1.8 kg, indicating the long-term demand potential of zinc as a metal in the domestic market. During FY2024, per capita consumption of zinc in India stood at 0.5 kg, at 4.7 kg for China and at 1.7 kg globally.

Going forward, the domestic demand for zinc is expected to be strong due to the government's continued thrust on infrastructure development, urbanization, and industrialization leading to a surge in demand for zinc-intensive materials. India's prominent position in steel production, coupled with impressive growth in the Index of Industrial Production (IIP) and Manufacturing PMI figures, highlights a robust economy with a rising need for zinc.

3.2.1 Major demand drivers of zinc:

- A significant portion of demand in the zinc industry comes from the coated steel (which involves galvanizing and/or painting) industry. As per the National Steel Policy 2017, crude steel production is expected to reach 255 mt by FY2031, expectedly growing at a CAGR of ~9% over the next 7 years as compared to 144 mt in FY2024 while demand for finished steel is expected to grow at a CAGR of ~8% in the next 7 years from 136.3 mt in FY24 to 230 mt in FY31. This is return will create spillover demand for zinc in India.

- Domestic steel consumption growth is expected at ~9-10% in FY2025. While this is a moderation compared to 13.6% growth in FY2024, it remains much higher than the historical CAGR reported by the industry during the last 10 years and would support zinc demand in India in the upcoming fiscal year.

- There are other steel-intensive projects such as including the National Infrastructure Pipeline, new railway corridor (3 new railway corridors have been announced in the budget proposal for 2024-25), NaMo Bharat, several ongoing metro projects coupled with the conversion of existing 40,000 bogies to Vande-Bharat standards which are expected to boost demand for zinc in the future ahead.

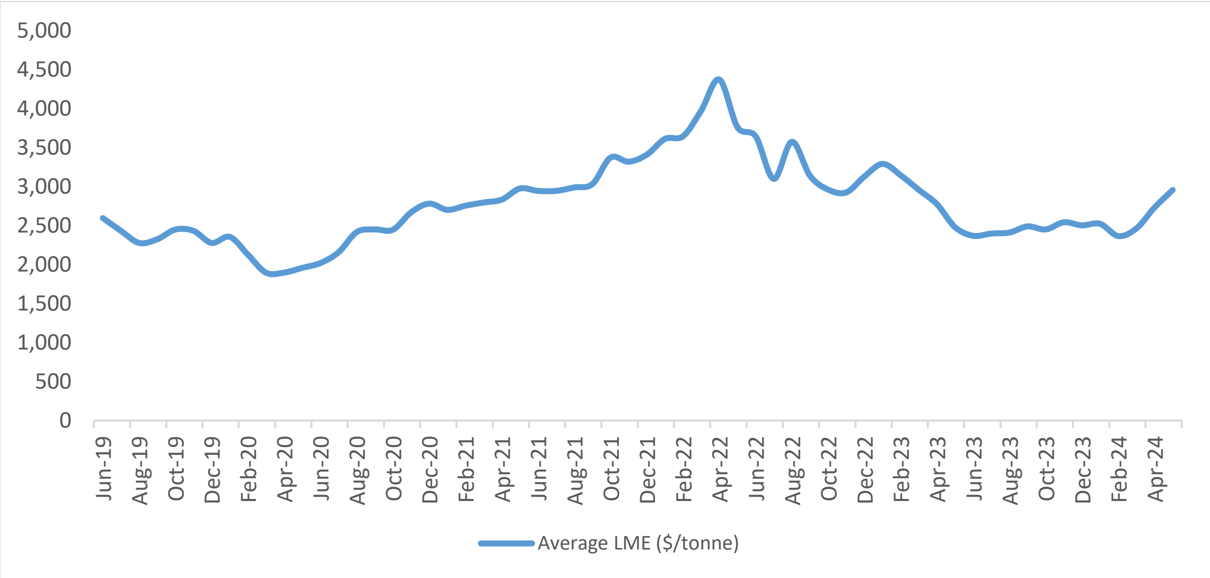
- Indian Railways has emerged as a significant catalyst for the demand of zinc. Prioritizing safety and speed, it has successfully launched 18 Vande Bharat trains so far (with plans for an additional 478 trains) and is actively implementing various measures to safeguard the rail network against corrosion.

- The automobile segment has also been the driving force for zinc demand in the market. Looking at the sub-segment from the automobile sector, Passenger vehicle (PV) volumes grew by 6-9% in FY2024 as per ICRA Ratings report and are likely to grow by 3-6% in FY2025 due to waning pent-up replacement demand and elevated inventory levels at dealerships. Commercial vehicle (CV) segment grew by 2-5% in FY2024 but is expected to report a de-growth of 4-7% in FY2025 because of inherent exposure of infrastructure activities to the model code of conduct, ahead of the General Elections and high base effect. Two wheelers (2W) segment grew by 8-11% in FY2024 and supported by rising per capital income and financing availability, it is expected to grow by 7-10% in FY2025. Spurred by Government support in the form of subsidies, enhanced awareness and increasing product launches, the electric vehicle (EV) segment too has seen a material upturn in prospects over the past two years. All these factors bode well for domestic steel consumption in the near-to-medium term which is turn will bolster demand for zinc.

- There is a notable emphasis on the development of road infrastructure, power generation and transmission, as well as 5G-related telecom infrastructure, which is anticipated to stimulate the demand for zinc.

3.2.2 Trade Trends:

Chart 29: Primary zinc price trend (LME, London) in $/tonne



Source: CMIE, ICRA Analytics

Zinc prices have typically remained range bound in the past but exhibited volatility during the events such as pandemic and geopolitical tensions. The LME zinc prices averaged at $2,649/tonne in CY2023, down by 24% as compared to elevated levels of $3,485/tonne in CY2022 led by Russia-Ukraine conflict. In the recent months of CY2024, the pickup in Chinese manufacturing operations and disruptions in supply chains have resulted in a notable escalation in the prices of zinc. Current demand-supply dynamics point at firm zinc prices in the near term.

Table 6: Operational benchmarking against leading zinc producers globally

Key indicator	Unit	Hindustan Zinc Limited*			Glencore Plc			Teck Resources		
		FY2022	FY2023	FY2024	CY2021	CY2022	CY2023	CY2021	CY2022	CY2023
Production	mt	0.78	0.82	0.82	1.12	0.94	0.92	0.28	0.25	0.27
Operating profit per tonne	$	2,818	2,661	2,022	1,034	1,574	1,083	3,267	4,062	2,744
GHG emissions intensity	MT CO2/ MT	5.0	4.4	4.5	7.4	7.9	6.4	5.2	5.4	6.6

Note:

GHG emissions intensity for Glencore is for its entire metals smelting business; For Teck Resources, Gross profit has been considered instead of operating profit and GHG emissions intensity is calculated for its copper and zinc smelting operations.

* HZL numbers are for zinc business only

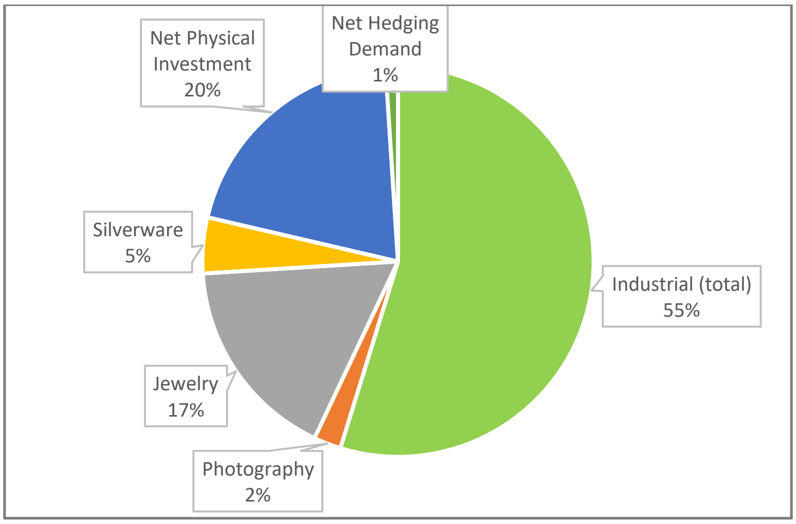
Source: Company annual reports, ICRA Analytics

4 Silver

4.1 Global overview:

Silver is the world's most reflective metal and is an indispensable material in the precious metal industry because of its unique property of high electrical and thermal conductivity. Silver being an extremely versatile metal, has widespread usage in industries like solar, electronics, catalysts, brazing and soldering, automobiles etc. It is also used in photography, jewelry and silverware extensively.

Chart 30: Market segregation of end user demand-



Source: Silver Institute org, ICRA Analytics

The demand for silver is segregated across various industries with the Industrial sector accounting for the highest share at 55%, within which electrical & electronics forms a major share (68%). The photovoltaics sector, which falls under electrical & electronics segment, has a dominant 43% share in silver consumption and is projected to witness a strong growth thus playing a significant role in pushing silver demand upward. Silver demand growth estimates across end-user industries are given below.

Table 7: Silver demand growth across end-user industries

Demand	CY2023	CY2024(E)	CY2023 (Y-O-Y)	CY2024F (Y-O-Y)	% share
			(in million ounces, moz)		
1. Industrial (total)	654.4	710.9	11%	9%	55%
Electrical & electronics	445.1	485.6	20%	9%	68%
of which photovoltaics	193.5	232	64%	20%	43%
Brazing Alloys & Solders	50.2	51.8	2%	3%	8%
Other Industrial	159	173.5	-5%	9%	24%
2. Photography	27	26.1	-2%	-3%	2%
3. Jewellery	203.1	211.3	-13%	4%	17%
4. Silverware	55.2	58.8	-25%	7%	5%
5. Net Physical Investment	243.1	212	-28%	-13%	20%
6. Net Hedging Demand	12.2	0	-32%	—	1%
Total Silver Demand	**1,195.00**	**1,219.10**	**-7%**	**2%**	**100%**

Source: Silver Institute, ICRA Analytics

Silver is mostly obtained from lead-zinc, copper, and gold mines as a by-product. A total of 71.7% has been produced as a by-product in CY2023. The share of production from primary silver mines accounted for 28.3% of the total mine output in CY2023.

Table 8: Top 5 global silver producing companies

Name of the companies	**CY2023 production**	**% share**	**5-year CAGR growth %**
	(in moz)		
Fresnillo	53.5	6%	0.8%
KGHM polska Miedz	45.9	5.5%	0.2%
Hindustan Zinc Ltd.	23.8	2.9%	4%
Pan American Silver	20.4	2.5%	-6%
Glencore	20	2.4%	-11%
Others	666.9	80%	0.2%
Total production	**830.5**	**100%**	**-0.2%**

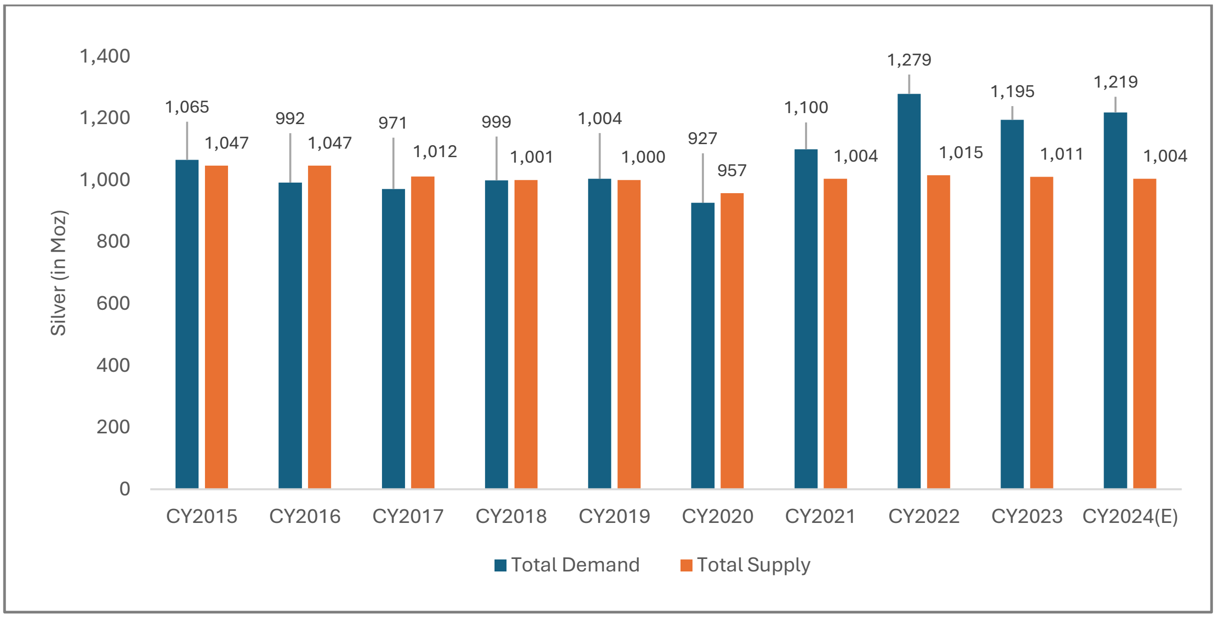
Source: Silver Institute org, ICRA Analytics

KGHM Polaska's mine in Poland with a production of 41.1 moz in CY2023 is the largest in the world, followed by Hindustan Zinc Ltd's Sindesar Khurd mine with a production of 19.0 moz.

The global silver mine production stood at 830.5 moz in CY2023 compared to 836.7 moz in CY2022. This, coupled with largely flat recycling volumes, kept total global supply of silver at 1003.8 moz compared to 1010.7 moz in CY2022. Mexico has been a leading producer of silver followed by China, Peru, Chile, Bolivia. In CY2023, India ranked eleventh amongst the top silver producing countries with a production of 23.8 moz.

In India, Hindustan Zinc Ltd (HZL) is the leading primary silver producer and is the third largest silver producing company in the world with a market share of ~3% globally. India's output increased by 6% in CY2023 on the back of higher ore production and improved grades from HZL. In the last five years, HZL has registered the highest CAGR growth of ~4% compared with marginal growth witnessed for Fresnillo and KGHM polska Miedz, while others have registered a de-growth during the same period.

Chart 32: Global Silver Production and Consumption



Source: Silver Institute org, ICRA Analytics

4.1.1 Global Production:

In CY2022, the global silver production witnessed uptick from 1,004.3 moz to 1,015.4 moz. In CY2023, the global silver production stood at 1,010.70 moz, while there has been a ~1% growth in silver recycling of 178.6 moz, which is about 18% of the total supply for the year.

Going ahead, in CY2024, global silver mine production is further expected at 823.5 moz with slow down in production from Peru. Nevertheless, in CY2025, silver mine production is expected to rise as more start up mines commence production.

4.1.2 Global Consumption:

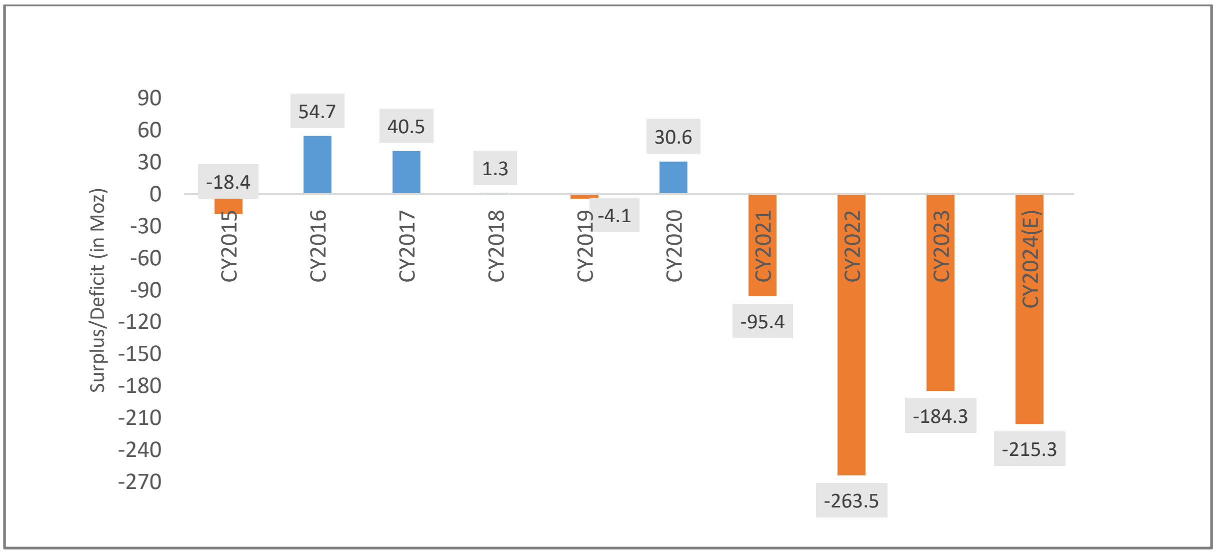
The total demand in silver sector was 1,195 moz. Structural changes in jewellery and silverware sector along with price sensitive physical investments led to some tapering in demand in CY2023.

On the other hand, the use of silver in industrial applications set a record high of 654.4 million ounces during CY2023, up by ~11% compared to 588.3 moz last year. Higher use of silver in photovoltaic sector, electrical components used in automobile industry and other applications has fueled the consumption of silver over the past years. In China, the industrial demand for silver increased by 44% to 261.2 moz mainly as China expanded in green application mainly in the photovoltaic technology sector. Globally, the Photovoltaic (PV) installations increased more than expected, and thereby increasing the demand for silver, substantially by 20%.

Going forward in CY2024, the global silver demand is expected to increase by ~2%, due to continued increase in demand pull from the industrial applications and expected recovery in jewellery and silverware demand led by higher discretionary spending and restocking. India is anticipated to make the largest contribution, partly due to the resumption of restocking by retailers.

4.1.3 Market Balance:

Chart 33: Global Supply – Deficit scenario



Source: Silver Institute org, ICRA Analytics

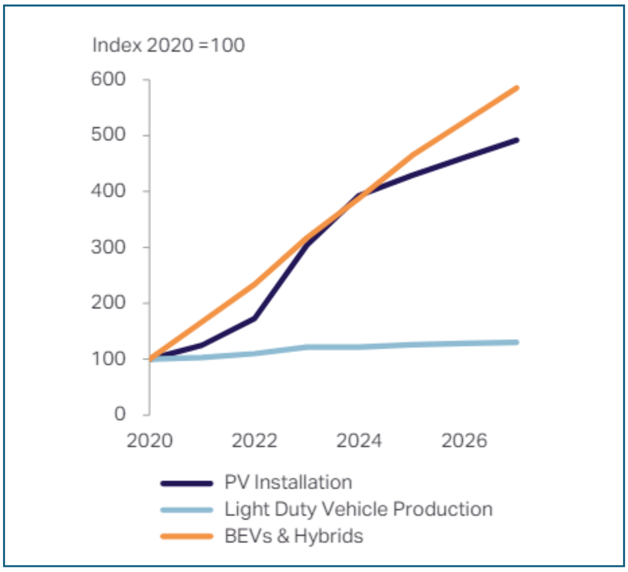
For the third consecutive years, CY2023 saw a deficit, due to demand exceeding the supply for silver. During the past two years the market was in deficit by 95.4 moz and 263.5 moz for CY2021 and CY2022 respectively, with CY2022 reaching record high deficit in the past decade. The deficit has reduced by ~ 79.20 moz from CY2022 to 184.3 moz in CY2023. The deficit is mainly caused by an overwhelming demand from industrial sectors, coupled with slight decline in silver's global supply. The expansion of renewable and solar industry acted as the major catalyst for increased demand in industrial sector. Following these trends, going ahead in CY2024, the market is expected to slide into further deficit by 17% at 215.3 moz owing to increased industrial growth and stagnant silver global supply.

4.1.4 Long term outlook:

The silver mine production is expected to rise in CY2025 as more start up mines come in line and even contribute to setting a highest record since CY2016. Canada, Peru, Russia and US are forecast to contribute the largest production increases over the next five years. Silver recycling is also to achieve greater gains in the coming years as most of it will come from jewelry and silverware segments with the expectation of higher silver prices.

Total silver demand will continue to grow for the next few years primarily driven by industrial applications. It is eventually expected to come down to last year's level after few years owing to forecasted uptick in price. The anticipated growth of industrial fabrication is partially driven by cyclical elements like the overall growth of the global GDP and advancements in sectors like construction and consumer electronics that are particularly relevant to silver. Additional growth is expected to result from fundamental shifts, including the transition from internal combustion engine (ICE) to battery electric vehicles (BEVs) in vehicle manufacturing and continuous decarbonization initiatives like the installation of photovoltaic (PV) panels.

Chart 34: Key demand drivers of silver in the long term

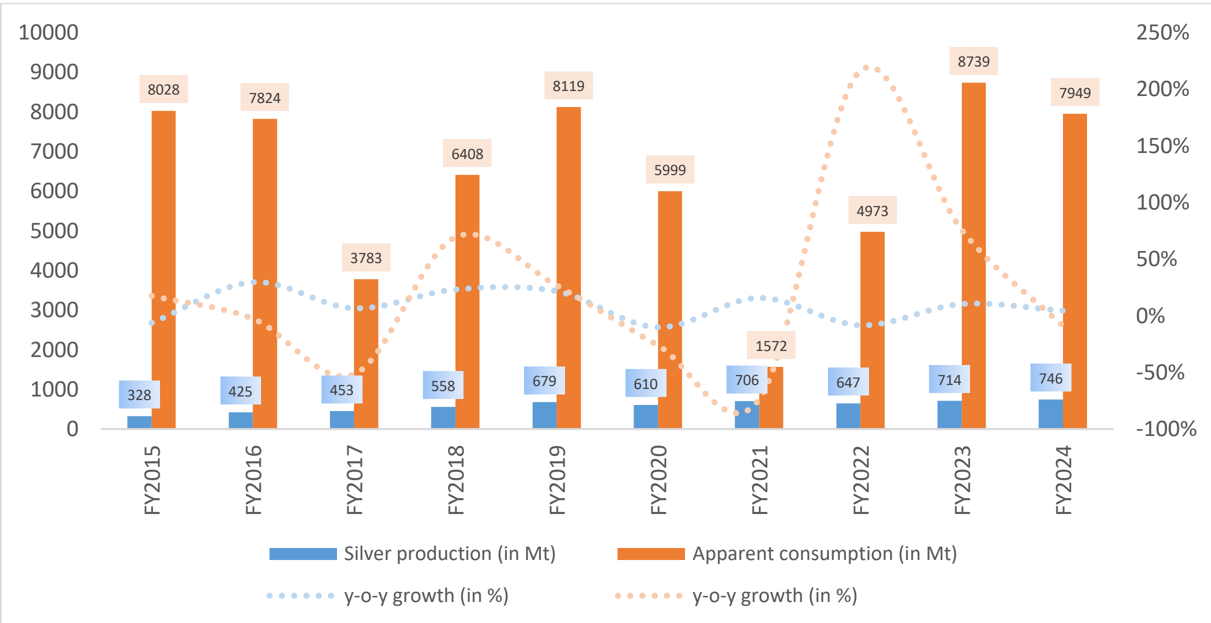


Source: World Silver Survey, 2024, ICRA Analytics

4.2 Domestic overview:

India ranks as the 11th largest producer of silver in the global market (as per the World Silver Survey 2024), with annual production reaching 746 metric tonnes (MT) in FY2024. Hindustan Zinc Limited (a Vedanta group company), is the only primary silver producer in India. Its largest mine is in Rajasthan, Sindesar Khurd Mine, which now stands as the 2nd largest silver producing mine globally.

Chart 35: Domestic Silver Production and Consumption trends



Source: Silver Institute org, ICRA Analytics

The domestic silver production went up by ~4% in FY2024 to 746 MT, highest ever silver production in India, compared to 714 MT in FY2023. Domestic silver production has exhibited healthy growth, with the production more than doubling in the last decade and increasing by over 15 times in the past 20 years due to the robust economic and industrial growth and productivity gains at the producer level. Also, silver reserves in India have grown to 8,000 MT in CY2023 from 7,200 MT in CY2022 as per USGS data. Furthermore, significant thrust on renewable energy generation and in turn solar sector by the Government has boosted silver consumption in the country.

After the economic slowdown amid covid-19 crisis in FY2020 and FY2021, silver consumption regained momentum, up by ~216% in FY2022 on a low base. It further increased by ~76% to 8739 MT in FY2023. However, during FY2024, silver demand in India dropped by ~9% to 7949 MT owing to higher silver prices led by currency depreciation. Since India's silver jewellery demand is highly price sensitive, the price increase led to a drop in demand and consumption levels. On the other hand, silver coin's demand in India is largely driven by religious sentiments and for gifting purposes and is mainly immune to price fluctuations.

For the jewelry fabrication and silverware segment, demand declined for most of the year during FY2024 after reaching an all-time high in FY2023. Destocking, coupled with record high rupee prices due to rise in bullion import duties and depreciation of currency, all of which led to dampening of demand sentiments.

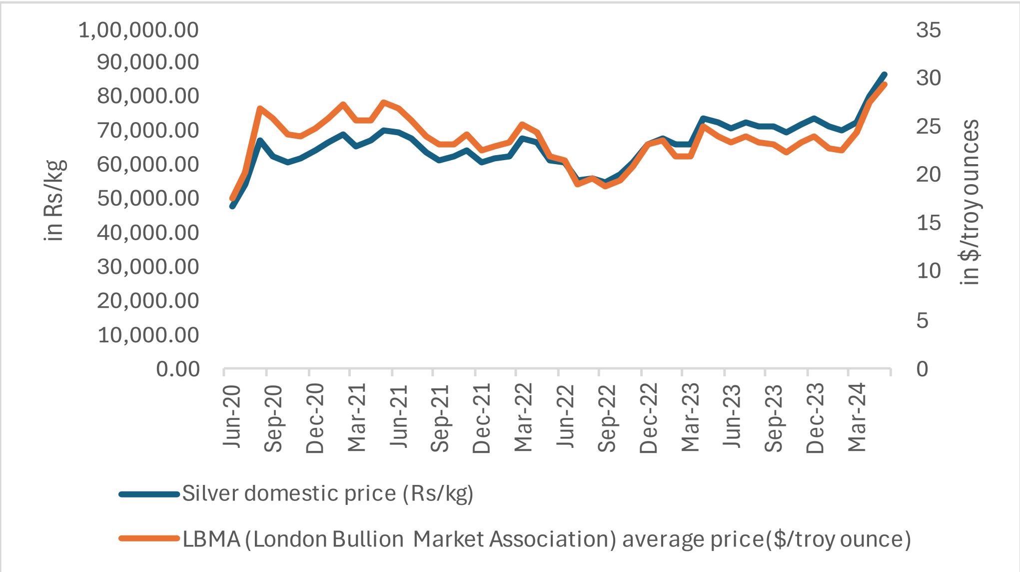
4.2.1 Major demand drivers for silver market:

- India aims to achieve Net Zero Carbon emissions by 2070 and has announced to meet 50% of its electricity needs through renewable energy sources. To achieve this, the government is actively introducing schemes and projects to develop the renewable sector. Solar industry plays a key role in this development. The rise in PV installations and strengthening of solar segment has resulted in increased silver demand, as silver is a major component for creating photovoltaic cells.

- The growth in the industrial sector translates into increased demand for silver, as it is an essential raw material due to its exceptional electrical conductivity. From the penetration of electric vehicles (EVs) in the automobile sector to the introduction of 5G network in telecommunications, all hint at a surge in industrial demand for silver in the domestic market.

- Electronics and electrical appliance manufacturers are the primary buyers of industrial silver due to its good electrical conductivity. This makes silver the ideal material for a wide range of products, including printed circuit boards, switches, and TV screens. Silver membrane switches, are utilized in various devices such as televisions, telephones, microwave ovens, toys, and computer keyboards. Additionally, silver is also employed in traditional switches, such as those used for controlling room lights.

Chart 37: International and Domestic silver price



Source: Silver Institute org, ICRA Analytics

The global silver prices saw a decline during the Covid-19 pandemic, but since then the prices have recovered strongly over the last three years. The global LBMA silver price averaged at $23.4/troy ounces during CY2023, up by ~7% compared to $21.8/troy ounces in CY2022. The silver prices saw an increase of over ~23%, reaching $29.4/troy ounces in May 2024 compared to $24/troy ounces in Dec 2023.

The rise in global prices during CY2023 and first few months of CY2024 can be attributed to global geo-political tensions, aggressive buying at China's end, and shifting of consumer sentiment towards safe-haven assets.

The domestic price of silver in India typically follows the trend observed in the global prices. The domestic price of silver averaged at Rs 72,110/kg during FY2024 compared to Rs 61,820/kg in FY2023. From the beginning of FY2025, the silver prices saw a hike of over ~14% compared to the same period last fiscal, reaching a record high of Rs. 86,963/kg in May 2024. The prices have shown a general uptrend, with a significant increase of ~81% since June 2020, right after pandemic started.

The recent surge in prices comes in the wake of Government increasing import duty on silver bars, articles and dores as announced in the Union budget of 2023, which came into effect from January 2024. The basic customs duty for silver was increased from 7.5% to 10% while the Agriculture Infrastructure and Development Cess (AIDC) on imports was raised from 2.5% to 5%, which makes the total effective import duty on silver at 15%. For silver dore, the basic import duty increased to 10% while AIDC was set at 4.35%. Lastly, the import duty on silver articles was changed from 22% to 25%. Furthermore, increased domestic demand, depreciation of the Indian currency along with overall high global prices have led to an increase in the prices of silver in the domestic market.

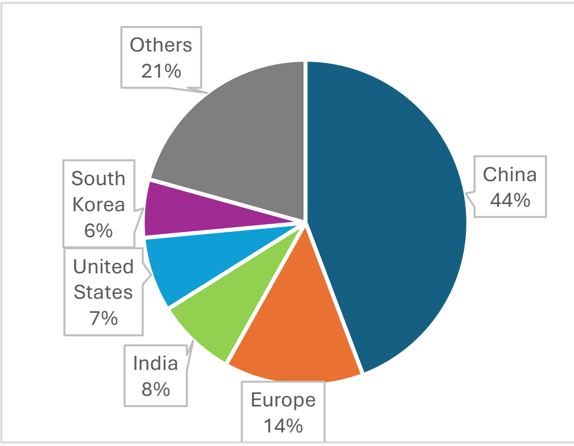
5 Lead

5.1 Global Overview:

Lead is a soft base metal which is highly malleable and ductile and is predominantly used in the manufacture of batteries. India is the 3rd largest producer of refined lead globally with a market share of ~8% during the year CY2023 and is ranked as the 4th largest consumer of refined lead globally with a market share of ~7% during CY2023.

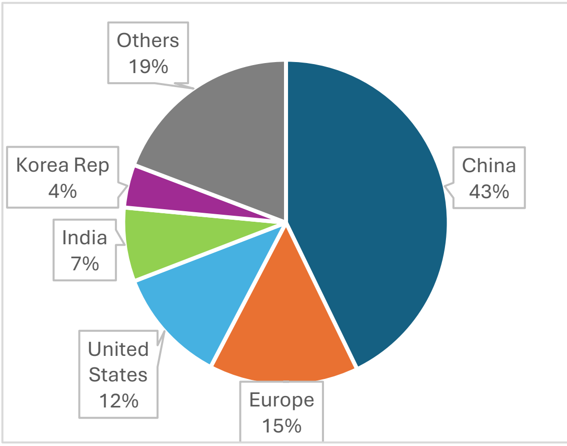
China is the leading producer and consumer of refined lead in the global market followed by Europe.

Chart 38: Global ranking of refined lead producing regions in CY2023



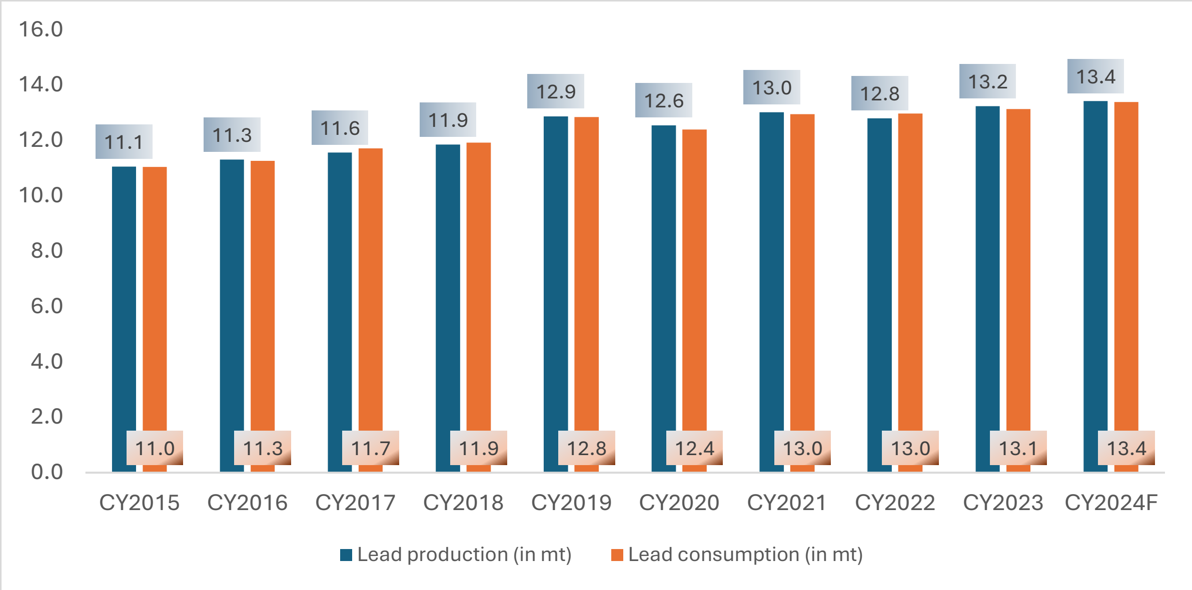
Source: USGS, ICRA Analytics

Chart 39: Global ranking of refined lead consuming regions in CY2023



Source: USGS, ICRA Analytics

Chart 40: Global production and consumption trends of refined lead

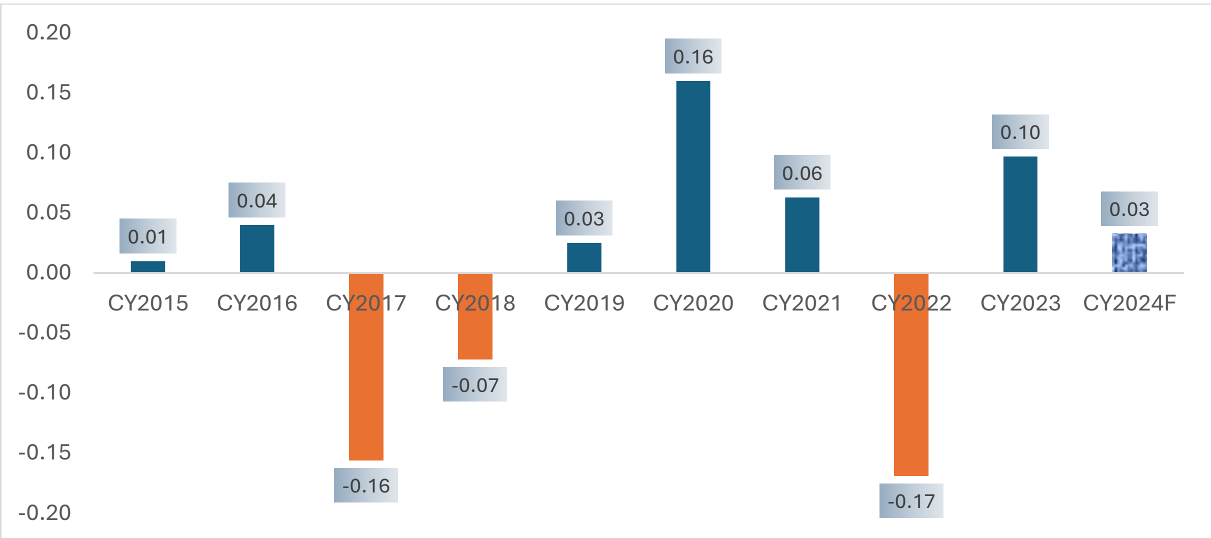


Source: ILZSG, ICRA Analytics

Lead production and consumption witnessed healthy momentum in CY2023, where both went up by ~3% and ~1% respectively. The production went up on the back of good demand sentiments in the first half. However, during the second half of CY2023, the global demand mostly remained subdued owing to high inflation and rising interest rates especially in countries like USA, EU and China.

Going ahead, production and consumption are expected to continue this upward trend as demand for lead-acid batteries will remain essential for powering critical electrical systems in electric vehicles, despite facing competition from alternative options in the changing EV market. Furthermore, the worldwide shift towards sustainable solutions will further boost the use of lead-acid batteries in renewable energy storage systems.

Chart 41: Market balance for refined lead



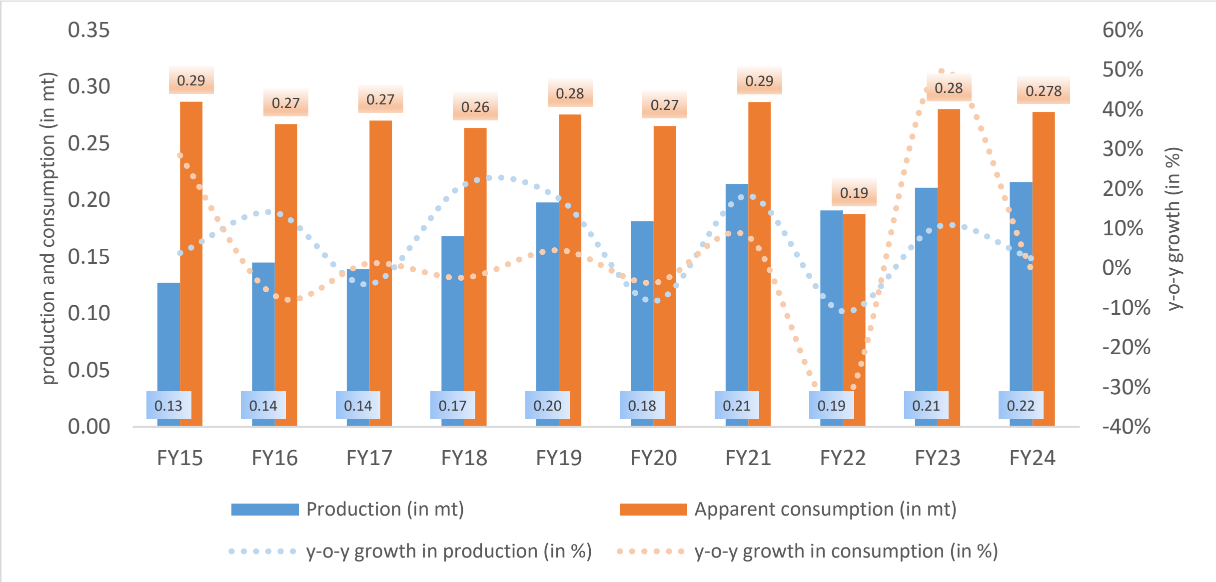
Source: ILZSG, ICRA Analytics

Coming to market balance, improving supply kept the refined lead market in surplus during CY2023 after being in deep deficit during the year CY2022, which witnessed a significant dip in production. Going forward in

CY2024, market is again expected to be in surplus, but the gap will come down as both production and consumption are expected to go up.

5.2 Domestic overview:

Chart 42: India's lead production and consumption trend



*Source: CMIE, ICRA Analytics, *Apparent consumption= production +imports-exports*

During FY2024, total domestic refined primary lead production stood at 0.22 mt, marginally went up by ~2% compared to 0.21 mt in FY2023 led by rise in exports. The production grew at a CAGR of ~6% during the last decade. Hindustan Zinc Ltd is the leading producer of refined lead in India with a market share of ~66% during FY2024.

As compared to global trend where demand was up by ~2%, India exhibited a contrasting trend in terms of consumption. The primary lead demand in FY2024 was approximately 0.28 mt, reporting a marginal decline from the previous year. This decrease is mainly due to the higher usage of secondary lead and substitute materials instead of primary refined lead. However, the Indian automotive sector bucked the global trend, which helped in limiting any further fall in demand.

Going forward, domestic lead market is expected to be tight owing to expected rise in consumption trend coupled with minimal mine supply growth.

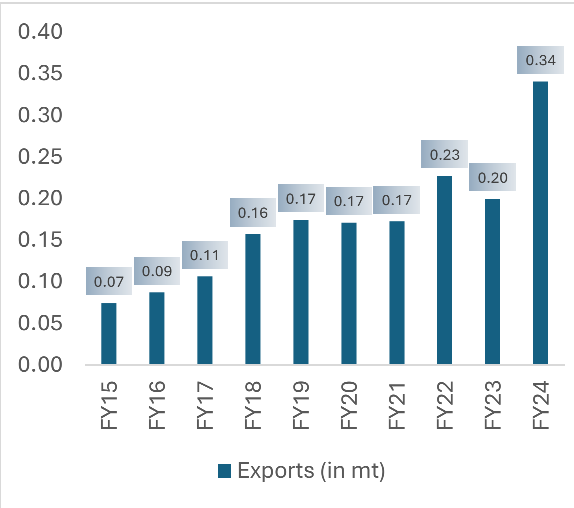
Key demand drivers for lead market are-

- The surge in urbanization and industrialization coupled with the growing consumption of automobiles, are projected to serve as the primary factors driving the demand for lead. Passenger vehicle (PV) volumes grew by 6-9% in FY2024 as per ICRA Ratings report and are likely to grow by 3-6% in FY2025 due to waning pent-up replacement demand and elevated inventory levels at dealerships. Commercial vehicle (CV) segment grew by 2-5% in FY2024 but is expected to report a de-growth of 4-7% in FY2025 because of inherent exposure of infrastructure activities to the model code of conduct, ahead of the General Elections and high base effect. Two wheelers (2W) segment grew by 8-11% in FY2024 and supported by rising per capital income and financing availability, it is expected to grow by 7-10% in FY2025.
- The industrial battery segment is projected to continue experiencing strong demand, particularly for battery replacements in data centers, banks, ATMs, and other critical applications. As India places a

strong emphasis on renewable energy, the demand for energy storage solutions for electricity generated from photovoltaics is expected to further contribute to the upward trend in demand.

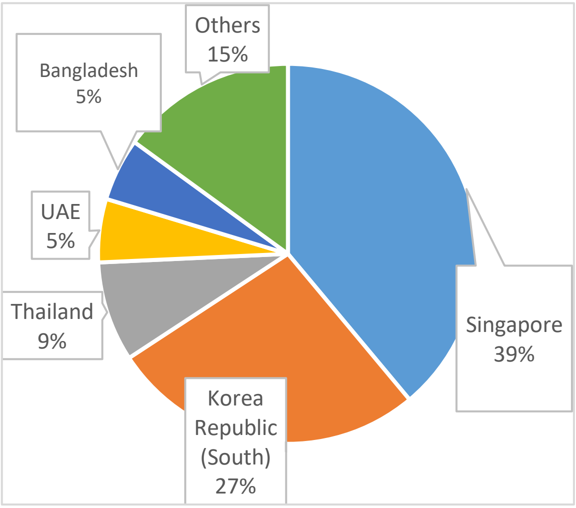
- Government schemes like FAME-II and Electric Mobility Promotion Scheme 2024 (EMPS 2024) aim to encourage the use of electric vehicles (EVs), which will enhance the demand for lead in the domestic market. The demand push in the automotive sector will continue to play a crucial role in driving the demand for refined lead due to its heavy reliance on lead-acid batteries and inverter batteries. Furthermore, government schemes and strong export demand for lead-intensive products like galvanized sheets are likely to indirectly boost lead consumption.

Chart 43: India's lead export (in mt)



Source: CMIE, ICRA Analytics

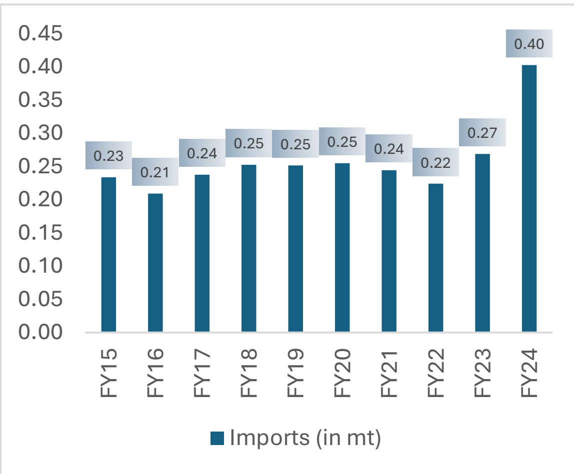
Chart 44: India's lead export destination



Source: CMIE, ICRA Analytics

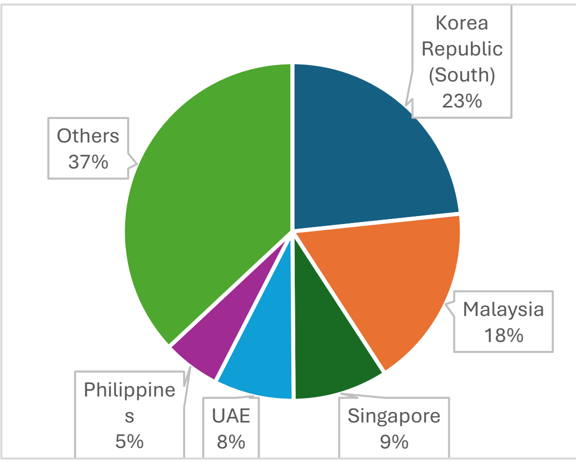
India's lead exports went up significantly by ~71% to 0.34 mt during FY2024 compared to 0.20 mt in FY2023. The export volume grew at a CAGR of ~18% during the last one decade. The top 3 exporting destination for India are Singapore, South Korea and Thailand, which account for almost ~75% of the total exports.

Chart 45: India's lead import (in mt)



Source: CMIE, ICRA Analytics

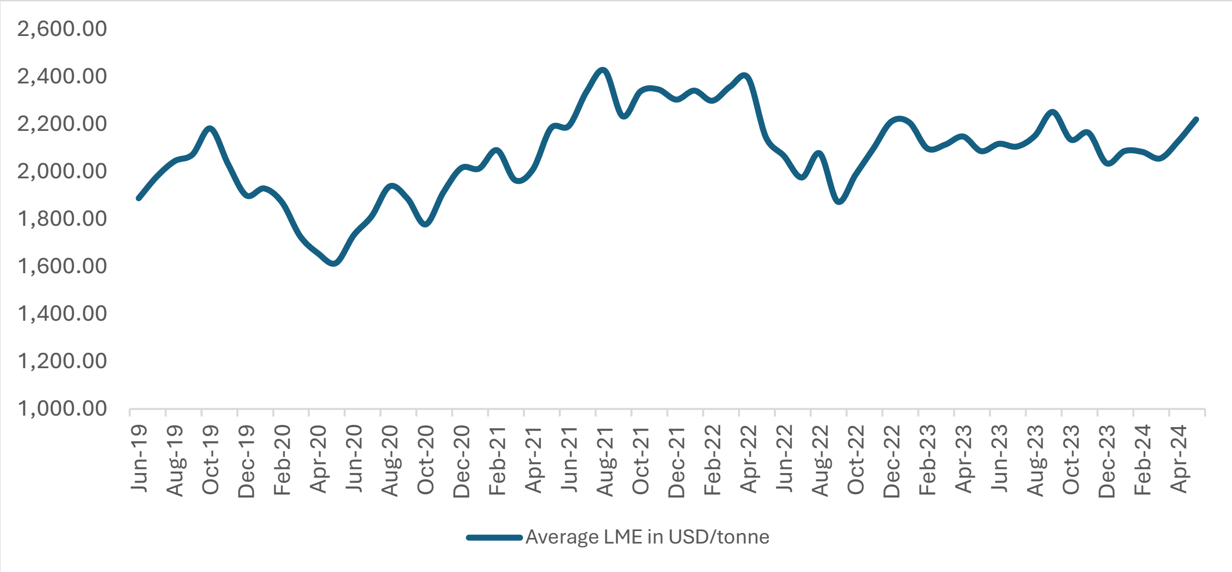
Chart 46: Key lead exporters to India



Source: CMIE, ICRA Analytics

The import volume has been going up since the last two years by ~20% & ~50% for FY2023 and FY2024 respectively. The imports stood at 0.40 mt during FY2023 compared to 0.27 mt in FY2023. The top exporters to India are South Korea, Malaysia and Singapore, which together account for ~50% of total imports.

Chart 47: International lead prices (in $/tonne)



Source: CMIE, ICRA Analytics

The international price of refined lead stood at $2,135/tonne during CY2023, marginally down by 0.8% compared to $2,153/tonne during CY2022. The prices remained slightly lower as market mostly remained in surplus during the year. However, prices have gone up during the first five months of CY2024 owing to better demand sentiments.

Going ahead, although surplus situation is expected to continue during CY2024, the gap between production and consumption is expected to narrow, which in turn is expected to support price momentum.

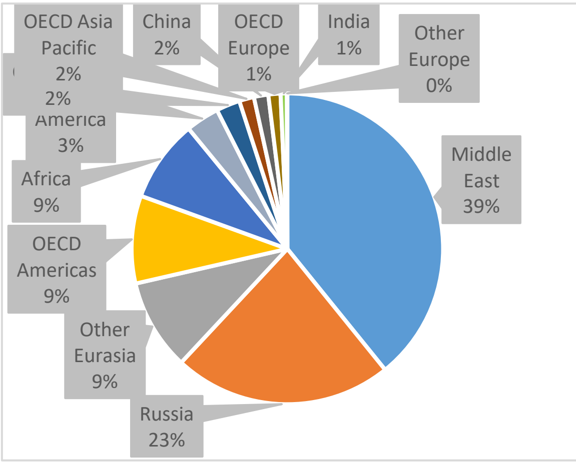
6 Oil & Gas

6.1 Global Overview:

The global proven crude oil reserves have witnessed an uptick of 5.7% over 10-year horizon from 14.8 lakh million barrels (mb) in 2012 to 15.64 lakh mb in 2022. In 2019 alone, the reserves witnessed annual growth of 4%. This implies growing exploration of oil wells or resources, which is expected to cater to the growing energy requirements of the global economy. A similar scenario exists for proven natural gas reserves with the same witnessing a growth of 4.25% during the abovementioned period.

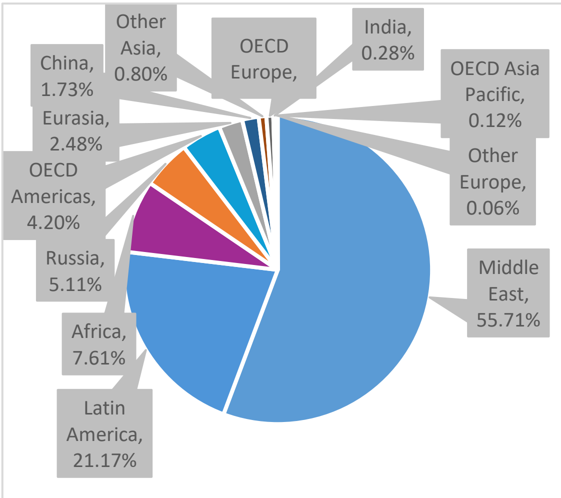
Governments across the world have taken cognizance of the recent shifts and the re-consideration of energy transition policies & targets, which has led to greater emphasis on energy security.

Chart 48: Region/country wise share of world proven natural gas reserve, 2022



World proven natural gas reserves - 2,10,063 bn scm

Chart 49: Region/country wise share of world proven natural gas reserve, 2022



World proven crude oil reserves - 15,64,441m b

Source: Organization of the Petroleum Exporting Countries (OPEC), ICRA Analytics

The rising global population and economic growth are likely to impact the primary energy demand with the same expected to increase from around 291 million barrels of oil equivalent per day (mboe/d) in 2022 to close to 359 mboe/d in 2045, an increase of 68.3 mboe/d, or 23% over the outlook period. The major growth driver will be the non-OECD region, which is expected to increase by 69 mboe/d over the outlook period. Within the non-OECD region, around 28% of the growth is expected to come from India alone. Meanwhile, energy demand in OECD countries is expected to marginally decline in the outlook period.

Table 9: Total primary energy demand by region, 2022–2045

Nation	Levels						Growth		Share	
	2022	2025	2030	2035	2040	2045	2022-2045	2022-2045	2022	2045
			(mboe/d)				*(mboe/d)*	*(% p.a.)*	*(%)*	
OECD....................	106.6	107.1	108.2	108.0	107.1	105.9	-0.7	0.0	36.7	29.5
Non-OECD............	184.3	196.8	214.7	230.3	244.5	253.3	69.0	1.4	63.3	70.5
India	19.2	21.3	25.4	29.7	34.1	38.5	19.3	3.1	6.6	10.7
China	71.3	75.2	78.1	78.7	78.1	77.4	6.1	0.4	24.5	21.6
OPEC	20.3	22.8	26.4	29.6	32.6	34.7	14.4	2.4	7.0	9.7
World	290.9	303.9	322.9	338.3	351.6	359.2	68.3	0.9	100.0	100.0

Source: OPEC, ICRA Analytics

According to the World Oil Outlook 2045 Report 2023 published by OPEC, the demand for primary fuels is also likely to increase in the long term with the exception of coal. Highest increase is likely to be witnessed in renewable energy (around 34.3 mboe/d) largely due to strong policy support in many regions. Oil demand is also likely to witness strong growth. Even though its share in the energy mix declines modestly, oil will remain the fuel with the largest share by 2045 at 29.5%. Natural gas demand is set to increase by 19.9 mboe/d over the outlook period, reaching 87 mboe/d in 2045.

Table 10: Total primary energy demand by fuel type, 2022–2045

Fuels	Levels						Growth		Share	
	2022	2025	2030	2035	2040	2045	2022-2045	2022-2045	2022	2045
			(mboe/d)				*(mboe/d)*	*(% p.a.)*	*(%)*	
Oil	90.7	96.4	102.0	104.3	105.3	106.1	15.4	0.7	31.2	29.5
Coal	75.9	74.6	71.1	65.9	60.0	54.4	-21.5	–1.4	26.1	15.1
Gas	67.1	69.6	75.0	80.2	84.4	87.0	19.9	1.1	23.1	24.2
Nuclear	15.0	15.9	17.4	19.4	21.7	23.8	8.8	2.0	5.2	6.6
Hydro	7.7	8.2	8.9	9.6	10.2	10.5	2.8	1.3	2.7	2.9
Biomass[(1)]	26.6	27.9	30.2	32.3	34.1	35.2	8.6	1.2	9.1	9.8
Other Renewables[(2)]	7.9	11.2	18.5	26.7	35.8	42.2	34.3	7.5	2.7	11.7
World	290.9	303.8	323.1	338.4	351.5	359.2	68.3	0.9	100.0	100.0

Notes:

(1) Biomass includes solid biomass, waste, biogas, biofuels and charcoal.

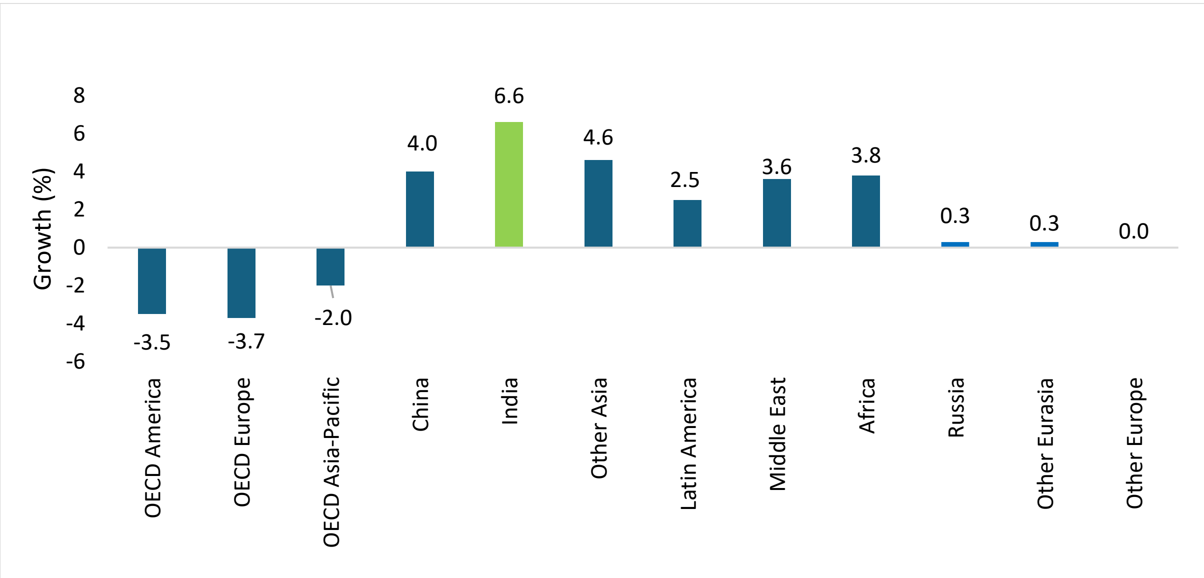
(2) Other renewables include wind, solar, geothermal and tidal energy.

Source: OPEC, ICRA Analytics

As per the World Oil Outlook 2045 Report 2023, the long-term global oil demand is projected to increase from 99.6 million barrels per day (mb/d) in 2022 to 116 mb/d in 2045, recording a growth of more than 16 mb/d. Oil demand from Non-OECD region is expected to increase by almost 26 mb/d during 2022-2045, while OECD oil demand is set to contract by around 9.3 mb/d.

India, Other Asia, China, Africa, and the Middle East are expected to contribute the most to the increase in non-OECD oil demand. Over the course of the anticipated period, India's oil demand will increase by 6.6 mb/d. The Middle East's oil consumption is expected to rise by 3.6 mb/d, Africa's by 3.8 mb/d, China's by 4 mb/d, and Other Asia's by 4.6 mb/d.

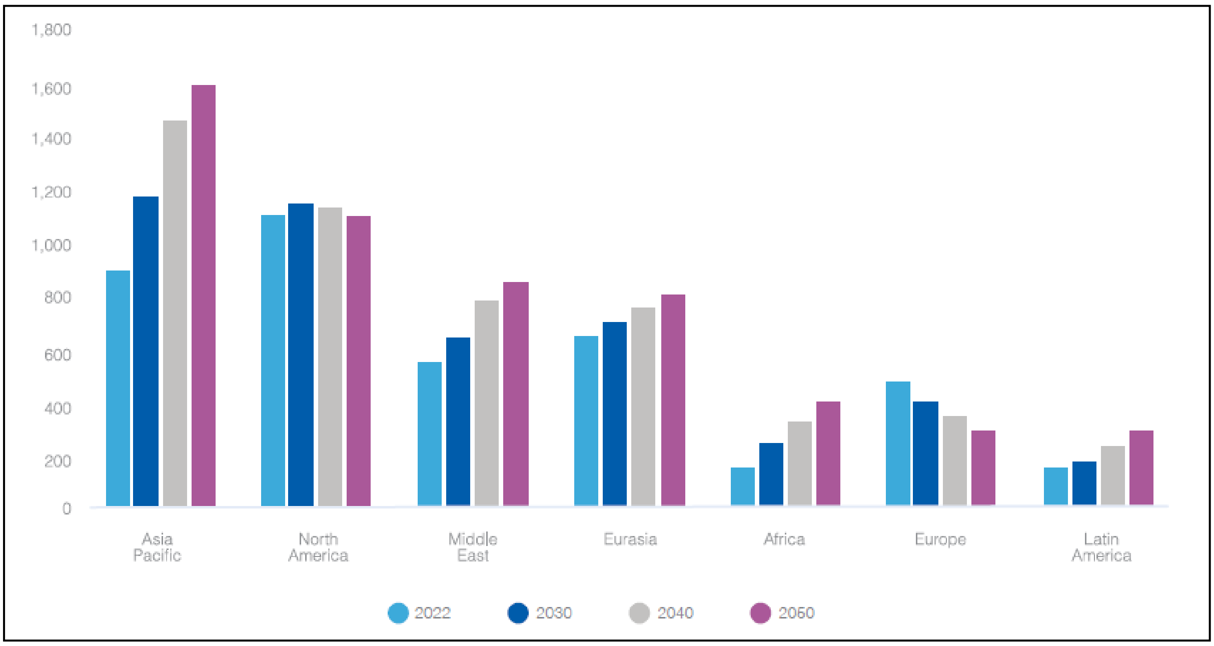
Chart 50: Long term oil demand growth by region (2022-2045)



Source: OPEC, ICRA Analytics

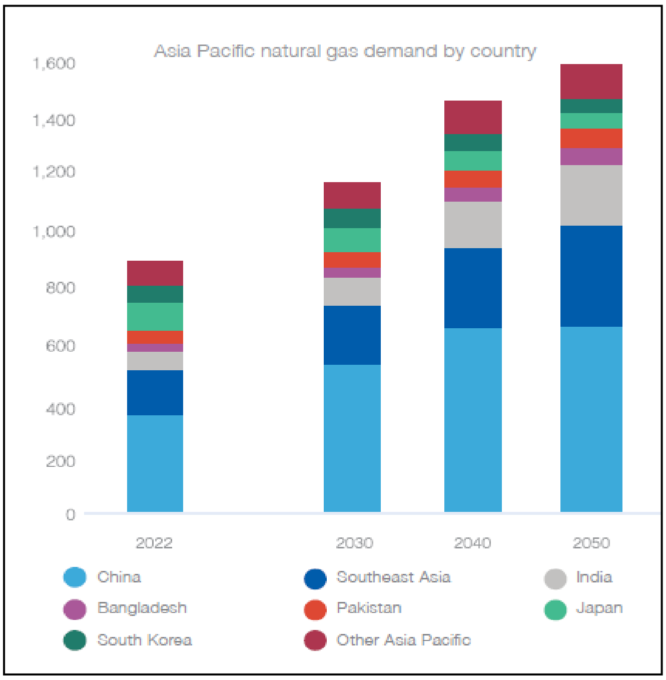
According to Gas Exporting Countries Forum (GECF), global natural gas demand is likely to rise by 34% from 4015 bcm in 2022 to 5360 bcm in 2050. The demand for the same is set to expand specifically across Asia Pacific, Middle Eastern, and African markets, with Asia Pacific alone contributing 52% to the global net demand increase during the forecast period.

Chart 52: Global natural gas long term demand outlook by region, 2022-2050 (bcm)



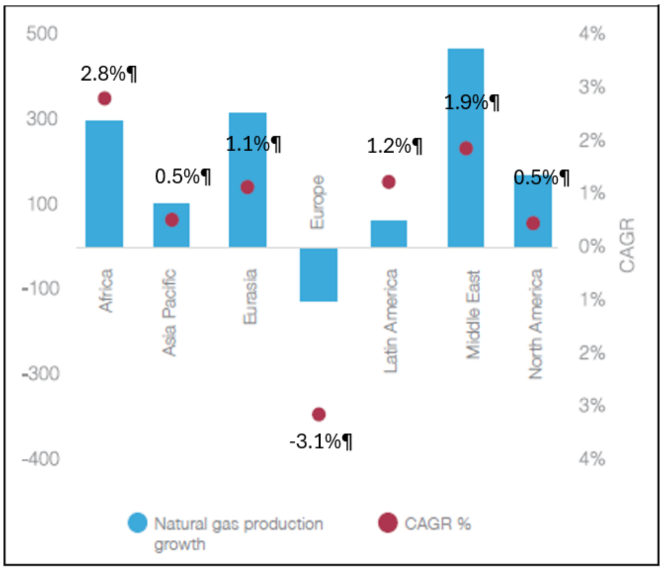
Source: GECF, ICRA Analytics

Chart 53: Asia Pacific natural gas long term demand outlook, 2022-2050 (bcm)



Source: GECF, ICRA Analytics

Chart 54: Natural gas supply long term growth outlook by region, 2022-2050 (bcm)



Source: GECF, ICRA Analytics

The demand for natural gas in Asia Pacific region is projected to grow at the rate of 2.1% per annum, climbing from 895 bcm in 2022 to 1,590 bcm by 2050. At country level, China, India and Southeast Asia are set to be the primary growth centres in Asia Pacific. India's gas demand is set to more than triple from 61 bcm in 2022 to around 215 bcm by 2050. The rise accelerates after 2027 as natural gas accessibility and affordability improve. India's demand for natural gas is expected to reap benefits from the priority of air quality in the list of policy makers. The Long-Term Low Emission Development Strategy announced by Indian Government in November 2022 has emphasized on promotion of gas through fuel switching. The Government's vision to raise gas's share in the primary energy mix to 15% by 2030 (up from 5% in 2022) would also boost gas demand in the long term.

The global natural gas production is expected to increase from 1.3 TCM in 2022 to 5.3 TCM in 2050. This translates to a CAGR of slightly above 1% in natural gas production during the period 2023-2050.

According to GECF, until 2030, natural gas production is projected to experience the highest annual growth rate of 1.4% over the forecast period. However, this growth is anticipated to slow down in the 2030s, averaging 1.1% annually, and further decrease to 0.5% annually by 2040s.

The growth in natural gas production within Asia Pacific region is expected to be primarily driven by China, with smaller but notable contributions from Indonesia and India.

India is expected to achieve a natural gas production level of 50 bcm by 2050, with 95% of this production originating from offshore projects. India's target of 15% share of natural gas in its energy mix by 2030 is to be achieved through the expansion of pipeline networks and construction of LNG terminals.

6.2 Domestic overview:

6.2.1 Evolution of Oil & Gas Industry in India:

The history of the Indian oil and gas sector begins with the Assam Railway and Trading Company's earliest crude oil discoveries in October 1889 in Digboi, Assam, in the country's far northeast. Only state-owned businesses were permitted to participate in the oil and gas industry following the central government's nationalization efforts of the 1970s.

Foreign direct investment in India's exploration and production sector was permitted to reach 100% through a series of auction rounds conducted by the federal government between 1991 and 1997. These are now commonly known as the Pre-NELP rounds. Due to the lack of a published strategy or structure, the central government entered into production sharing agreements on an as-needed basis during the Pre-NELP rounds.

In order to encourage investments from both private and nationalized players in the industry, the central government developed a comprehensive program between 1997 and 1998. The New Exploration Licensing Policy, or NELP, was announced in February 1999. When NELP IX was introduced in 2010, 34 blocks were provided by the central government. These blocks covered an area of roughly 0.3 lakh square kilometers in total, and 19 blocks were allocated by the government in this NELP round. Cairn India is the largest private oil & gas exploration and production company in India which operates ~25% of India's crude oil production.

During the period from FY2014 to FY2024, consumption of petroleum products and LNG witnessed CAGR of 4% and 2.7% respectively.

Table 11: Domestic crude oil production and import vis-à-vis production and consumption of petroleum products

Year	Indigenous crude oil production	Crude Oil Import	Production of Petroleum Products by Refineries & Fractionators	Consumption Of Petroleum Products
		(in '000 Metric Tonne)		
2013-14	37,812	189,238	220,740	158,407
2014-15	37,469	189,435	221,077	165,520
2015-16	36,942	202,850	231,866	184,674
2016-17	36,009	213,932	243,515	194,597
2017-18	35,684	220,433	254,289	206,166
2018-19	34,203	226,498	262,356	213,216
2019-20	32,169	226,955	262,940	214,127
2020-21	30,494	196,461	233,513	194,295
2021-22	29,688	212,382	254,306	201,697
2022-23 (P)	29,179	232,700	266,539	223,022
2023-24 (P)	29,356	233,118	276,058	234,259

Source: Petroleum Planning & Analysis Cell, ICRA Analytics

6.2.2 Exploring untapped opportunity of unconventional petroleum resources:

Due to decreasing trend in conventional oil & natural gas reserves and growing dependency of oil imports, the Government of India had worked on a series of policies since 1997 for effective extraction and utilization of unconventional resources of petroleum accumulations. Such resources are pervasive throughout a large area and are not significantly affected by hydrodynamic influences.

These include deposits like the Coal Bed Methane (CBM), Shale gas/oil, Gas Hydrates etc. that lack the porosity and permeability of conventional reservoirs required to flow without stimulation at economic rates.

Such accumulations require specialized extraction technology (e.g., dewatering of CBM, hydraulic fracturing, horizontal drilling etc.). The target volumes are larger.

Table 13: Snapshot of CBM resources in India

Total CBM rounds completed	5
No. of CBM Blocks awarded in 5 rounds	37
Area covered under 37 blocks	20,460 Sq. Km
Estimated CBM Resource in Country	2600 BCM (91.8 TCF)
Annual CBM Production in FY 2022-23	512 MMSCM
Cumulative Production till FY 2022-23	5580 MMSCM

Source: India's Hydrocarbon Outlook 2022-23 by Directorate General of Hydrocarbon, ICRA Analytics

Table 14: Summary of Shale Gas/Oil Activities in India

Company	Basin	Phase-I Blocks	Blocks Taken up for Drilling	Actual Wells Drilled
ONGC..	Cambay	28	16	17
	Krishna Godavari	10	6	8
	Cauvery	9	1	3
	Assam	3	2	2
	Total	50	25	30
OIL	Jaisalmer	1	1	1
	Assam	5	0	3
	Total	6	1	4

Source: India's Hydrocarbon Outlook 2022-23 by Directorate General of Hydrocarbon, ICRA Analytics

6.2.3 Crude Oil & Natural Gas Transportation:

Crude oil produced onshore is primarily transported to refineries through trunk pipelines, with a small percentage transported by road tankers. Crude oil produced offshore is transported by trunk pipelines to onshore facilities for processing and then supplied through pipelines and marine tankers to refiners, with a small percentage transported by ships directly from offshore.

Table 15: Company wise share of major Crude Oil Pipelines in India

Owner	Type of Pipeline-Onshore/ Offshore	Length	Capacity	Throughput	Percentage Utilisation during
		01.04.2024	01.04.2024	2023-24 (P)	2023-24 (P)
		(KM)	*(MMT)*	*(MMT)*	
ONGC..	Onshore	799	27.1	9.2	
	Offshore	488	33.5	10.4	
	Total	1284	60.6	19.6	32.3
IOCL..	Onshore	5713	53.8	51.8	
	Offshore	109	—	—	
	Total	5822	53.8	51.8	96.3
OIL	Onshore	1193	9	6.7	

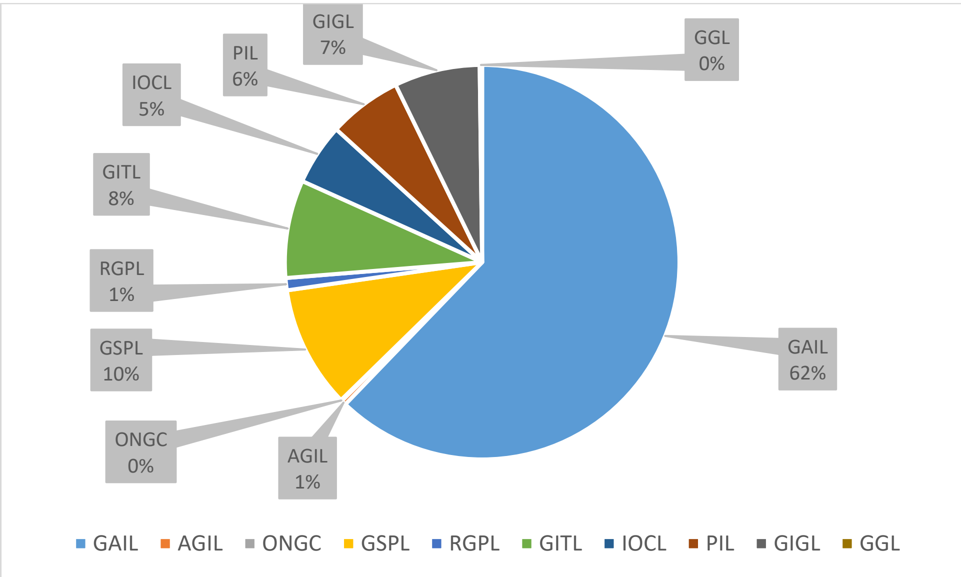
Owner	Type of Pipeline-Onshore/ Offshore	Length	Capacity	Throughput	Percentage Utilisation during
		01.04.2024	**01.04.2024**	**2023-24 (P)**	**2023-24 (P)**
		(KM)	*(MMT)*	*(MMT)*	
	Total	1193	9.0	6.7	75.3
CAIRN..	Onshore	660	8.7	4.6	
	Offshore	28	2	1.7	
	Total	688	10.7	6.2	58.3
HMPL..	Onshore	1017	11.3	12.7	
	Total	1017	11.3	12.7	112.8
BPCL..	Onshore	937	7.8	7.1	
	Total	937	7.8	7.1	91.5
Total Crude pipelines		**10941**	**153.1**	**104.2**	**68.1**

Note:

Pipeline utilisation is calculated using formula = (Throughput in mmt * 100) / (Annual capacity in mmtpa)

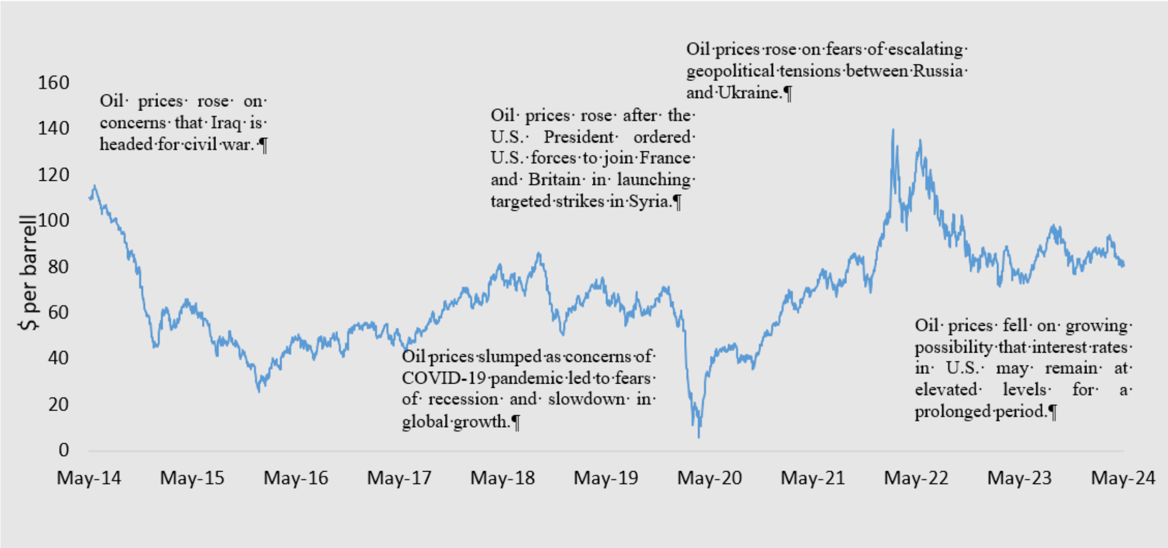
Source: Petroleum Planning & Analysis Cell, ICRA Analytics Ltd.

Chart 56: Share of Pipeline Operators in Natural Gas Pipelines



Source: Petroleum Planning & Analysis Cell, ICRA Analytics Ltd. GAIL – Gas Authority of India Ltd; AGIL – Aavantika Gas Limited; ONGC – Oil and Natural Gas Corporation Limited; GSPL – Gujarat State Petronet; RGPL – Reliance Gas Pipeline Limited; GITL – GSPL India Transco Limited; IOCL – Indian Oil Corporation Limited; PIL – Pipeline Infrastructure Limited; GIGL – GSPL India Gasnet Limited; GGL – Green Gas Limited

Chart 57: Analysis of the movement of Brent Crude oil price



Source: Refinitiv, ICRA Analytics

During 5-year period (2019-2024), Brent Crude prices rose by 18.42% from $68.02 per barrel in May 2019 to $ 80.55 per barrel in May 2024 after touching all time low of $5.61 per barrel during April 2020.The outbreak of COVID-19 pandemic took toll on the global crude oil prices. However, subsequent geopolitical tensions between Russia and Ukraine helped oil prices to regain its lost ground. Nonetheless, persistent worries over elevated U.S. interest rates kept gains under leash.

The U.S. Energy Information administration expects OPEC+ to commence relaxation of voluntary production cuts from Q4 CY2024. Accordingly, in near term, the extension of voluntary OPEC+ production cuts may cause global oil inventories to continue falling through Q1 CY2025. Meanwhile, IEA expects global oil supply to jump by 1.8 mb/d in 2025 compared with this year's more modest 580 kb/d annual increase. According to IEA, non-OPEC+ output is forecasted to expand by 1.4 mb/d in both years, while OPEC+ output recovers from an 840 kb/d decline this year to growth of 330 kb/d in 2025. The combined effect of demand and supply function is expected to keep global crude oil prices stable in the coming year.

6.2.4 Committed Investment and exploration work programme:

The Government of India launched the Open Acreage Licensing Programme (OALP) along with the National Data Repository (NDR) in June 2017 with an aim to accelerate exploration and production activities in India. In the 7 rounds of bidding under OALP, 139 oil & gas exploration blocks were offered, and 134 blocks were awarded to successful bidders. However, post relinquishment of 7 blocks, the same stood at 127 exploration blocks covering an area of 2,00,631 sq.km.

During January 2024, Government of India signed contracts for 10 blocks awarded under Open Acreage Licensing Policy (OALP) Bid Round-VIII and 3 Coal Bed Methane (CBM) Blocks awarded under Special CBM Bid Round-SCBM 2022. OALP-IX Bid Round is also launched wherein 28 blocks, with an area of approximately 1,36,596 Sq. Km., are on offer for bidding.

Vedanta Ltd's Cairn Oil & Gas had submitted a field development plan for the Jaya gas discovery in the Bharuch district of Gujarat. The firm made a gas and condensate discovery in an onshore OALP block in August 2020. The same was approved under OALP regime and the production commenced with initial plan to deliver > 3 Kboepd. This is the first FDP approved in OALP regime, among 144 blocks awarded under 8 OALP rounds by the Government to various companies.

6.2.5 Operational Benchmarking:

Table 16: Peer Comparison of key operational parameters

Key indicator	Unit	Private Oil Companies						State Owned Oil Companies					
		Cairn India			Reliance Industries Ltd			ONGC Ltd			Oil India Ltd.		
		FY2022	FY2023	FY2024	FY2022	FY2023	FY2024	FY2022	FY2023	FY2024	FY2022	FY2023	FY2024
Gross Proved & Probable oil & gas reserves and resources...	mmtoe	161	162	193	NA	NA	NA	727	730	NA	242	242	NA
Gross Production – Crude Oil (MMT)	MMT	8.23	7.31	6.54	0.03	0.03	NA	21.71	21.49	21.14	3.01	3.176	3.36
Gross Production – Natural Gas (BCM).......	BCM	1.56	1.49	1.46	6.64	7.31	7.60	21.68	21.35	20.65	3.05	3.18	3.18
Contribution to domestic oil & gas production....................			~25%			~30%(1)			~71%			~9%	
Wells Drilled (Cumulative)................		294	294	NA	>300	>300		434	461	NA	NA	NA	NA
Total Acreage	sq.km	65,000	65,000	>60,000	NA	NA	NA	1,26,657	1,62,701	NA	48,796	62,911	NA
Scope 1 and Scope 2 GHG emissions intensity (per tonne of hydrocarbon production)	Tonne of CO2e/ Tonne of HC produced	0.26	0.26	NA	0.51(2)	0.52(2)	NA	0.21	0.21	NA	0.26	0.37	NA

Notes:

(1) Contribution to domestic gas production

(2) Scope 1 and Scope 2 emission of the entire operations of the company are considered, including refining of crude oil and others

Source: Company Annual Reports, ICRA Analytics Ltd. The conversion rate of 1 Mboe = 0.14 Mtoe is considered for conversion from barrels of oil equivalent to tonnes of oil equivalent

7 Copper

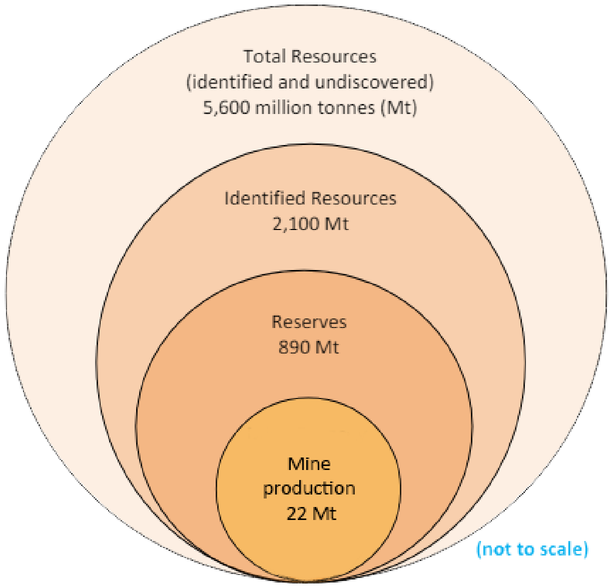
7.1 Global Overview:

Copper is considered as a versatile metallic element that is both malleable and ductile. It is known for its exceptional conductivity of heat and electricity, as well as its resistance to corrosion and antimicrobial properties. It is the third most widely traded metal in the world after iron and steel and aluminium.

Copper is naturally present in various forms in the Earth's crust, including sulfide deposits, carbonate deposits, silicate deposits, and in its pure form as "native" copper.

According to United States Geological Survey (USGS), copper reserve stood at 1,000 mt in 2023. The most recent USGS assessment of global copper resources indicated that, as of 2015, identified and undiscovered copper resource estimated at approx. 2,100 mt and 3,500 tm, respectively. The latter does not consider the vast amounts of copper found in deep sea nodules and land-based and submarine massive sulphides.

Chart 58: World Copper Reserves & Mine Production, 2023



Source: International Copper Study Group, ICRA Analytics

The global demand for copper continues to grow on the back of expanding sectors such as electrical and electronic products, building construction, industrial machinery and equipment, transportation equipment, and consumer and general products. Progress of implementation of electric vehicles worldwide, with associated charging infrastructure, decarbonization policy push by US and EU and increasing emphasis on green energy to mitigate climate change continue to drive demand for copper. Post COVID-19 pandemic, the antimicrobial properties of copper has also boosted its demand.

Global demand for refined copper increased by 2.7% in 2023, up from 0.9% in 2022, almost entirely driven by growing consumption in China and India. Demand in other regions registered a modest decline. The growth in China was predominantly underpinned by copper uses in construction and electricity networks, a trend expected to persist in the coming years. India too is witnessing robust growth in copper demand, backed by the growth in infrastructure projects, renewable energy efforts, and urban development.

Table 17: Long term copper demand outlook

	Historical		Stated Policies			Announced Pledges			Net Zero by 2050		
Unit: kt Cu	**2021**	**2023**	**2030**	**2040**	**2050**	**2030**	**2040**	**2050**	**2030**	**2040**	**2050**
Clean energy	5 380	6 311	10 314	12 188	12 972	12 001	16 343	17 466	14 842	19 636	19 416
Electricity networks	4 030	4 171	5 922	6 305	6 124	6 632	8 327	8 158	7 816	10 632	9 471
Electric vehicles	166	396	1 645	3 131	3 470	1 870	4 297	4 804	2 612	4 642	5 124
Solar PV	694	1 208	1 691	1 684	1 959	2 117	2 049	2 401	2 564	2 245	2 390
Other	490	536	1 055	1 068	1 419	1 382	1 670	2 103	1 850	2 116	2 430
Other uses	19 548	19 543	20 341	21 997	24 671	19 127	20 036	22 046	18 399	19 434	21 473
Total demand	24 928	25 855	30 655	34 185	37 643	31 128	36 379	39 512	33 241	39 069	40 889
Share of clean energy	22%	24%	34%	36%	34%	39%	45%	44%	45%	50%	47%

Notes: Demand is based on refined copper and excludes direct use of scrap. Electric vehicles demand includes both EV batteries and EV motors demand.

Source: International Energy Agency, ICRA Analytics

The total demand for copper is expected to increase from 25.86 mt in 2023 to 40.89 mt in 2050. The clean energy infrastructure is likely to be one of the major factors for boosting copper demand. The contribution of clean energy, which include electricity networks, electric vehicles and solar photovoltaic, to the total demand outlook shall increase from 24% in 2023 to 47% in 2050.

On the supply side, limited growth in mined supply is anticipated for 2024. However, in 2025 and 2026, several new projects and expansion plans are expected to come up. These would bring additional volumes to the market but risks remain if these projects fail to meet expected growth targets or experience slower ramp-ups.

According to IEA, Chile, Democratic Republic of the Congo (DRC) and Peru are expected to be the top 3 copper mining countries contributing 23%, 14% and 11% to the world copper supply by 2030. Meanwhile, top 3 copper refining countries by 2030 are China (46%), DRC (7%) and Chile (5%).

Table 18: Long term copper supply outlook

	Mining					Refining			
	Historical		Base case			Historical		Base case	
Unit: kt Cu	2021	2023	2030	2040		2021	2023	2030	2040
Chile	5 660	5 311	5 211	4 053	China	10 383	11 547	14 788	14 788
DRC	2 014	2 678	3 183	2 145	DRC	1 562	1 978	2 235	1 381
Peru	2 282	2 644	2 377	1 067	Chile	2 270	2 058	1 719	1 321
China	1 828	1 865	2 128	1 856	Japan	1 514	1 499	1 614	1 614
Russia	862	960	1 215	1 019	India	497	549	1 060	1 060
Indonesia	753	863	948	861	-				
Rest of world	8 026	8 187	7 350	3 888	Rest of world	8 747	8 706	10 506	9 781
World	21 426	22 508	22 412	14 889	World	24 973	26 336	31 922	29 944
Top 3 share	46%	47%	48%	54%	Top 3 share	57%	59%	59%	59%

Source: International Energy Agency, ICRA Analytics

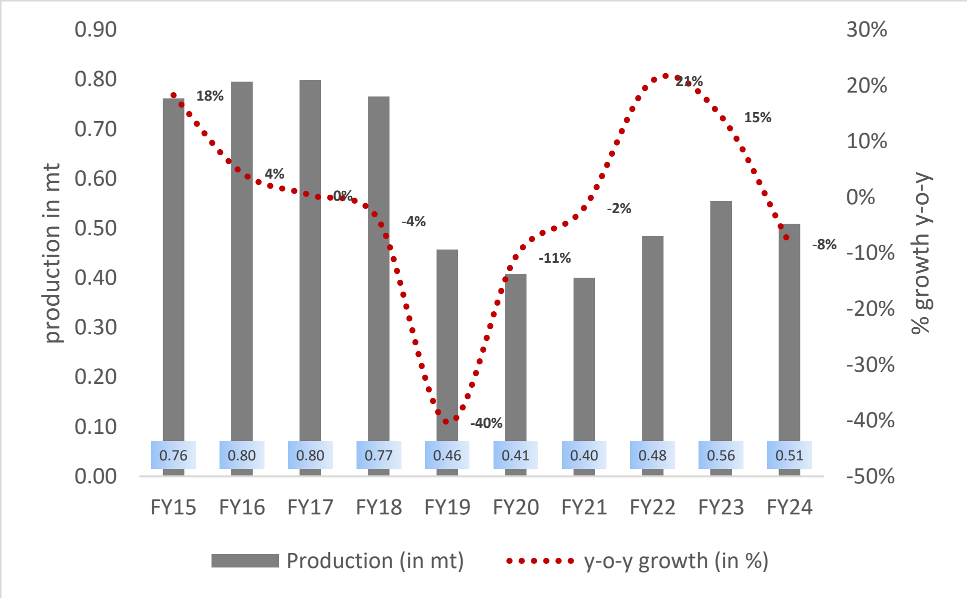
In the refined copper supply market, India is among the top 5 countries with refined copper supply of 0.55 million tonne in 2023 and the same is projected to grow to 1.06 million tonne in 2040.

7.2 Domestic overview:

India has very limited copper ore reserves compared to the world copper reserves.

There are three major players which dominate the copper industry in Indian markets. Hindustan Copper Ltd (HCL) in Public sector, Sterlite Industries Ltd and Hindalco Industries Ltd in Private Sector. Meanwhile, Kutch Copper, a subsidiary of group's flagship firm Adani Enterprises Ltd, commissioned the first phase of 0.5 mt greenfield copper refinery in March 2024.

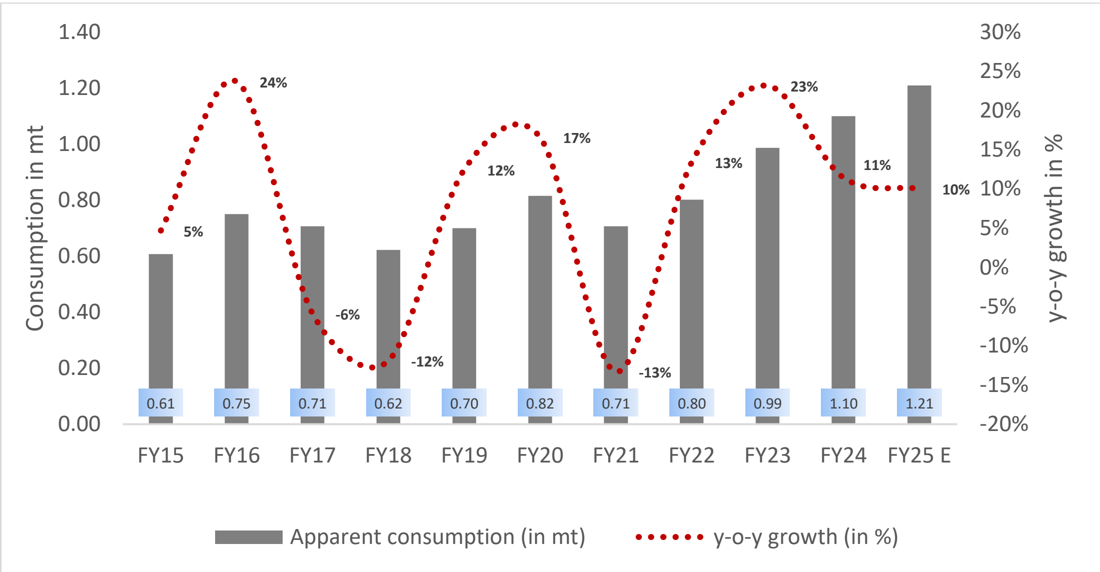
Chart 59: Domestic production of copper



Source: CMIE, ICRA Analytics

Domestic copper production slumped from 0.76 mt in FY2015 to 0.46 mt in FY2019. It subsequently recovered and rose as high as 0.56 mt in FY2023 before settling at 0.51 mt in FY2024.

Chart 60: Domestic apparent consumption of copper



Note:

Apparent consumption = Total production + imports – exports

Source: CMIE, ICRA Ratings, ICRA Analytics

India's refined copper consumption witnessed a stellar 23% increase in FY2023. This surge was fueled by several key growth drivers, including the electrification of the transportation sector, increased use of copper in construction activities, and industrial expansion encouraged by the government schemes. Additionally, a rise in consumer durables like air conditioners and electronics further boosted demand.

In the domestic market, ~40% of copper consumption is utilized in the building and infrastructure sector, while another 11-13% caters to the consumer durables and automotive industries.

According to ICRA Ratings report, domestic refined copper demand growth is expected to remain at ~10% in FY2025, outpacing the tepid growth rate at ~2% in CY2023 for global copper demand. The Central Government's massive infrastructure development plans, growing urbanization levels, Housing for All schemes, transition to renewable energy along with investment in the metro rail network and railway electrification are likely to support domestic copper demand growth.

7.2.1 Growth driver of copper industry:

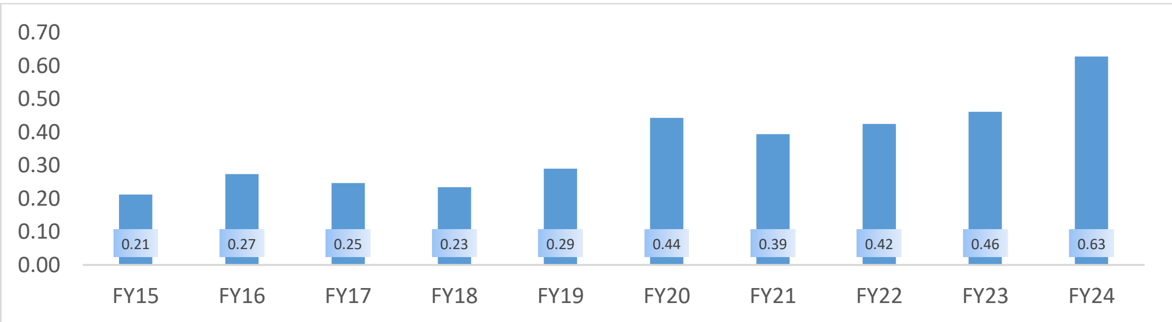
- A significant portion of demand in the copper industry comes from the electricity network sector. The Indian power transmission segment has grown significantly over the years to cater to the rise in generation capacity and power demand. This makes the country's electricity grid one of the largest synchronous grids in the world.

- To reach the targeted renewable energy capacity by 2030, the Central Electricity Authority (CEA) has released a transmission system plan to integrate approximately 537 GW of renewable energy capacity. This plan involves a substantial expansion and enhancement of the Inter-State Transmission System (ISTS), including the need for 50,890 ckt. km of transmission lines and 433,575 MVA of substation capacity. The total cost for this integration of additional wind and solar capacity by 2030 is estimated at Rs 2,442 billion.

- The Indian electric vehicle market size is projected to grow from USD 3.2 billion in 2022 to USD 114 billion in 2029 (source: Fortune Business Insight), growing at a compound annual growth rate of 66.5%. India has set an ambitious target of increasing the share of EV sales to 30% in private cars, 70% in commercial vehicles, 40% in buses, and 80% in two-wheelers and three-wheelers by 2030. As per International Copper Association India, requirement of copper in 2030 compared to 2021 in advanced chemical cell batteries in EVs is likely to increase by over 12 times. This is expected to boost consumption of copper in EV industry significantly.

- Domestic demand for copper is also likely to by boosted from strong outlook of solar energy sector. According to government data, out of the total installed generation capacity of renewable sources of power in 2023, installed capacity of Solar power including roof tops accounted for about 53.4%, followed by Wind power (34.1%) and Bio Power & Waste to Energy (8.2%). However, in terms of growth rates YoY, solar power installed capacity has a growth rate of 23.68% from FY2022 to FY2023.

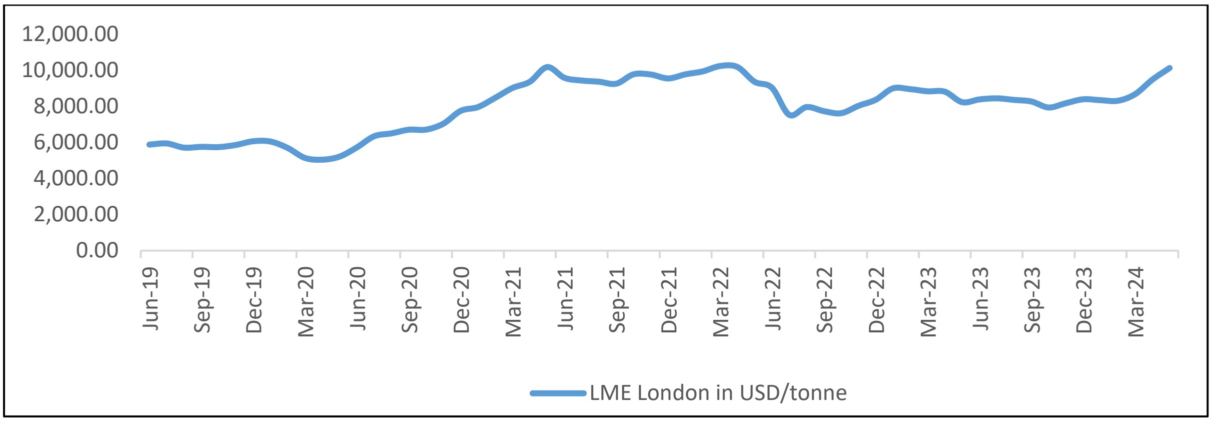
Chart 61: Refined Copper import by India (in mt)



Source: CMIE, ICRA Analytics

Given that domestic copper production struggled to keep pace with this rising demand, India's reliance on imports has increased in recent years. Central government reduced the import duty on copper scrap from 5% to 2.5% to boost recycling of copper in the country. Lowering of the import tax on copper scrap will encourage recycling within the country by making the essential raw materials more affordable.

Chart 62: Copper price trend (LME, London) in USD/tonne



Source: CMIE, ICRA Analytics

Copper prices, trading in LME (Copper Cathode), witnessed a robust YoY growth of 23% from $8234/tonne in May-2023 to $10129/tonne in May-2024. Increasing need due to the shift towards green energy and supply bottlenecks, primarily in copper mines, along with sanctions on Russian metals are likely to support copper prices in the near to medium term.

7.2.2 Operational benchmarking:

Table 19: Operational benchmarking

Key indicator	Unit	Hindustan Copper Limited			Sterlite Industries Limited			Hindalco Industries		
		FY2022	FY2023	FY2024	FY2022	FY2023	FY2024	FY2022	FY2023	FY2024
Production Capacity..	Thousand tonnes (kt)	18.5	18.5	18.5	400	400	400	540	540	540
Actual Production – Cathode....................	kt	0.6	0.0	0.0	125	148	141	359	407	368
GHG emissions intensity	MT CO2/MT	0.04	0.04	NA	1.28	1.3	NA	0.93	0.97	NA

Source: Company data, ICRA Analytics

8 Iron Ore

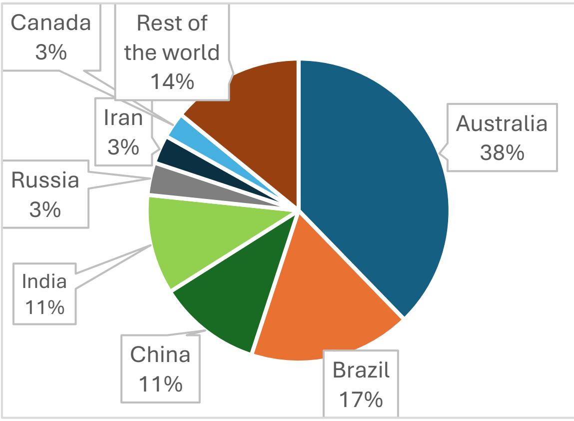
8.1 Global overview:

Iron ore is a key ingredient for the manufacturing of steel and pig iron. The market for iron ore mining has grown from 2,450 mt in CY2019 to 2,544 mt in CY2023 registering a CAGR of 0.9% over the last five years.

Given its several industrial uses, iron ore market is well-positioned for long-term expansion, supported by increased mineral extraction and a rise in building and infrastructure development activities. The Asia-Pacific region dominates the iron ore market led by increasing engineering and construction activities, majorly in China, India and Japan.

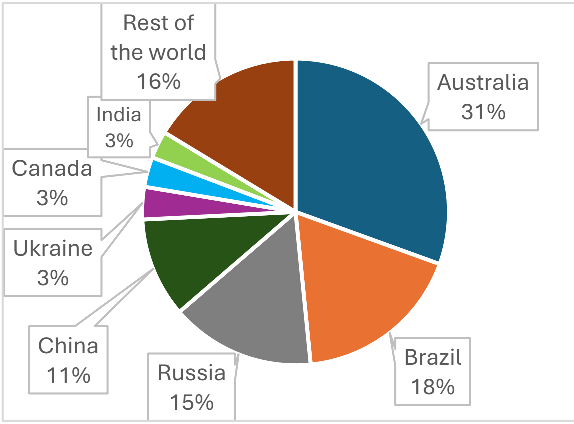
The total iron ore production in CY2023 globally stood at 2,544 mt which went up by ~2% from 2,498 mt in CY2022. The consumption went up by ~12% to 2510 mt in CY2023 from 2250 mt in CY2022. As per Rio Tinto, one of the leading miners globally, iron ore demand is set to increase by ~25% by CY2050.

Chart 63: Global ranking of iron ore producing countries in CY2023



Source: USGS (United States Geological Survey), ICRA Analytics

Chart 64: Ranking of countries in terms of iron ore reserves – CY2023



Source: USGS (United States Geological Survey), ICRA Analytics

India is the 5th largest iron ore producing country in the world with an overall iron ore production of 270 mt in CY2023 compared to 251 mt in CY2022. Moreover, India is ranked 7th in terms of iron ore reserves, with 5500 mt of reserves in CY2023.

China remains the largest consumer of iron ore, given its dominant position in the global market as the steel producer and consumer. However, the quality of iron ore produced in China is inferior and as a result, the country remains dependent on sizeable iron ore imports. China's production of crude steel crossed 1.0 billion tonnes for the fourth consecutive year, further bolstered by a 47% increase in net steel exports.

The volume of iron ore traded globally increased by around 5% annually from 1,518 mt in CY2022 to 1,587 mt in CY2023. The key factors contributing to the increase were the mild increase in China's output of crude steel in CY2023, the country's high volume of steel exports, and the absence of a clear production cap policy from the Chinese government.

Table 20: Major global exporters of iron ore

Iron ore exports by country	2022	2023 (estimated)
	(in mt)	
Australia	864	855
Brazil	346	380
South Africa	58	59
Canada	54	57
India	16	44
Sweden	24	34

Iron ore exports by country	2022	2023 (estimated)
	(in mt)	
Others	156	158
World	**1518**	**1587**

Source: BigMint, ICRA Analytics

Australia is the leading exporter of iron ore globally, accounting for more than ~50% of the world's total exports. During CY2023, its exports marginally went down by ~1% to 855 mt compared to 864 in CY2022 as demand from ex-China markets remained unencouraging. Brazil is the second largest exporter of iron ore and pellets, where the exports increased by around 10% y-o-y to over 380 mt in CY2023 from a level of 346 mt in CY2022. It was able to increase exports significantly due to higher production by Vale – one the world's largest iron ore miners. Vale increased production by 4.3% y-o-y to 321.2 mt in 2023, with production volumes exceeding the forecast of 315 mt.

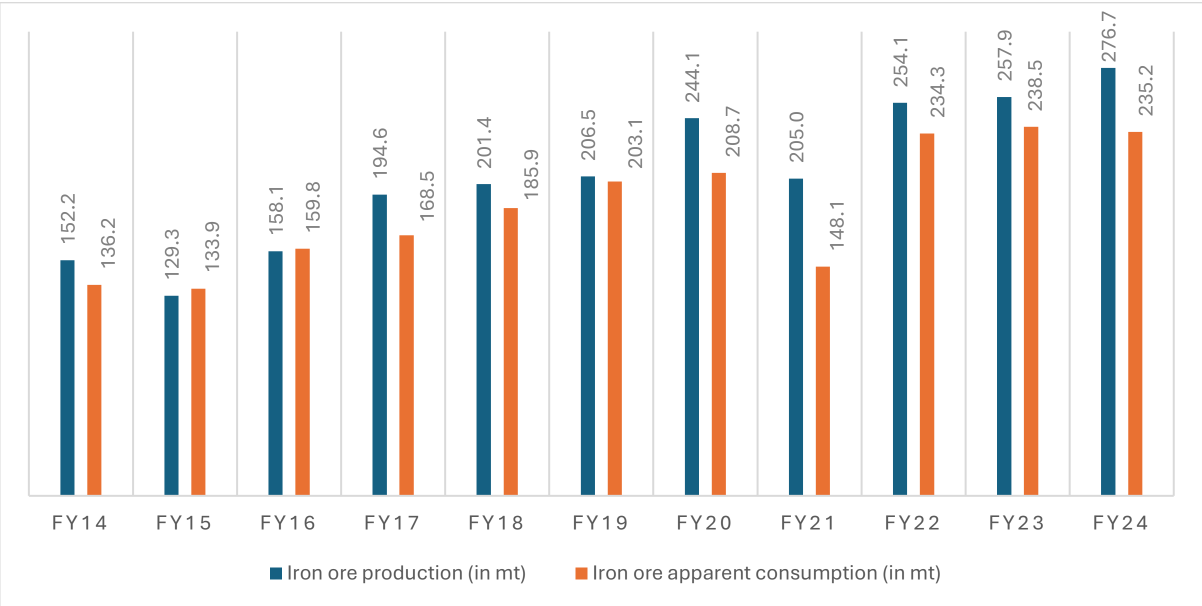
Going ahead in CY2024, global seaborne trade will depend a lot on China's outlook for steel production although there's no indication on production cut yet. But the slump in the property sector remains a major concern.

Major global iron ore miners have maintained their production guidance for CY2024. Strong economic momentum in Southeast Asia, a potential stimulus-induced recovery in China, a mild recovery in the EU and Japan, and a rapid expansion in crude steel capacity addition in India are all expected to support the global iron ore trade.

8.2 Domestic overview:

India is one of the world's top producers of iron ore, with around 35.3 billion tonnes of total deposits of magnetite (Fe_3O_4) and hematite (Fe_2O_3).

Chart 66: Iron ore production and consumption trends in India



Source: CMIE, ICRA Analytics

Iron ore production in India grew at a rate of ~7% to 276.7 mt in FY2024 compared to 257.9 mt in FY2023. Overall, the iron ore production grew at a CAGR of ~6% in the last five years from FY2020 to FY2024. In FY2023, total captive iron ore production stood at 98.9 million tonnes whereas non-captive iron ore production at ~161 million tonnes. There were 241 reporting mines (forty-three public sector mines contributed about 41% to total production whereas 59% was share of private sector mines) in 2022-23 as against 255 mines in the previous year.

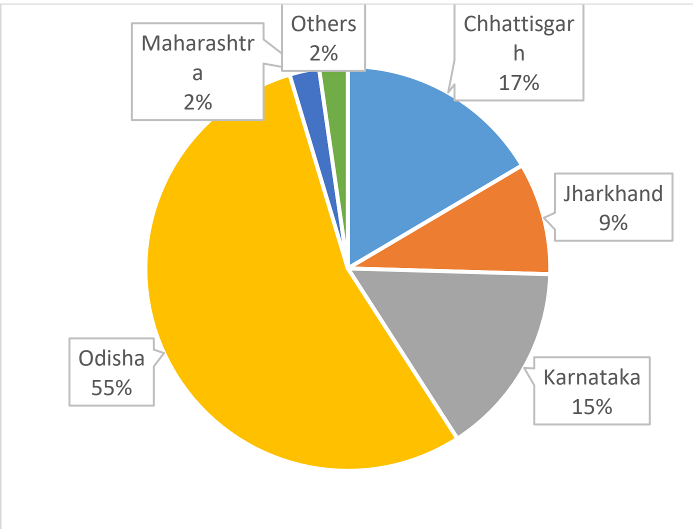
Table 21: Leading iron ore producers in India – FY2024

Captive users of iron ore	Public/private	Production in mt	Merchant miners	Public/private	Production in mt
Tata Steel	Private	42	NMDC	Public	50
SAIL	Public	38	OMC	Public	35
JSW Steel	Private	30	Rungta Mines	Private	22
AM/NS India	Private	11	Vedanta	Private	6
Jindal Steel and Power	Private	8			

Source: Bigmint, ICRA Analytics

Iron ore production in India is dominated by captive users such as Tata Steel, SAIL, JSW Steel, AM/NS India and Jindal Steel and Power, which together form almost 47% of the total iron ore produced. In terms of merchant sales of iron ore, Vedanta is the fourth largest player in India and second largest private player.

Chart 67: Share of states in iron ore production- FY2023



Source: CMIE, ICRA Analytics

The top 5 states iron ore producing states are Odisha, Chhattisgarh, Karnataka, Jharkhand and Maharashtra. It is in the last few years that Goa lost its percentage share as one of the major iron producing state. Going ahead, the rising iron ore prices and healthy domestic and export demand is expected to support the production trend.

8.2.1 Consumption trend:

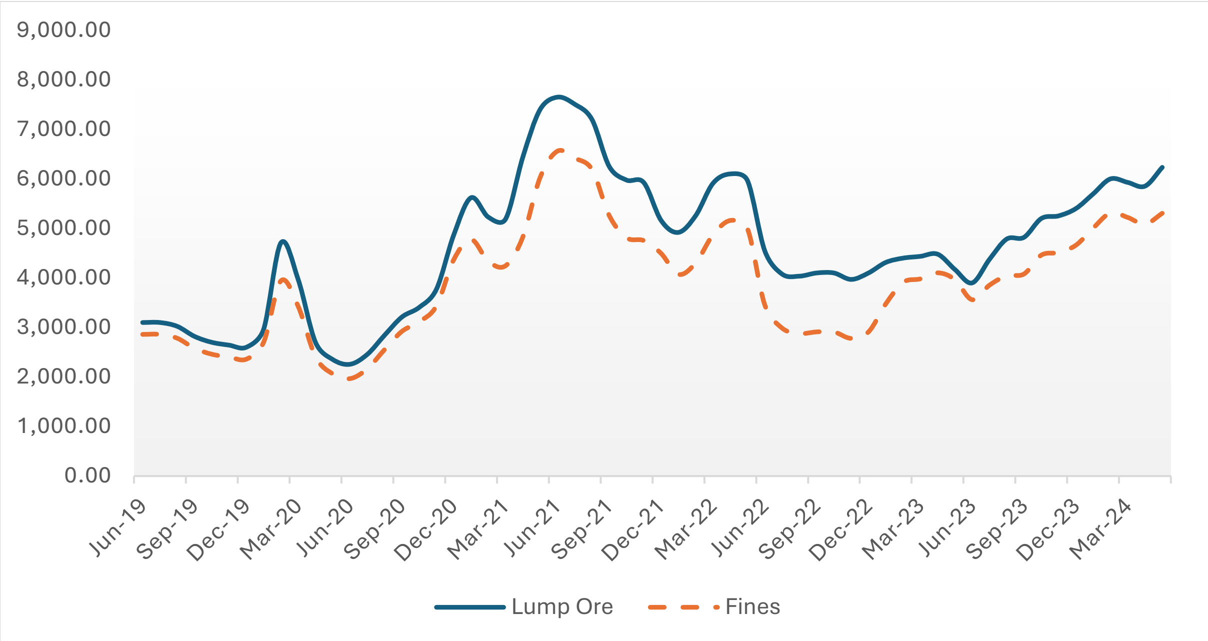
India's iron ore consumption has been on the upward trend over the last one decade due to a rise in the manufacturing of sponge iron and crude steel. Iron ore apparent consumption stood at 235.2 million tonnes in FY2024, marginally down by ~1% compared to 238.5 million tonnes in FY2023 as a result of a spurt in ore exports during the year. The factors driving the iron ore demand in India are increasing steel supply where major steel producers are expanding their capacities and expected increase in the sponge iron production over the next few years.

To meet the consumption requirement, production must be increased. Major miners have laid out plans for development in order to meet the steel mills' growing appetite. As per Bigmint, iron ore production is expected to increase to 305-310 mt in FY2025 owing to expected increase in output by top miners including NMDC, OMC, Tata Steel and JSW Steel.

In terms of long term outlook, robust demand push from the steel industry will drive the iron ore consumption demand. As per the National Steel Policy 2017, to meet the steel capacity target of 300 mt by FY2031, iron ore volumes of close to ~437 mt would be required, which indicates a CAGR growth of ~9.3% from the current level of consumption of 235 mt.

8.2.2 Price trends:

Chart 70: Domestic iron ore price trends



Source: NMDC (National Mineral Development Corporation), ICRA Analytics

During FY2022, the prices went up significantly owing to significant uptick in the export demand from China which typically accounts for more than 90% of exports from India. As the prices surged, Government of India on May 2022 raised the export tax on low-grade iron ore lumps and fines (with iron content below 58%) to 50% from 0% and hiked the duties on pellets from 0% to 45% in order to meet rising local demand.

During FY2023, the effect of duty was seen in the price trends where the prices of fines dropped significantly by ~32%. However, as the inflationary pressures eased, the Government scrapped the duties in November 2022. During FY2024, the effect of it can be seen as the average domestic iron ore fines prices went up by ~25% to Rs 4,398/tonnes compared to Rs 3,529/tonnes during FY2023.

8.2.3 India's competitive advantage with respect to iron ore

Iron ore transportation is an important consideration for a steelmaker as almost 1.6 tonnes of iron ore is required to produce one tonne of steel. Hence, any material volatility in iron prices and freight costs internationally can affect the cost structure of a steel player. Ability of the steelmaker to switch between opportunistic imports and domestic iron ore plays an important role in determining the competitiveness within the industry.

The landed prices of iron ore in India (Fe 63.5%) was trading at around ~Rs 10,124 per tonne during April 2024 compared to NMDC iron ore (Fe 64%) prices of around ~Rs 5,086 per tonne. As the domestic price is almost 50% lower than the imported prices, there is a limited business case for importing iron ore in India. Hence, dependence of steel players on domestic iron ore production is expected to remain high and this will support the demand and prices of iron ore in the medium to long term.

8.2.4 Major growth drivers for iron ore market

- Iron ore demand will be driven by the anticipated rise in steel demand, which is expected to grow by 9-10% in FY2025 as per ICRA Ratings report. Steel capacity additions of almost 40 mt (which is almost 25% of the existing installed steel capacity in India) between FY2024-FY2027 (largely through the blast furnace technology route) would also act as a medium-term demand driver for iron ore. Since 1.6 tonnes of iron ore is required for making steel, adding 40 mt tonnes of steel capacity would require iron ore volumes of close to ~64 mt in the next three years (assuming entire capacity addition happening through blast furnace route), implying an iron ore consumption growth of 23% by FY2027 from FY2024 levels.
- Exports to China, especially after lifting of export ban in Karnataka in May 2022, provides alternate route in case of buoyancy in international iron ore prices and tepid domestic demand environment. No major steel production cuts announced by China in this year provide additional comfort.
- By the calendar year 2025, Government of India plans to monetize mining assets worth Rs 28,727 crore and 100% FDI allowed via automatic route in mining sector.
- Several initiatives by the Government like Make in India, Gati Shakti Master Plan and other Urban Infrastructure schemes to drive growth for the overall metals and mining sector in India.

9 Steel

9.1 Global Overview:

Steel has been the driving force behind the wheels of industrialization and is a key raw material in building the physical infrastructure of an economy; therefore, its production and consumption are commonly used as indicators of a nation's economic development.

Looking at the global scenario, according to the provisional data released by the World Steel Association (WSA), the world crude steel production remained flat at 1,892 million tonnes (mt) in CY2023. This was aided by a healthy 11.8% growth in India and 5.6% growth in crude steel production reported by Russia. China, India, Japan, United States and Russia continue to be the top 5 producers globally. Notwithstanding a weak demand in China (-3.3%), steel demand remained healthy in India at 14.8% in CY2023 and South Korea (6.7%) and helped limit the decline in global apparent steel consumption to -1.1% in that year.

Table 22: World steel production

Years	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
					(in CY)					
Steel Production	1,676	1,626	1,635	1,739	1,831	1,880	1,885	1,963	1,890	1,892
y-o-y growth...........	1.3%	-3.0%	0.6%	6.4%	5.3%	2.7%	0.3%	4.1%	-3.7%	0.1%

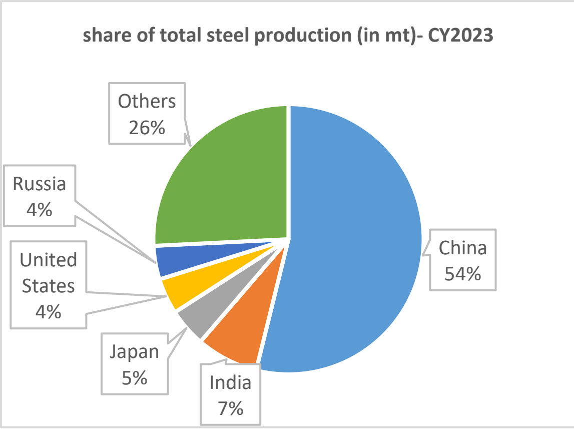
Source: World Steel Association (WSA), ICRA Analytics

Table 23: World finished steel consumption

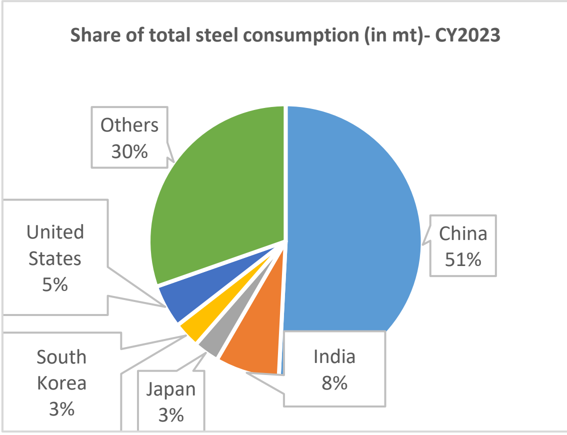
Years	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E
						(in CY)						
Apparent steel consumption	1,550	1,505	1,520	1,633	1,712	1,779	1,790	1,844	1,783	1,763	1,793	1,815
y-o-y growth (in %).	0.3%	-2.9%	1.0%	7.4%	4.9%	3.9%	0.6%	3.0%	-3.3%	-1.1%	1.7%	1.2%

Source: World Steel Association (WSA), ICRA Analytics

Chart 71: Percentage share of top 5 countries in global crude steel production and finished steel apparent consumption



Source: World Steel Association (WSA), ICRA Analytics



Source: World Steel Association (WSA), ICRA Analytics

India remains one of the few bright spots in the global steel consumption with a healthy 8.2% growth expected in both CY2024 and CY2025, while most of the top steel producing countries including China, South Korea and Japan are likely to report flattish or declining consumption trends, as per the WSA.

Table 24: Global steel consumption forecast

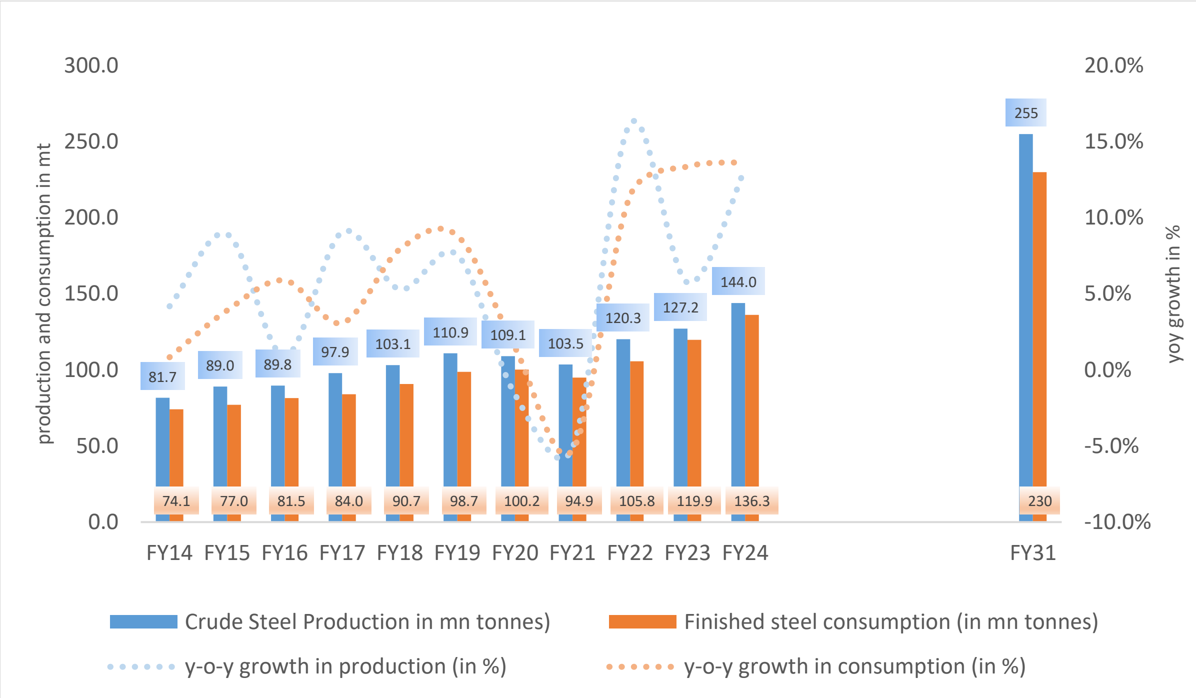
Region	2023	2024 (F)	2025 (F)	2024 (F)	2025 (F)
		(in million tonnes)		*y-o-y growth (in %)*	
China	895.7	895.7	886.7	0.0%	-1.0%
India..	133.4	144.3	156	8.2%	8.1%
United States...	90.5	92.2	94	1.9%	2.0%
South Korea	54.7	54.3	54.4	-0.7%	0.2%
Japan...	53.3	53.3	53.9	0.0%	1.1%
ASEAN...	73.4	75.9	79.2	3.4%	4.3%
MENA	69.3	72.6	74.8	4.8%	3.0%
EU (27) & UK	136.8	140.7	148.1	2.9%	5.3%

Source: WSA, ICRA Analytics

9.2 Domestic overview:

India is the second largest steel producer in the world with an installed capacity of 160.3 mt in FY2023 as compared to 102.3 mt in FY2014, growing at a CAGR of ~5%. With a strong commitment to advancing the country's economic and infrastructure development, major steel producers in the country are increasing their capacity in India. Backed by a healthy infrastructure spending by the Government and improving private sector participation, India's steel demand growth is the highest among top steel producing countries in the world. Based on WSA's forecast, the country's steel demand is expected to continue to rise at a healthy rate of 8.2% over the years CY2024 and CY2025, on the back of strong demand from all the steel-consuming sectors. India's steel consumption is expected to increase by over 70 mt by CY2025 to 159 mt compared to CY2020 as per WSA.

Chart 72: India's crude Steel production and consumption and on year growth trend



Source: CMIE, ICRA Analytics, National Steel Policy 2017

During FY2015 to FY2024, the crude steel production in India grew at a CAGR of 5.5% from 89 mt in FY2015 to 144 mt in FY2024 and this growth has been aided by the demand pull from end-user industries and increasing domestic availability of raw materials including iron ore. During FY2024, production growth stood at a healthy rate of 13.2% despite two consecutive years of robust growth. The growth was mainly driven by healthy infrastructure and capital expenditure spending by the Government owing to FY2024 being the pre-election year. Going forward, continued infrastructure spending by the government and a rebound in private investment are projected to be the main drivers of growth in India's construction industry. Investments in infrastructure are expected to benefit the capital goods industry as well. Consequently, this will increase the nation's demand for steel.

As per National Steel Policy, 2017, crude steel demand/production is expected to reach 255 mt by FY2031, expectedly growing at a CAGR of ~9% over the next 7 years as compared to 144 mt in FY2024.

During FY2015-FY2024, domestic steel consumption in India has grown at a CAGR of 6.5% from 77 mt in FY2015 to 136.3 mt in FY2024. During FY2024, the consumption went up by 13.6% after registering 11.4% and 13.4% growth respectively in FY2022 and FY2023. According to the ICRA Ratings report, domestic steel consumption growth is expected at ~9-10% in FY2025. While this is a moderation compared to 13.6% growth in FY2024, it remains much higher than the historical CAGR reported by the industry during the last 10 years. Apart from high base, key reason for the moderation in demand in FY2025 is weak global demand and temporary softening in domestic demand due to Union election in Q1.

Key end-user industries for steel in India are construction and infrastructure with a share of 62%, engineering and fabrication at 22%, automotive at 10%, other transport at 3% and packaging & others at 3%. Going ahead in FY31, as per NSP 2017, a minor change in share from end-user industries is expected from automotive sector which would go up to ~12% while construction & infrastructure will come down to 60%.

9.2.1 Major growth drivers of steel in India:

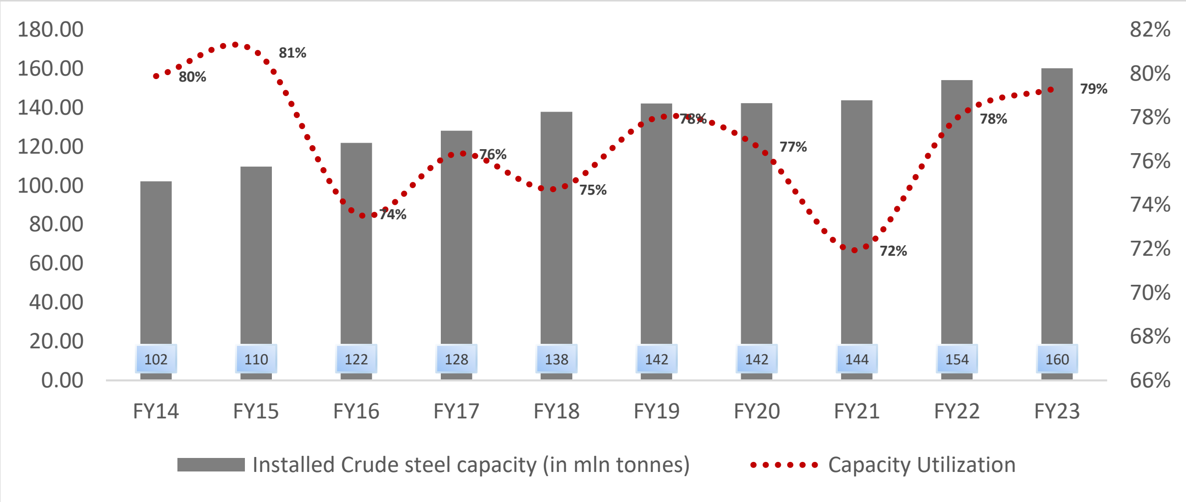
1. **Construction and infrastructure** sectors continue to be the key drivers of growth for the steel industry. In the recent Interim budget, the Government's thrust on infrastructure is reflected in its increase in capex allocations to Rs 11.1 trillion (+16.9% YoY) in FY2025 budget estimates (BE), which augurs well for the sector. As per ICRA Ratings report, after witnessing a strong 18-20% revenue growth in FY2024, construction industry in India is expected to register a revenue growth of 12-15% in FY2025. The transportation (roads, metro, airport, bridges, flyovers) and building (residential, commercial, mixed use, industrial) segments continue to account for over 55% of the order book of the industry. Furthermore, the share of projects in mining, water and energy/power has also witnessed healthy growth in the recent years.

2. **Capital goods** sector has witnessed a multi-year high orderbook position as on December 31, 2023 aided by the healthy momentum in capex outlays in the domestic sector, pick up in investment activity in select export markets like MENA region and the US, as well as increased manufacturing outsourcing by the MNCs from India. Strong order book is likely to be maintained in the near to medium term with private sector capex expected to pick up supported by Government capital outlay, capacity enhancement across sectors, investments towards decarbonization, digitalization and exports demand.

3. **Auto** sector has contributed significantly in boosting steel consumption over the last few years with increasing motorization and urbanization rates and has reported healthy growth rates in the recent past. Passenger vehicle (PV) volumes grew by 6-9% in FY2024 as per ICRA Ratings report and are likely to grow by 3-6% in FY2025 due to waning pent-up replacement demand and elevated inventory levels at dealerships. Commercial vehicle (CV) segment grew by 2-5% in FY2024 but is expected to report a de-growth of 4-7% in FY2025 because of inherent exposure of infrastructure activities to the model code of conduct, ahead of the General Elections and high base effect. Two wheelers (2W) segment grew by 8-11% in FY2024 and supported by rising per capital income and financing availability, it is expected to grow by 7-10% in FY2025. Spurred by Government support in the form of subsidies, enhanced awareness and increasing product launches, the electric vehicle (EV) segment too has seen a material upturn in prospects over the past two years. All these factors bode well for domestic steel consumption in the near-to-medium term.

4. **Steel intensive projects by the Government** including the National Infrastructure Pipeline, new railway corridor (3 new railway corridors have been announced in the budget proposal for 2024-25), NaMo Bharat, metro projects coupled with the conversion of existing 40,000 bogies to Vande-Bharat standards are expected to drive steel demand going forward. There are several other programs such as 'Bharatmala'- which includes development for 34,800 kms of roads, 'Sagarmala'- which covers port-led industrial development covering all martitime-zones in India, Urja Ganga Pipeline project- which aims to develop 15,000 kms gas pipeline network in the country, Atal Mission for Rejuvenation and Urban Transformation (AMRUT)- which aims at providing basic amenities (basic infrastructure, water supply, sewerage and septage management; storm water drainage; green spaces and parks; and non-motorized urban transport) in selected 500 cities and towns across the country. All these ongoing projects are expected to bolster steel production and consumption domestically.

Chart 73: Capacity utilization rates for Indian steel industry



Source: CMIE, ICRA Analytics

The capacity utilization rates for steel industry remained below 80% during FY2015 to FY2023. During FY2024, utilization is expected to be around ~85% on the back of healthy steel demand growth within the country. In the last two years, the installed capacity has increased as major steel producers are increasing their capacity. As per the announcement made by various steel players, almost 40 mt of fresh steel capacity is expected to be added between FY2024 and FY2027, which will take India's installed steel capacity closer to 200 mt mark by the end of FY2027.

The National Steel Policy (NSP) of 2017 aims to achieve a production capacity of 300 mt by FY2031. Over the previous five years, the per capita use of steel has climbed from 74.2 kg in CY2019 to 93.4 kg in CY2023 and is expected to touch 160 kg in FY2031 as per the NSP.

Table 25: Existing crude steel capacity of major steel manufacturers

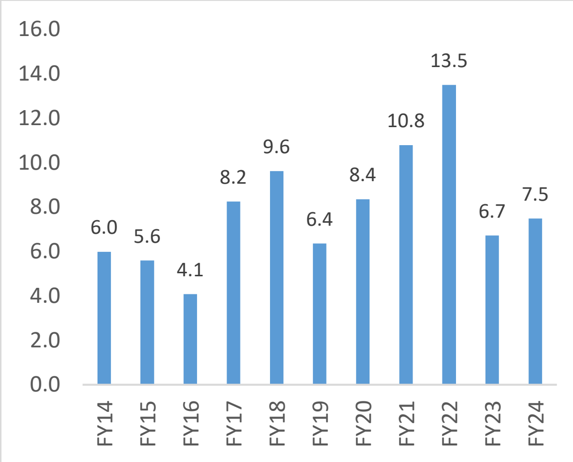
Major steel manufacturers	**Crude steel capacity**
	(in mt)
JSW group	25.75
SAIL	20.63
Tata Steel	20.6
AM/NS steel	9.6
JSPL	8.1
RINL- Rastriya Ispat Nigam Ltd	7.3
NMDC Ltd	3.0
ESL Steel Ltd (subsidiary of Vedanta)	1.5

Source: Company reports, ICRA Analytics

ESL Steel Ltd is the 8th largest steel player in the country with a crude steel capacity of 1.5 mtpa.

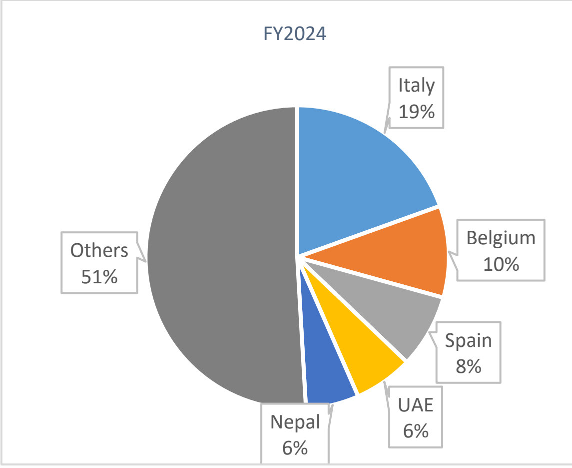
9.2.2 Trade flows in steel:

Chart 74: Finished steel export (in mt)



Source: CMIE, ICRA Analytics

Chart 75: Top 5 export destinations for India (in mt)



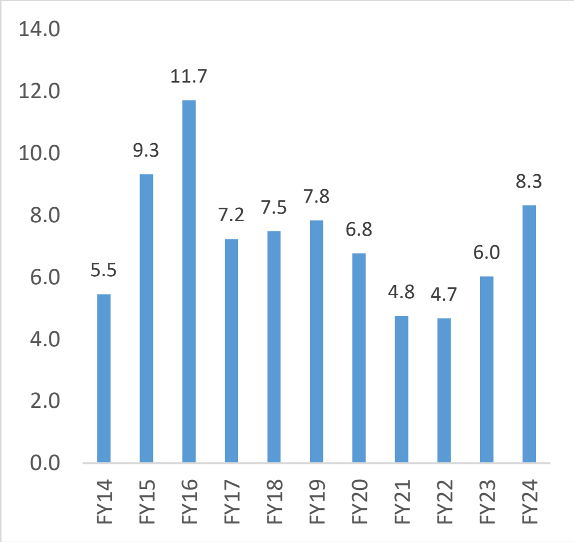
Source: CMIE, ICRA Analytics

India has been a net steel exporter from FY2020 till FY2023. Although FY2023 has been a year of net export but the total exports fell by a significant ~50% on year compared to FY2022 led by imposition of export duty (~15% across range of finished steel) by the Government of India during May 2022 to contain steel prices post the outbreak of Russia-Ukraine conflict. With the removal of export duty in November 2022, exports increased in FY2024 but weak global demand amidst inflationary pressures kept the volumes under check and India became a net steel importer in that year.

The export to top 5 countries during FY2024 have accounted for ~49% of the total exports from India in the year with Italy (~19%) and Belgium (~10%) remaining the top importers of Indian steel. The share of top 5 countries accounted for only ~36% of the total exports 10 years back in FY2015 (indicating the increasing export concentration).

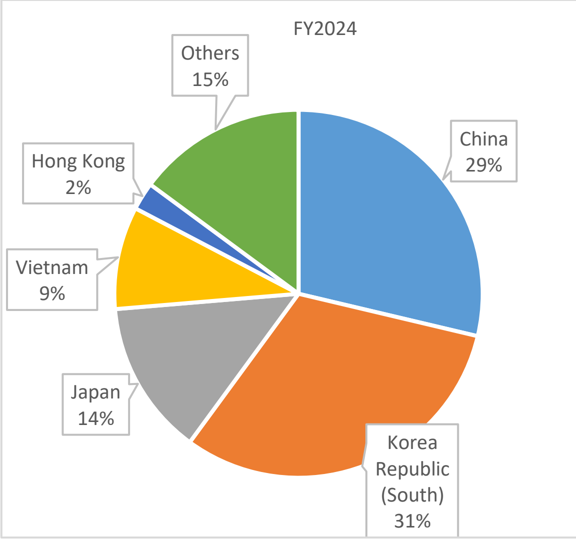
9.2.3 Finished steel imports:

Chart 76: Finished steel import (in mt)



Source: CMIE, ICRA Analytics

Chart 77: Top 5 exporting countries to India (in mt)



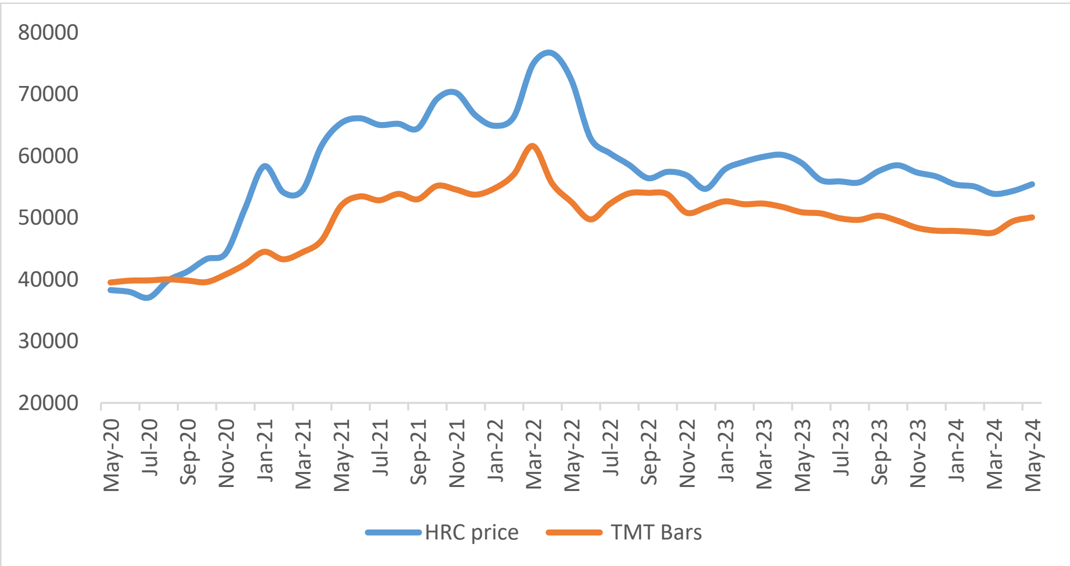
Source: CMIE, ICRA Analytics

The total finished steel imports in the domestic market went up significantly by ~38% to 8.3 mt in FY2024 compared to 6.0 mt in FY2023. FY2024 has been a year of net imports after four consecutive fiscal years of net exports. The import was higher owing to strong demand in the domestic market due to increased pre-election spending in infrastructure and construction activities.

Overall, India's import from China, South Korea and Japan constitutes around ~75% of the total volume imported and this trend has remained largely unchanged historically.

9.2.4 Price trends:

Chart 78: Domestic steel price (in Rs/tonne)



Source: CMIE, ICRA Analytics

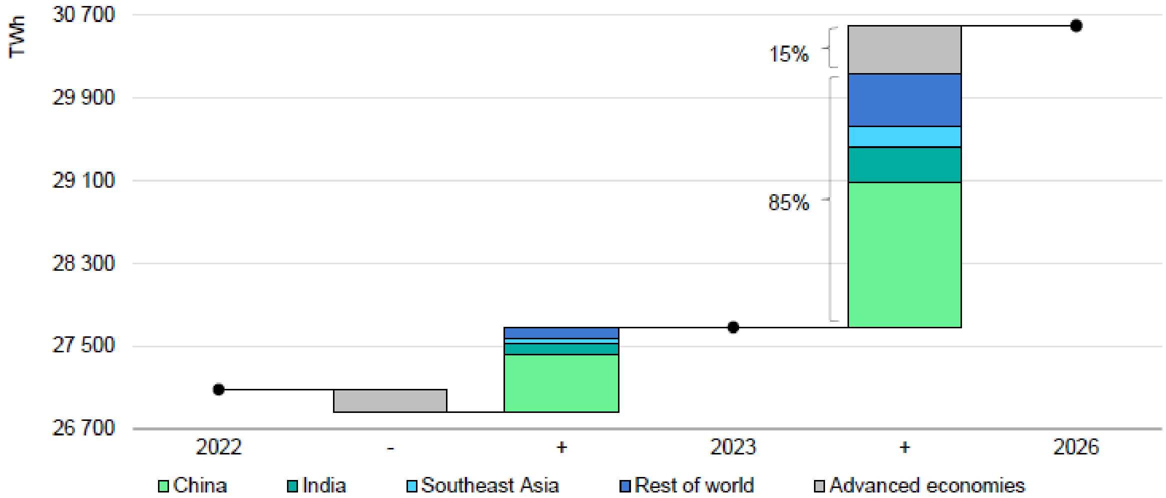
After remaining depressed during the first wave of pandemic, steel prices started witnessing an uptrends following global stimulus and associated liquidity pumped in the economies. Prices touched record highs in April 2022 due to inflationary pressures exerted by the Russia-Ukraine conflict and then started easing due to monetary tightening across the globe and consequent demand slowdown. Consequently, over the last two years, domestic steel prices have remained under check. During FY2024, prices have gone down by ~6% after declining by ~3% in FY2023. Looking at the first two months of FY2025, prices dropped by ~8% to average at Rs 54,849/tonne compared to Rs 59,485/tonne same period last fiscal. With modest growth expectation in China, its steel exports are likely to remain elevated in the near term, which would exert pricing pressures in other economies including India and would keep steel prices range bound in FY2025.

10 Power

10.1 Global overview:

According to the International Energy Agency (IEA), around 85% of the additional electricity through 2026 is expected to come from outside the Advanced Economies which primarily comprises India and China. India is expected to witness the fastest growth in electricity demand through CY2026 among major economies India's electricity demand is likely to grow above 6% on an average until CY2026 on the back of robust economic activity. IEA projected that over the next three years, India's incremental electricity demand would be roughly equivalent to that of the United Kingdom.

Chart 79: Yearly change in electricity demand across regions

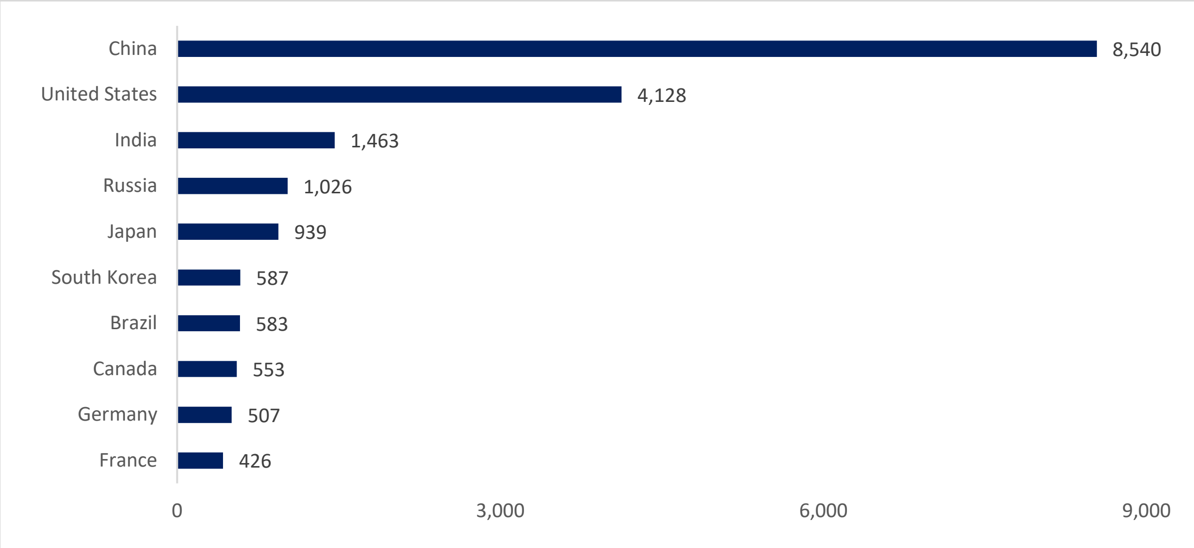


Source: IEA, ICRA Analytics

Note: Advanced economies grouping in this chart excludes Mexico and Turkey

Data from U.S. Energy Information Administration showed that China consumes the most electricity with more than 8,000 terawatt-hours equivalent consumed in 2022. U.S. ranked as the second-leading electricity consumer that year, with over 4,000 terawatt-hours consumed followed by India.

Chart 80: Electricity Net Consumption (billion kWh) for 2022



Source: U.S. Energy Information Administration, ICRA Analytics

10.2 Domestic overview:

10.2.1 Evolution of the Indian Power Sector:

The Indian power sector has witnessed significant transformation over the past decade. Significant strides have been made in enhancing the country's power generation capacity, improving the access to electricity, promoting renewable energy and implementing innovative policies. Some of the achievements and initiatives which propelled India's power sector to new heights are as follows:

1. India's power sector was transformed from power deficit to power surplus by addition of over 175 GW of generation capacity in the past ten years.

2. Around 2.86 crore houses both in rural areas and urban areas were connected with electricity under the Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA) initiative. According to the International Energy Agency (IEA), this was the fastest expansion of access anywhere in the world in the history of power.

3. The Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) was launched in 2014 which achieved 100% village electrification on April 28, 2018, by electrifying 18,374 un-electrified villages.

4. The Unnat Jyoti by Affordable LEDs for All (UJALA) scheme helped to lower the procured price of LED bulbs which decreased by almost 90% between 2014 and 2019, from Rs. 310 to Rs. 39.90. More than 36.86 crore LED bulbs have been distributed under this scheme.

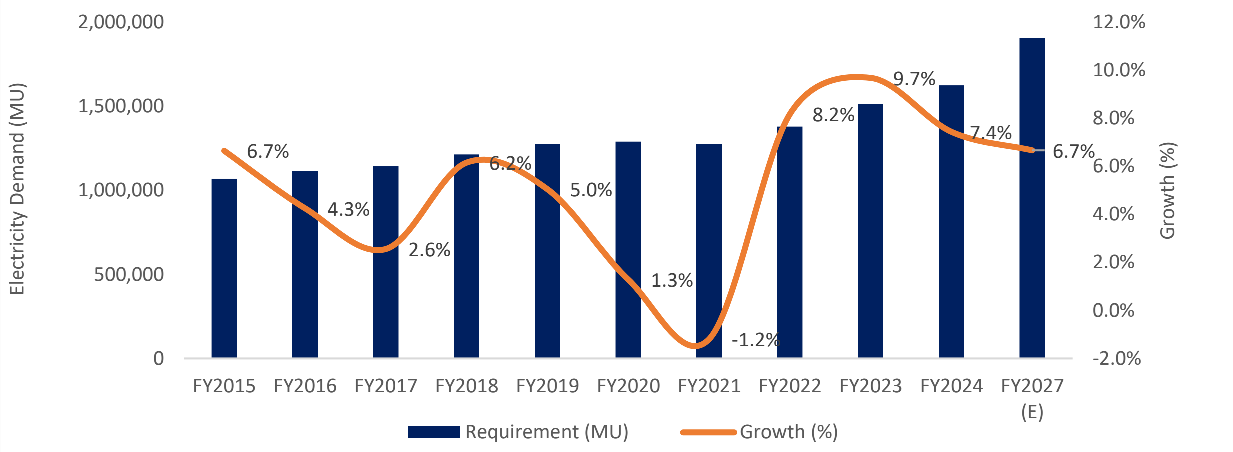
5. The Restructured Distribution Sector Scheme (RDSS) focused on reducing technical and commercial losses, improving metering and billing systems, and promoting energy efficiency. As a result, distribution losses of distribution companies were reduced significantly.

10.2.2 Domestic Electricity Demand & Generation:

As per the Central Electricity Authority (CEA), all India electricity demand increased by 7.4% on a yearly basis in FY2024, which can be attributed to delayed onset of monsoons, uneven rainfall across the country and resilient economic activity. According to ICRA Ratings, the demand growth in electricity is expected to remain healthy at 5.5%-6.0% in FY2025. As per the report on twentieth electric power survey of India carried out by

CEA, energy requirement for FY2027 is estimated at 19,07,835 MU with a healthy CAGR growth in energy requirement projected at 6.7% between FY2022-27.

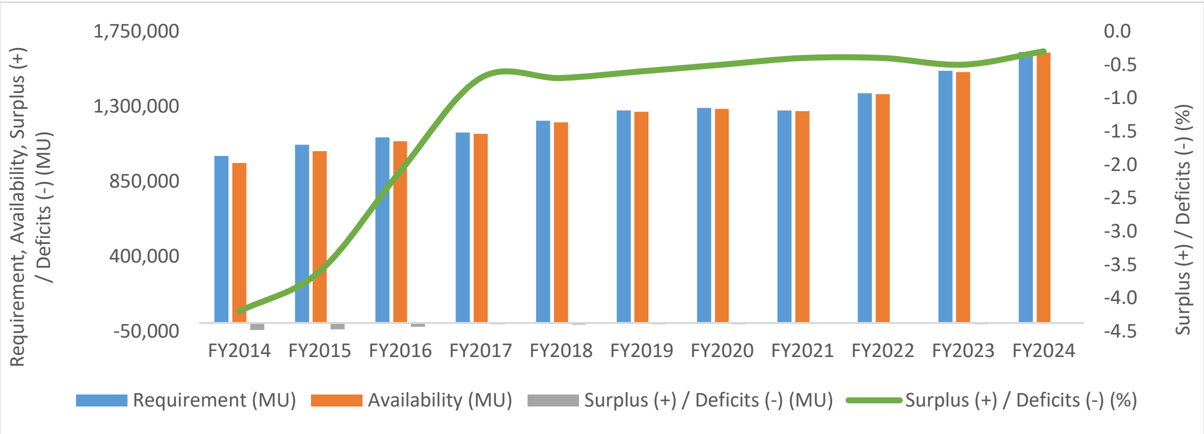
Chart 81: India's Electricity demand



Source: CEA, ICRA Analytics E- Estimated

The power supply position of the country also remained favorable as availability of power was almost in line with power requirement for the last seven years. Deficit level of the country came down to 0.3% in FY2024 as compared to 4.2% in FY2014.

Chart 82: India's Power Supply Position remained favourable

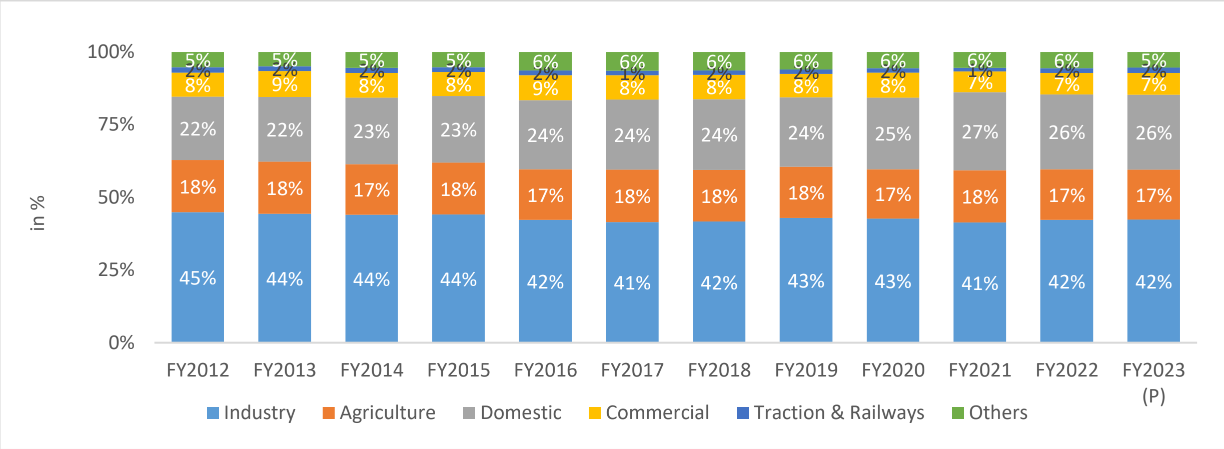


Source: CEA, ICRA Analytics

10.2.2.1 Consumption of Electricity by Sectors:

Out of the total consumption of electricity across the years, the industry sector accounted for the largest share followed by domestic and agriculture. These three accounted for more than 80% of the total electricity consumption.

Chart 83: Consumption of Electricity – Sector wise



Source: CEA, ICRA Analytics P – Provisional

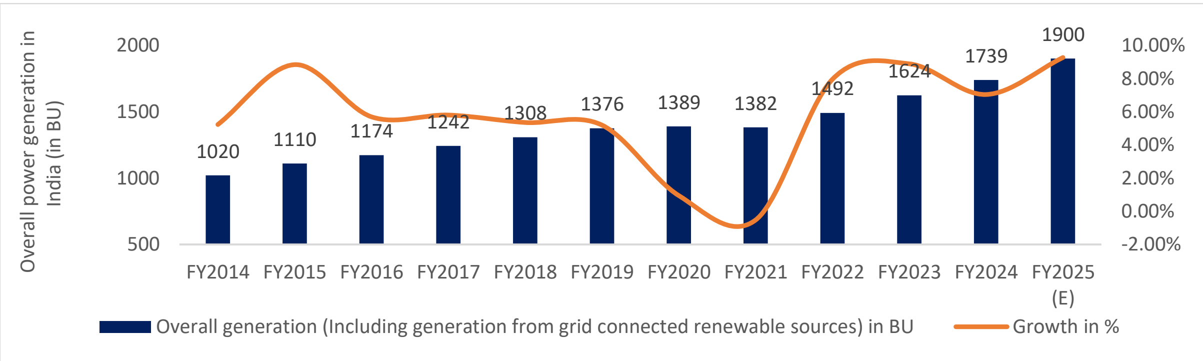
10.2.2.2 Healthy growth in peak demand:

The peak demand reached an all time high of 243 GW in FY2024 as against 153 GW in FY2016. The peak demand went up on account of a sharp rise in demand during the summer season, caused by severe heat waves in different parts of the country. Demand growth in Karnataka also contributed to the same following the implementation of the free power scheme of up to 200 units. As per CEA, peak demand requirement for FY2027 is estimated at 2,77,201 MU with a CAGR growth in peak demand projected at 6.4% between FY2022-27.

10.2.2.3 Growth in total power generation:

The Overall generation (Including generation from grid connected renewable sources) in the country has increased from 1110.4 BU during FY2015 to 1739.8 BU during FY2024 with a CAGR of 5%. According to the Ministry of Power, the electricity generation target (Including RE) for the year FY2025 has been fixed as 1900 BU which corresponds to a growth of around 9.3% as compared a growth of about 7.04% in FY2024.

Chart 84: Overall generation (Including generation from grid connected renewable sources) in BU



Source: CEA, Ministry of Power, ICRA Analytics E – Estimated

The performance of Category wise generation during FY2023 is depicted below:

Table 27: Performance of Category wise generation during the year FY2023

Category wise	Growth	Quantum of Growth
Thermal	Increased by	9.95%

Category wise	Growth	Quantum of Growth
Nuclear	Reduced by	4.53%
Hydro	Increased by	17.30%
Bhutan Import	Reduced by	30.05%
Solar Wind & Other RES	Increased by	10.95%
Overall Generation	Increased by	7.04%

Source: Ministry of Power, ICRA Analytics

10.2.2.4 Improved PLFs driven by healthy demand growth:

The all-India thermal PLF rose to 69.07% in FY2024 from 64.15% in FY2023 and 58.87% in FY2022. The improvement was driven by healthy demand growth, limited thermal capacity addition and decline in hydro power generation.

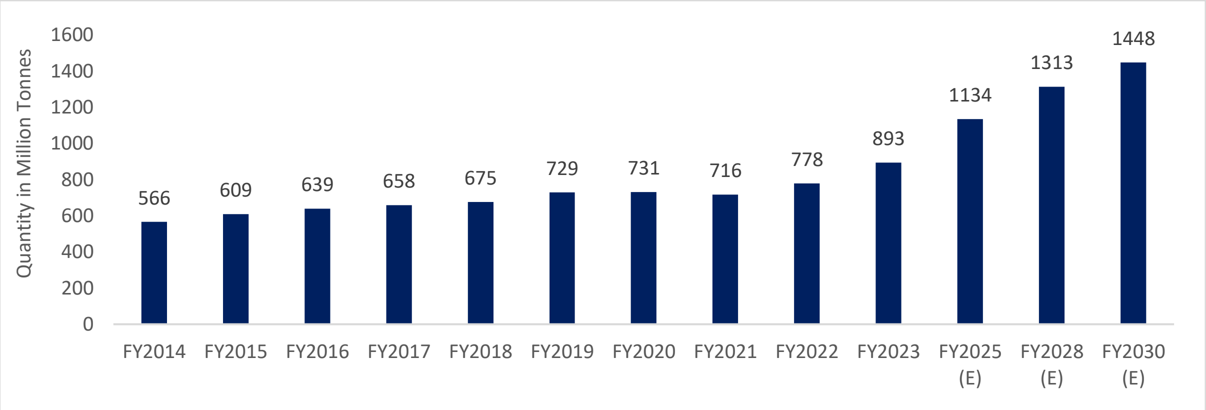
According to ICRA Ratings report, the PLF would remain above 69.0% in FY2025 in line with the demand expectation of 6% and limited thermal capacities getting added during the year. While sustained demand growth may improve the visibility on new PPAs for thermal projects, the growing share of renewable energy in the generation mix may keep the thermal PLFs under pressure over the long term.

10.2.3 Coal Supply trends:

Domestic coal production by Coal India Limited (CIL), Singareni Collieries Company Ltd (SCCL) and captive mines increased by 15% in FY2023 as compared to 9% in FY2022. Production of raw coal by other captive mines grew 36% in FY2023, which contributed to the increase in domestic coal production.

According to the Ministry of Coal, Coal Production is estimated to increase to 1,134 mt in FY2025, 1,313 mt in FY2028 and 1,448 mt in FY2030.

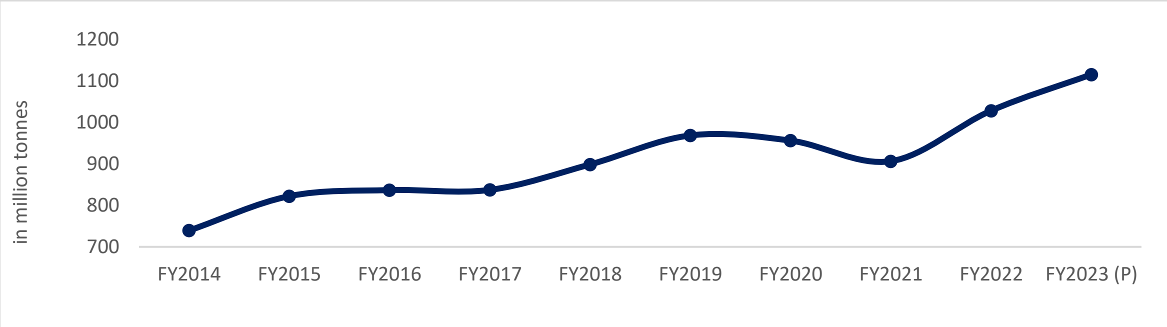
Chart 88: Coal Production during last ten years



Source: Ministry of Coal, ICRA Analytics; Coal Production data covers for CIL, SCCL and captive mines, E – Estimated

Coal consumption dipped in FY2020 and FY2021 due to COVID-19 pandemic. However, in FY2022 coal consumption over the year grew 13% and the trend continued in FY2023. According to CEA, India is one of the largest producers and consumer of coal.

Chart 89: Coal Consumption during last ten years



Source: CEA, ICRA Analytics E – Estimate

Electricity Sector remains the biggest consumer of coal, consuming as much as 70.40%. This can be attributed to the growing electricity demand.

10.2.4 Market Drivers:

1. Growing Population

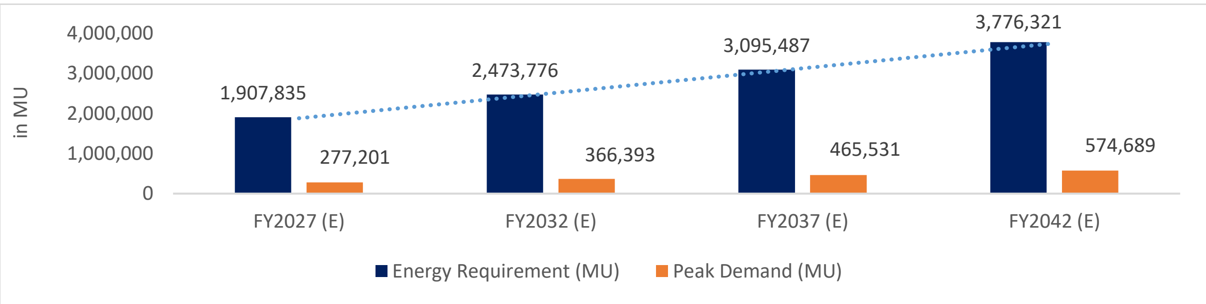
The power sector is expected to benefit in the long run on the back of a growing population and improved growth prospects of the Indian economy. As the population grows and reaps the benefit of a growing economy, demand of electricity is also expected to go up. According to World Bank, India's population is expected to reach 151 crore by 2030, which is a growth of 6% over 2022.

2. Increasing Electric Demand

Increasing electrification and per-capita usage is expected to provide further impetus to the Indian power sector. Per Capita Electricity Consumption in FY2022 was 1255 Kwh which corresponds to an annual gain of 8%.

Summary of electricity demand projection shows that electrical energy requirement and peak electricity demand is expected to go up from the year FY2022 to FY2042 on all-India basis.

Chart 90: Electricity Demand Projection in India



Source: CEA, ICRA Analytics, E-Estimated

3. Improving Economic Activity

According to the International Monetary Fund, growth in India is projected to remain strong at 6.5% in 2025, reflecting continuing strength in domestic demand and a rising working-age population.

4. Increasing Investment

FDI Equity inflow in the domestic power sector grew 40% from Rs. 3,904 core in FY2022 to Rs. 5,483 crore in FY2023 and Rs. 14,141 crore in FY2024. According to World Economic Forum, India is the fourth-largest renewables market globally. With annual investments nearing $10 billion, India is driving the adoption of electric vehicles (EVs) and the production of green hydrogen.

According to the National Electricity Plan, the total fund requirement for the period FY2032 is estimated to be Rs. 19,06,406 crore. The equity and debt requirement for the same period have been estimated as Rs. 4,76,602 crore and Rs. 14,29,805 crore respectively.

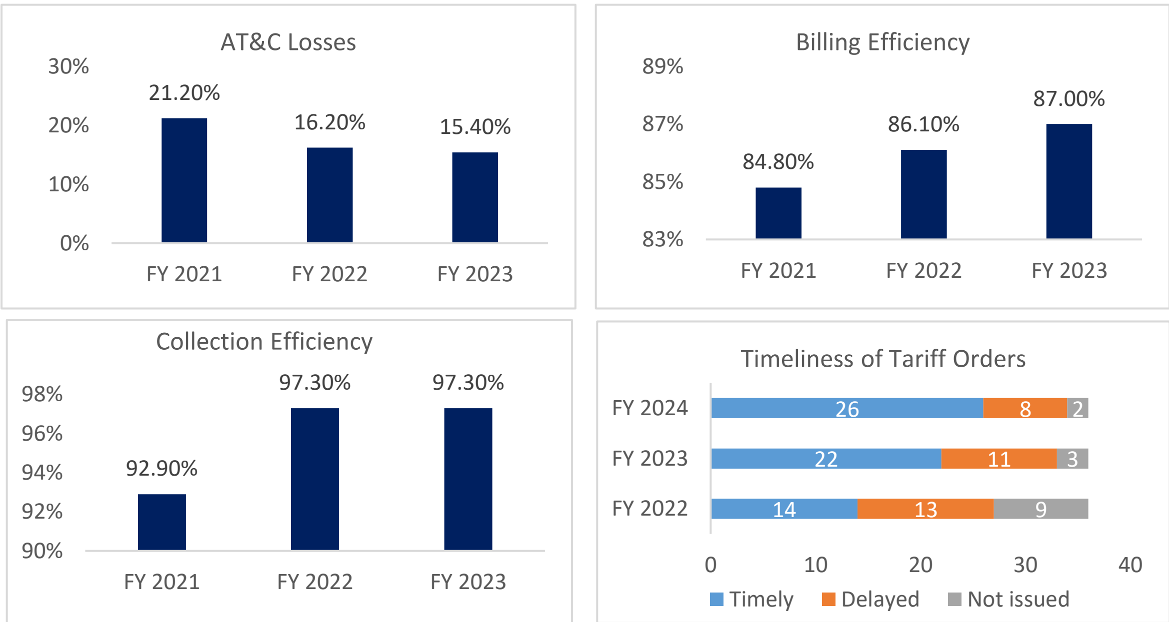
5. Improving efficiency of distribution companies

Billing Efficiency improved as AT&C declined to 15.4%, reaching closer to the national goal of 12-15%. Billing efficiency improvement came on the back of replacement of defective meters, improved vigilance in the prevention of theft, and segregation of agriculture feeders.

Collection efficiency remained at higher levels of 97%, which can be attributed to improving customer collections, through digital payments, rural awareness drives etc.

Timeliness of Tariff Orders also improved in FY2024 as compared to FY2022. Regulatory support in terms of timely tariff orders, automatic pass-through in some states and general increase in tariffs through the regulatory process were some of the factors, which resulted in an increase the National Average Revenue Realized (ARR) per unit energy.

Chart 91: Improving efficiency of distribution companies



Source: Ministry of Power. ICRA Analytics

6. Higher Loan Sanctions and Disbursements

Higher loan sanctions and disbursements for the Indian power sector indicates increasing power sector financing in India. The same is expected to go up due to rising demand for power, need for investments to augment its power generating capacities and growing influence of the country as a renewable energy producer.

10.2.5 Policy Support:

Policy support for India's power sector is given as follows:

1. **National Policy on Biofuels** – Encourages biodiesel production from non-edible oilseeds, Used Cooking Oil, short gestation crops.

2. **Ultra Mega Power Projects** – Higher thermal efficiency and lower green-house gas emissions to be achieved with the help of Super Critical Technology.

3. **National Bio Energy Programme –** To utilize surplus biomass for power generation.

4. **PLI scheme** implemented for National Program on High Efficiency Solar PV Modules with outlay of Rs. 24,000 crore.

5. **R-APDRP –** Re-structured Accelerated Power Development and Reforms Programme encourages sustained collection of accurate base line data through the establishment of reliable and automated systems and the adoption of IT in the areas of energy accounting.

6. **Loans** – Government considering enhancing priority sector lending limits.

7. **Rooftop solarization** – 1 crore households will be enabled to obtain up to 300 units of free electricity per month as per Union Budget for 2024-2025.

8. Central Electricity Authority notified the **National Electricity Plan for the period of 2022-32**. Share of non-fossil based capacity expected to increase to 57.4% by FY2027.

9. Provided support through grant of funds to install meter on unmetered connections; and installed covered wire in loss prone areas to cut down on theft.

10. **Solar Power (Grid) –** Rs. 8,500 crore allocated to Solar Power (Grid) as per Union Budget 2024-2025.

11. **National Green Hydrogen Mission** – Rs. 600 crore allocated to National Green Hydrogen Mission as per Union Budget 2024-2025.

12. **Smart Meter National Program (SMNP)** for improving the billing and collection efficiencies of Distribution Companies.

13. Introduction of new products in the Exchange for Renewable Energy such as the **Green Day Ahead Market** and the **Green Term Ahead Market**.

14. Government has constructed **Green Energy Corridors** and put in place 13 Renewable Energy Management Centres.

15. **Asian Development Bank** to provide support to India's power sector to assist the transition to clean and renewable energy.

OUR BUSINESS

The following discussion is intended to convey our management's perspective on our financial condition and results of operations. Please read "Presentation of Financial Information" before reading this section. This section should be read together with "Risk Factors", "Industry Overview", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Selected Consolidated Financial Information". This section contains forward-looking statements. Our actual results may differ materially from those expressed in, or implied by, these forward-looking statements. See "Forward-Looking Statements" for a discussion of the risks and uncertainties related to those statements and "Risk Factors" for a discussion of certain factors that may affect our business, financial condition, results of operations or cash flows.

Unless stated or the context requires otherwise, all financial information is presented on a consolidated basis, and such financial information as of and for Fiscal Years 2023 and 2024 has been derived from the Audited Financial Statements, included elsewhere in this Offering Circular, and such financial information as of and for Fiscal Year 2022 has been extracted from the comparative information included in the Fiscal Year 2023 Financial Statements, included elsewhere in this Offering Circular.

*Certain information in this section includes extracts from a report by ICRA Analytics Limited titled 'Industry Overview Report for Vedanta Ltd.' dated July 5, 2024 (the "**ICRA Report**"), which has been exclusively commissioned and paid for by us in connection with this offering of the Bonds. The relevant industry sources are indicated at all relevant places within this section. For more information, see "Risk Factors — Risks Relating to Business. Third party statistical and industry related data in this Offering Circular may be incomplete or unreliable and any reliance on such information for making an investment decision in this offering of the Bonds is subject to inherent risk". None of us, the Joint Global Coordinators and Managers or any other person connected with the offering of the Bonds has independently verified all the information contained in the ICRA Report.*

Overview

We are a globally diversified natural resource group engaged in exploring, extracting and processing minerals and oil and gas. As of March 31, 2024, we are the largest aluminium producer in India accounting for approximately 56.5% of the overall smelting capacity in the country and are the second largest producer of zinc and the third largest silver producing company in the world (*Source: ICRA Report*). We have operations in India, Namibia, Ireland, South Africa, Liberia, UAE, Zambia, Japan, South Korea and Taiwan. This geographical reach and diverse portfolio of commodities allow us to capitalise on regional market demands and economic strengths.

Our Group is primarily engaged in the following businesses: (i) aluminium ("**Aluminium Business**"), (ii) zinc, lead and silver ("**Zinc, Lead and Silver Business**"), (iii) oil and gas ("**Oil and Gas Business**"), (iv) copper ("**Copper Business**") (v) iron ore ("**Iron Ore Business**"), (vi) steel ("**Steel Business**") and (vii) commercial power generation ("**Power Business**").

(i) <u>*Aluminium Business*</u> – Our Aluminium Business is the largest aluminium producer in India and accounts for approximately 56.5% of the overall smelting capacity in the country (*Source: ICRA Report*), with present installed capacity of 2.4 mtpa aluminium capacity. We have a market share of approximately 45% in the primary aluminium production sector in India (*Source: ICRA Report*). Our Aluminium Business is conducted by Vedanta Limited in Odisha and also through our subsidiary, Bharat Aluminium Company Limited ("**BALCO**"), in Chhattisgarh, India. Vedanta Limited's operations include 1.8 mtpa smelter at Jharsuguda in Odisha, an alumina refinery at Lanjigarh and captive power plants. BALCO's operations include the Chotia coal block, a 1,410 MW captive power plant, a 245 ktpa aluminium smelter, a 325 ktpa aluminium smelter and the fabrication facilities in Chhattisgarh.

(ii) *Zinc, Lead and Silver Business* – Our Zinc, Lead and Silver Business comprises operations in India ("**Zinc India**") and outside India ("**Zinc International**"). Our Zinc India Business is conducted through our subsidiary, Hindustan Zinc Limited ("**HZL**"). HZL is the second largest producer of zinc and the third largest silver producing company in the world (*Source: ICRA Report*) and has five zinc-lead mines at the Agucha, Kayad, Sindesar Khurd, Dariba and Zawar facilities in Rajasthan. Our Zinc International Business is conducted through several subsidiaries, namely, THL Zinc Namibia Holdings Limited and its subsidiaries ("**Skorpion**") in Namibia, Vedanta Lisheen Holdings Limited and its subsidiaries ("**Lisheen**") in Ireland and Black Mountain Mining Pty Ltd ("**Black Mountain Mining**") in South Africa. Zinc India produced 817 kt of zinc, 216 kt of lead and 746 tonnes of silver in Fiscal Year 2024 and produced 211 kt of zinc, 51 kt of lead and 167 tonnes of silver during the three months ended June 30, 2024, while Zinc International produced 208 kt of metal-in-concentrate in Fiscal Year 2024 and produced 38 kt of metal-in-concentrate during the three months ended June 30, 2024.

(iii) *Oil and Gas Business* – Our Oil and Gas Business is conducted by Vedanta Limited and its subsidiary, Cairn Energy Hydrocarbons Limited ("**CEHL**"). We contributed approximately 25% of India's domestic crude oil production during Fiscal Year 2024 (*Source: ICRA Report*). Our Oil and Gas Business produced 46.7 mmboe of gross operated production in Fiscal Year 2024 across its diversified asset base of 62 blocks in India. The blocks are primarily located across the Indian basins in Barmer, Krishna-Godavari, Cambay, Assam, Gujarat Kutch and Cauvery.

(iv) *Copper Business* – Our Copper Business comprises operations in India and the UAE. Our Copper Business in India is conducted by Vedanta Limited and our business in the UAE is operated by our subsidiary, Fujairah Gold FZC ("**Fujairah Gold**").

(v) *Iron Ore Business* – Our Iron Ore Business comprises operations in India and Liberia. We are one of the leading iron ore producers in India in Fiscal Year 2024 (*Source: ICRA Report*). Our Iron Ore Business is conducted by Vedanta Limited in Goa and Karnataka, India and our Iron Ore Business in Liberia is conducted through our subsidiary, Western Cluster Limited ("**WCL**").

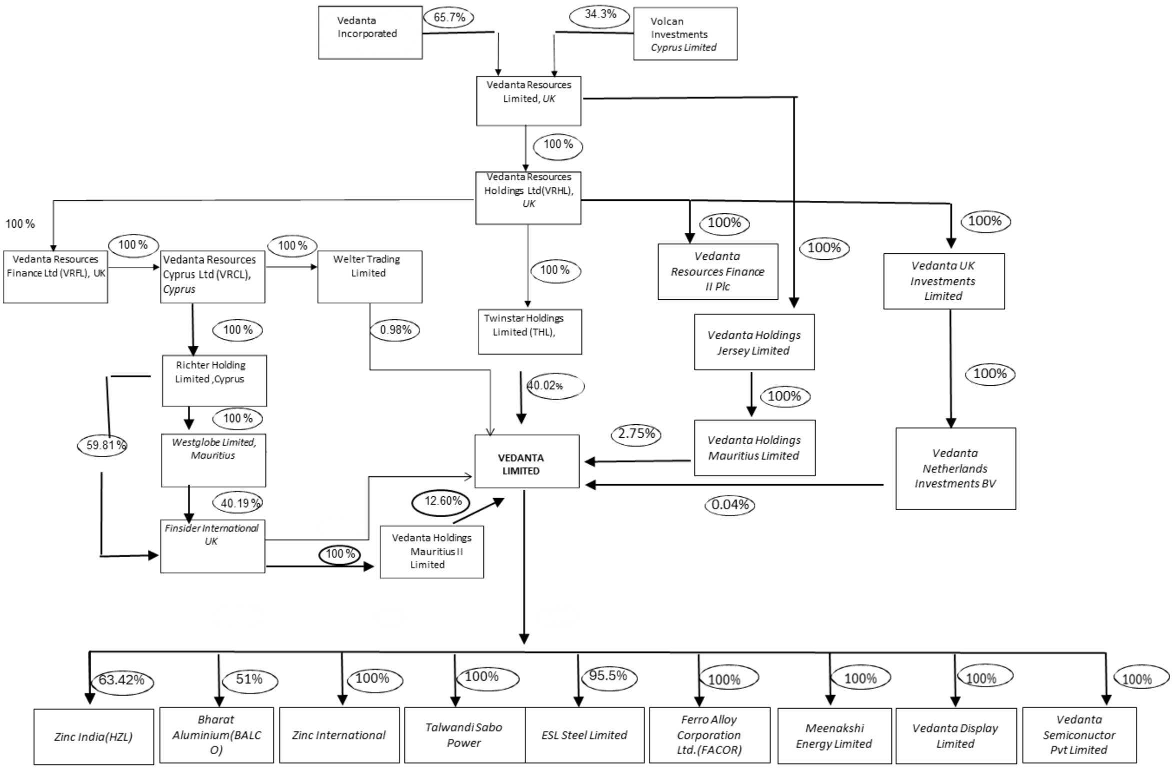
(vi) *Steel Business* – Our Steel Business is conducted through our subsidiary, ESL Steel Limited ("**ESL**"). ESL's manufacturing facility is a greenfield integrated steel plant located near Bokaro, Jharkhand, India, which has a current capacity of 1.7 mtpa.

(vii) *Power Business* – Our Power Business is primarily conducted by Vedanta Limited and our subsidiary, Talwandi Sabo Power Limited ("**TSPL**"). Our Power Business has power purchase agreements ("**PPAs**") in place with public utilities involved in power distribution for 2,580 MW of our merchant capacity.

For Fiscal Years 2022, 2023 and 2024, we reported revenue (before special items) of $17,619 million, $18,141 million and $17,128 million and EBITDA of $6,255 million, $4,608 million and $4,718 million, respectively.

Group Structure

The following chart depicts our Group's corporate structure as of March 31, 2024. We own other subsidiaries that are not material and are not shown in the chart below.



Recent Developments

Credit Ratings

On October 16, 2024, S&P downgraded our senior unsecured note rating (including the Original Bonds) from "B-" to "CCC+", while our issuer credit rating remains at "B-" with stable outlook as there is no change in the underlying credit profile of our Company. The rating action follows the review of S&P's jurisdiction assessment of the insolvency regime in India. S&P now differentiates the issue ratings on debt that is materially subordinated to other better-positioned or more senior-ranking debt in India. The downgrade in the issue ratings reflects material subordination risk for unsecured lenders due to the presence of substantial secured and priority debt in our capital structure.

Financial performance of HZL as of and for the six months ended September 30, 2024

On October 18, 2024, HZL published its unaudited consolidated financial statements as of and for the six months ended September 30, 2024 (the "**HZL September 2024 Unaudited Financials**"), which have been filed with the BSE Limited (the "**BSE**"). The HZL September 2024 Unaudited Financials should not be relied upon by potential investors to provide the same quality of information associated with information that has been subject to an audit. The HZL September 2024 Unaudited Financials should not be taken as an indication of the expected financial condition or results of operations of the Group or HZL for the full financial year ending March 31, 2025. None of the Joint Global Coordinators and Managers, the Trustee, the Agents or any of their respective affiliates, directors, officers, employees, agents, representatives or advisers or any person who controls any of them makes any representation or warranty, express or implied, regarding the accuracy, completeness and sufficiency of the HZL September 2024 Unaudited Financials. The HZL September 2024 Unaudited Financials have not been included in, and do not constitute part of, this Offering Circular. See "*Risk*

Factors — Risks Relating to our Business — Potential investors should not place undue reliance on HZL's unaudited financial information or the discussion of material financial trends in relation to HZL's unaudited financial information as of and for the six months ended September 30, 2024."

For the six months ended September 30, 2024, HZL recorded an increase in revenue from operations as compared to the six months ended September 30, 2023, primarily due to increase in LME prices and favourable exchange rate movement.

For the six months ended September 30, 2024, HZL recorded an increase in total expenses as compared to the six months ended September 30, 2023, primarily due to an increase in changes in inventories of finished goods and work-in-progress and an increase in mining royalty, depreciation and amortization, finance costs and other expenses.

For the six months ended September 30, 2024, HZL recorded an increase in profit before tax as compared to the six months ended September 30, 2023.

For the six months ended September 30, 2024, HZL recorded an increase in net tax expense as compared to the six months ended September 30, 2023, primarily due to an increase in current tax as a result of increase in profit before tax.

For the six months ended September 30, 2024, HZL recorded an increase in net profit as compared to the six months ended September 30, 2023.

As of September 30, 2024, HZL's inventories decreased as compared to the balance as of March 31, 2024, primarily due to conversion of work-in-progress into finished goods and the sales thereof.

As of September 30, 2024, HZL's current financial assets decreased as compared to the balance as of March 31, 2024, primarily due to a decrease in current investments.

As of September 30, 2024, HZL's current financial liabilities increased as compared to the balance as of March 31, 2024, primarily due to an increase in current borrowings, operational buyers' credit/suppliers' credit, trade payables and other financial liabilities.

In terms of cash flow, at September 30, 2024, HZL recorded a decrease in the closing balance of cash and cash equivalents as compared to September 30, 2023 due to an increase in net cash flows used in financing activities, which was partially offset by an increase in net cash flows from operating activities and investing activities.

Production releases of Vedanta Limited for the second quarter and six month ended September 30, 2024

On October 4, 2024, Vedanta Limited announced on the BSE and the National Stock Exchange of India Limited ("**NSE**", and together with the BSE, the "**Indian Stock Exchanges**") its production release for the second quarter and six month ended September 30, 2024. A summary of the production release is included as "*Annex D – Production Releases of Vedanta Limited for the Second Quarter and Six Month ended September 30, 2024*".

Whilst we believe that the results of operation of Vedanta Limited as reflected in the production release provides a meaningful reflection of our results of operations expected for same period, there can be no assurance and none of the Joint Global Coordinators and Managers or any of their respective affiliates, directors or advisors makes any representation or warranty, express or implied that the production release would be sufficiently representative of our results of operations expected for the same period. See also the section entitled "*Risk Factors — Risks Relating to Business — Vedanta Limited's Unaudited Consolidated Condensed Interim Financial Statements may not be representative of our financial condition, results of operations and cash flow for the same period*.".

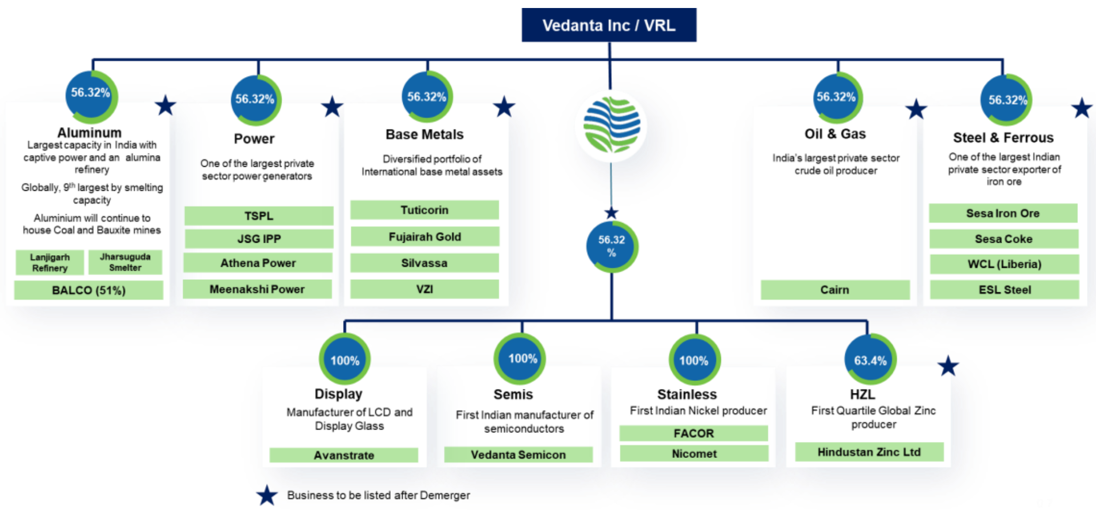
Proposed Demerger

On September 29, 2023, we announced our plan to demerge our business units into independent companies (the "**Proposed Demerger**"), namely:

- Vedanta Limited, comprising our Zinc India Business, our semiconductor business, our display business and our ferrochrome and nickel businesses (i.e., Ferro Alloys Corporation Limited and Nicomet);
- Vedanta Aluminium Metal Limited, comprising our Aluminium Business (including the 51% stake in BALCO);
- Malco Energy Limited, comprising our Oil and Gas Business;
- Vedanta Base Metals Limited, comprising our downstream Copper Business and Zinc International;
- Vedanta Iron and Steel Limited, comprising our Iron Ore Business and our Steel Business; and
- Talwandi Sabo Power Limited, comprising our Power Business (including Athena Chhattisgarh Power Limited and Meenakshi Energy Limited).

The Proposed Demerger is planned to be a simple vertical split, for every one share of Vedanta Limited, shareholders will additionally receive one share of each of the five newly listed companies. The composite scheme of arrangement was approved by the board of directors of Vedanta Limited on September 29, 2023 and in furtherance to that, Vedanta Limited filed (seeking no objection letter) with both Indian Stock Exchanges on October 20, 2023. In this regard, pursuant to the provisions of Regulation 30 of SEBI Listing Regulations, the Indian Stock Exchanges, vide their letters dated July 31, 2024 and July 30, 2024 respectively, have conveyed that they have 'No Objections / No Adverse Observations', on the Proposed Demerger scheme. The Proposed Demerger scheme remains subject to receipt of other applicable statutory and regulatory approvals including inter alia from the National Company Law Tribunal ("**NCLT**") and the respective shareholders and creditors, under applicable laws.

The Proposed Demerger aims to, *inter alia*, create streamlined pure-play asset owner companies focusing exclusively on mining, production and/or supply of aluminium, iron ore, copper, oil and gas and on generation and distribution of power and exploring new opportunities and taking advantage of the growth potential in the respective sectors, attract different sets of investors, strategic partners, lenders, and other stakeholders enabling independent collaboration and expansion in the respective companies without committing the existing organisation in its entirety and enable investors to separately hold investments in businesses with different investment characteristics thereby enabling them to select investments which best suit their investment strategies and risk profiles.



Konkola Copper Mines

Following our loss of control, we deconsolidated Konkola Copper Mines ("**KCM**") on May 21, 2019. As per the terms of the scheme of arrangement proposed by the provisional liqudator and approved by the High Court of Zambia, the board of KCM was subsequently reinstated on July 31, 2024, and accordingly we regain control from such date. As of the date of this Offering Circular, we have an 80.0% stake in KCM.

Offer for sale of HZL shares held by Vedanta Limited

By way of an offer for sale through the stock exchange mechanism held on August 16, 2024 and August 19, 2024, Vedanta Limited sold 63,605,891 equity shares held by Vedanta Limited in its subsidiary, HZL (representing 1.51% of HZL's total issued and paid-up equity share capital). Pursuant to the offer for sale, the shareholding of Vedanta Limited in HZL has become 63.42% of the total issued and paid-up equity share capital of HZL.

Stake sales in Vedanta Limited

Between August 2023 and June 2024, we have cumulatively sold 385,464,540 equity shares in Vedanta Limited (representing 10.4% of Vedanta Limited's total issued and paid-up equity share capital) and received a total consideration of $1,395 million.

Vedanta Limited's strategic review of its non-core businesses

On June 30, 2023, Vedanta Limited announced and undertook a strategic sale process of its non-core iron and steel assets. The bids received were not satisfactory, and we decided to halt the process and focus on the ongoing capex and expansion activities. However, we may look to sell a part of these business in the future.

Strengths

Low-cost, long-life and diversified asset base.

We have an extensive and diverse portfolio, which is characterised by global cost leadership in several core businesses, superior margins and free cash flow generation across commodity cycle. Our commodity mix, focused on base metals and oil, and strong fundamentals and demand, further gives resilience to our business.

Vedanta Limited operates a 1.8 mtpa smelter in Jharsuguda and our subsidiary, BALCO, operates a further 0.6 mtpa smelter. Our Aluminium Business is the largest aluminium producer in India and accounts for approximately 56.5% of the overall smelting capacity in the country (*Source: ICRA Report*). Our Aluminium Business is also equipped with captive power plants and an alumina refinery at Lanjigarh. With ongoing investments in capacity creation and efforts for structural cost reduction and operational efficiency, we continue to reinforce our cost competitiveness. HZL's Rampura Agucha mine is the largest zinc mine globally on a production basis and its Chanderiya zinc smelter is the third largest smelter globally on a production basis (*Source: Wood Mackenzie*), and the Sindesar Khurd mine now stands as the second largest silver producing mine globally (*Source: ICRA Report*). The overall mine life for Zinc International is more than 20 years and Zinc India has a mine life of more than 25 years. Our Oil and Gas Business produced 46.7 mmboe of gross operated production in Fiscal Year 2024 across its diversified multi-locational asset bases in India. As at March 31, 2024, our Oil and Gas Business has a net working interest proved plus probable reserves and 2C resources of 998 mmboe. HZL is the second largest producer of zinc and the third largest silver producing company in the world (*Source: ICRA Report*). Our Iron Ore Business is also one of the leading iron ore producers in India in Fiscal Year 2024 (*Source: ICRA Report*), where we operate two metallurgical coke plants and a pig iron plant with an installed rated capacity of 522 ktpa, 120 ktpa and 950 ktpa, respectively, in Goa and Maharashtra.

We also recently ventured into new greenfield businesses such as semiconductor and display production to further diversify our portfolio. In 2022, we incorporated Vedanta Semiconductors Private Limited and Vedanta Displays Limited to spearhead our foray into semiconductors and display glass, respectively.

We also operate at a low-cost base in our key business. For example, the cost of production of our Aluminium and Zinc, Lead and Silver Businesses for the periods indicated were:

	Fiscal Year			Three months ended June 30,	
	2022	**2023**	**2024**	**2023**	**2024**
Aluminium Business ($ per tonne)(1)	1,858	2,324	1,796	1,932	1,716
Zinc India Business ($ per tonne)(1)(2)	1,567	1,707	1,450	1,539	1,490
Zinc International Business ($ per tonne)(1)	1,442	1,577	1,488	1,381	1,611

Notes:

(1) Cost of production per unit (net of by-products).

(2) Includes royalties of $445 per tonne, $450 per tonne and $333 per tonne in Fiscal Years 2022, 2023 and 2024, respectively, and $345 per tonne and $383 per tonne for the three months ended June 30, 2023 and 2024.

Well-placed to contribute and capitalise on India's high growth markets and benefit through the cycle with an attractive commodity mix.

We primarily operate in India, and have invested in building the necessary facilities, networks, and systems to extract and process minerals effectively. Having existing operations also means we are familiar with the local operational landscape, including regulatory affairs, supply chains, and community relations, which can help mitigate risks and challenges. India remains the fastest growing economy globally. It witnessed a rise in growth rate from approximately 7.0% in 2022 to approximately 7.8% in 2023 and the country is projected to grow by approximately 6.8% in 2024 and by approximately 6.5% in 2025 (*Source: ICRA Report*). The industry and services sector demonstrated strong performance, acting as the primary growth drivers of Fiscal Year 2024 (*Source: ICRA Report*). India also recorded the highest growth in this period among major advanced and emerging economies and, as per IMF, it is possible for India to become the third-largest economy by the year 2027 (*Source: ICRA Report*).

The global primary aluminium consumption has grown marginally in the past two years, up by 1.0% and 0.7% during 2023 and 2022 to 69.9 mt and 69.2 mt respectively (*Source: ICRA Report*). Global demand for aluminium in China grew by 5.5% in 2023 while demand in the world (excluding China) fell by 5.2% owing to the weaker macroeconomic scenario (*Source: ICRA Report*). Furthermore, India is currently the fastest-growing developing economy globally, witnessing a surge in construction activities and infrastructure development, which rapid growth has significantly increased the demand for aluminum and has contributed to the overall market expansion (*Source: ICRA Report*). Going ahead in Fiscal Year 2025, India's aluminium consumption is likely to witness a growth of approximately 10.0% on the back of sustained demand from renewables, defence, aerospace, electronics and appliances (*Source: ICRA Report*).

Zinc demand went up by 1.3% in 2023 to 13.6 mt from 13.4 mt in 2022 led by strong demand pull from India and China while weakness in the United States, Europe, Taiwan and Japan moderated the overall global demand in 2023 (*Source: ICRA Report*). Global demand is expected to reach 13.96 mt in 2024, up by 1.8% with main contributors to this growth projected to be India, Italy, Japan, Southeast Asia, South America, and the Middle East (*Source: ICRA Report*). Global silver demand is expected to increase by approximately 2% in 2024, due to continued increase in demand pull from the industrial applications and expected recovery in jewelry and silverware demand led by higher discretionary spending and restocking, and India is anticipated to make the largest contribution, partly due to the resumption of restocking by retailers (*Source: ICRA Report*).

The growing global population is a significant driver of exploring the energy reserves in order to meet its energy demand requirements. The demand for primary fuels is also likely to increase in the long term with the exception of coal, where oil demand is likely to witness strong growth while natural gas demand is set to increase by 19.9 mboe/d over the outlook period, reaching 87 mboe/d in 2045 (*Source: ICRA Report*). India, other Asia, China, Africa, and the Middle East are expected to contribute the most to the increase in non-OECD oil demand (*Source: ICRA Report*). Over the course of the anticipated period, India's oil demand will increase by 6.6 mb/d (*Source: ICRA Report*).

Iron ore is a key ingredient for the manufacturing of steel and pig iron. The market for iron ore mining has grown from 2,450 mt in 2019 to 2,544 mt in 2023 registering a compound annual growth rate of 0.9% over the last five years (*Source: ICRA Report*). India's iron ore consumption has been on the upward trend over the last decade due to a rise in the manufacturing of sponge iron and crude steel; however, the iron ore apparent consumption stood at 235.2 million tonnes in Fiscal Year 2024, marginally down by approximately 1% compared to 238.5 million tonnes in Fiscal Year 2023 as a result of a spurt in ore exports during the year (*Source: ICRA Report*).

Our Group has a strong market share in India in these key commodities, where we have a long history of established operations and experience in the country. Our Aluminium Business has a significant market share of approximately 45% in the primary aluminium production sector in India and account for approximately 56.5% of the overall smelting capacity in the country (*Source: ICRA Report*). HZL is the market leader for zinc, with a significant approximately 75% market share (in domestic consumption terms) and ranked as the second largest producer of zinc in the world (*Source: ICRA Report*). It is also the leading producer of refined lead in India with a market share of approximately 66% during Fiscal Year 2024 (*Source: ICRA Report*). HZL is the only primary silver producer in India and is the third largest silver producing company in the world with a market share of approximately 3% globally (*Source: ICRA Report*). Meanwhile, our Oil and Gas Business contributed approximately 25% of India's domestic crude oil production during Fiscal Year 2024 (*Source: ICRA Report*). We are also one of the leading iron ore producers in India in Fiscal Year 2024 (*Source: ICRA Report*).

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

Our Group has a track record of consistently delivering production growth across its assets. We prioritise adding to our reserves and resources at a faster rate than depletion through a focused approach on our drilling and exploration programme. We ensure this through a disciplined approach to development, ensuring steady production growth across operations while prioritising efficiency and cost savings. We further leverage our management team's extensive sectoral and global experience alongside investments in digitalisation, automation and vertical integration to operate efficiently and responsibly. We have adopted digital solutions to enhance mining operations.

Our Group also focuses on operational efficiencies to drive sustainability performance. For example, our Aluminium Business has been able to achieve near 100.0% capacity utilisation with record aluminium production in Fiscal Year 2024 at 2.37 mt (*Source: ICRA Report*).

We are committed to reducing our carbon footprint. Our Aluminium Business, for example, has the lowest emission intensity at 16.6 MT Co2e/MT of aluminium produced compared to peers (*Source: ICRA Report*). In December 2020, we signed a declaration on climate change by pledging to move towards carbon neutrality at the Second India CEO Forum on Climate change as part of our carbon vision programme to substantially decarbonise by 2050. See also "— *Sustainability*" for more details.

Strong financial metrics and return on capital employed.

Our Group has a track record of delivering consistent growth across all financial parameters, driven by sustained investment in new capacities and operational efficiencies, which have strengthened our financial foundation. Despite market volatilities, we have maintained a consistent performance. Our revenue, profit after tax for the period before share in profit/(loss) of jointly controlled entities and associates, EBITDA, return on equity ratio, return on capital employed, return on investment, total assets, total equity, changes in working capital and free cash flow for Fiscal Years 2022, 2023 and 2024 are highlighted in the table below:

	Fiscal Year		
	2022	**2023**	**2024**
	($ million, unless otherwise stated)		
Revenue (before special items)	17,619	18,141	17,128
Profit for the year	2,578	838	99
EBITDA	6,255	4,608	4,718
Return on capital employed (%)[1]	32	20	25
Total Assets	25,625	23,311	22,330
Total Equity	1,535	(872)	(848)
Changes in working capital	(633)	941	221
Net cash generated from operating activities	3,174	2,786	2,484
Free cash flow[2]	2,083	1,610	746

Notes:

(1) Return on capital employed is defined as a ratio of operating profit before special items over the average capital employed where capital employed is net assets before net (debt)/cash.

(2) Post-capex; includes foreign exchange movements.

Strategy

Augment reserves and resources base.

We look at ways to expand our reserves and resources base through targeted and disciplined exploration programmes, including bidding and acquiring mineral blocks. Our exploration teams aim to discover mineral and oil deposits in a safe and responsible way and to replenish the resources that support future growth. For example, during Fiscal Year 2024, additions of 12.7 million tonnes were made to reserve and resource, prior to depletion at Zinc India, and additions of 6.7 million tonnes of ore were made to reserve and resource after depletion at Zinc International. Specifically, the total reserves and resources of Zinc India is up by approximately 35.0% in the last five years, with an increase of 118 million tonnes, considering production of 6.51 million tonnes during the same period.

In 2017, the GoI launched the Open Acreage Licensing Programme ("**OALP**") along with the National Data Repository ("**NDR**") with an aim to accelerate exploration and production activities in India (*Source: ICRA Report*). Presently, we have 46 blocks under the OALP. These blocks offer a rich conventional and unconventional resource play. Furthermore, our Oil and Gas Business has won two discovered small fields in the DSF Round II bid, namely, the Hazarigaon and Kaza gas fields located in Assam and Krishna-Godavari basins, respectively. During Fiscal Year 2023, our Oil and Gas Business secured further eight blocks in the DSF Round III bid and one block in the special coal bed methane round bid in 2021.

Optimise Group structure.

We are focused on simplifying our group structure and has undergone various re-organisations, consolidations and mergers in an effort to increase revenues, combine talent and technology, reduce cost and implement effective management. More recently, we announced the Proposed Demerger. The Proposed Demerger aims to, *inter alia*, create streamlined pure-play asset owner companies focusing exclusively on mining, production and/or supply of aluminium, iron ore, copper, oil and gas and on generation and distribution of power and exploring new opportunities and taking advantage of the growth potential in the respective sectors, attract different sets of investors, strategic partners, lenders, and other stakeholders enabling independent collaboration and expansion in the respective companies without committing the existing organisation in its entirety and enable investors to separately hold investments in businesses with different investment characteristics thereby enabling them to select investments which best suit their investment strategies and risk profiles. See "— *Proposed Demerger*" for more information.

As part of our Group's ongoing objective of optimising our capital structure and shareholding in our subsidiaries, we may look to raise financing (debt and/or equity) in order to recalibrate such capital structure and increase our shareholding in one or more subsidiaries. We may also combine our organic growth of operations with the strategy of selectively making acquisitions in attractive businesses to complement our existing operations, to align those acquisitions with our expansion strategies, and to increase our revenues and profits.

Committed to environmental, sustainability and corporate governance leadership in the natural resources sector.

We are committed to conducting our business in a socially responsible, ethical and environmentally friendly manner and to continue working towards improving the quality of life of the communities in our operational areas. We believe that we can positively impact and contribute to the realisation of integrated and inclusive development of the country, with programs impacting the overall socio-economic growth and empowerment of people. See also "— *Sustainability*" for more details. Our sustainability framework guides us to ensure a long-term, sustainable future for our business operations, meeting growth aspirations, and creating long-term value for all stakeholders.

Additionally, through our philanthropic arm, the Anil Agarwal Foundation, our Group has impacted over 50 million lives and pledged ₹50 billion over the next five years to strengthen the rural communities through a sustainable and inclusive growth model. The aim is to transform communities by providing nutrition and healthcare to 100 million women and children by 2030.

Focus on digitalisation and innovation to drive efficiency and resilience.

We continue to focus on operational excellence and high asset utilisation to ensure cost efficiency, performance and consistent cash flows. We have been adopting a digital-first culture that ensures sustained technology innovation and digital literacy of our entire workforce.

Optimise capital allocation and maintain strong asset base.

A key strategic priority for us is to maintain and grow cash flow through a disciplined approach on capital allocation towards capital expenditure and operating expenditure; along with disciplined management of working capital. Despite low commodity prices recently, we continued to deliver consistent EBITDA and free cash flows through a strong focus on our cost optimisation plan. We remain committed to Vedanta Limited's dividend policy of minimum of 30% of attributable profit after tax (before exceptional items) (excluding profits from HZL) and passing through dividend income received from HZL within six months. Further, in July 2024, HZL received the order from NCLT for transferring ₹10,384 crore from general reserve to retained earnings which would allow for higher dividend payout flexibility.

We are focused on our capital efficiency by prioritizing volume augmentation, cost reduction, and the creation of value-added products, which are fundamental to our strategy. These guiding principles ensure that our investments not only expand operational capacity but also enhance efficiency and marketability. Moreover, we implement financial criteria for our growth projects, targeting a minimum internal rate of return of approximately 18%. All sustaining capital expenditure will form part of our business plan, which we define and track in US Dollar per tonne.

As our Group continues to ramp up our portfolio of diversified, low-cost and well-invested assets, we expect to generate significant organic free cash flow with minimal remaining capital expenditure.

Description of the Businesses

(i) Aluminium Business

Introduction

We operate our Aluminium Business in Chhattisgarh (through BALCO) and Odisha, with plants located close to rich coal and bauxite reserves. Our Aluminium Business is the largest aluminium producer in India and accounts for approximately 56.5% of the overall smelting capacity in the country (*Source: ICRA Report*), with present installed capacity of 2.4 mtpa aluminium capacity.

We had a 51% ownership interest in BALCO as of March 31, 2024 and the remaining 49% is held by the GoI. We had exercised our option to acquire the GoI's remaining 49% ownership interest which was disputed by the GoI and the matter is currently pending before the High Court of Delhi. See the section entitled "*Our Business — Litigation*", for more information. BALCO's aluminium operations are comprised of the Chotia coal block, a 1,410 MW captive power plant, a 245 ktpa aluminium smelter, a 325 ktpa aluminium smelter and the fabrication facilities in Chhattisgarh. BALCO's alumina requirements are sourced from third parties and from Vedanta Limited on sale basis at arm's length price.

Our operations in Odisha include a 2 mtpa alumina refinery at Lanjigarh, with associated 90 MW captive power plant. The alumina refinery at Lanjigarh produced 1.25 mtpa in Fiscal Year 2024. Also, the unit has successfully commissioned its first phase of 1.5 mtpa expansion project from its ongoing 3 mtpa project recently which will take the overall name plate capacity at the Lanjigarh refinery from an existing 2 mtpa to 3.5 mtpa with additional 50 MW captive power plant. In addition, we have a greenfield 550 ktpa aluminium smelter, together with an associated 1,215 MW captive power plant (nine units with a capacity of 135 MW each).

We also have another 1.25 mtpa aluminium smelter in Jharsuguda which is the SEZ unit, with associated 1,800 MW (three units of 600 MW) coal-based captive power plant. We intend to continue to increase our aluminium and alumina production in order to achieve a total production capacity of approximately 2.2 mtpa, subject to all government approvals.

For Fiscal Year 2024, revenue from our Aluminium Business was $5,837 million, compared to $6,582 million in Fiscal Year 2023 and $6,823 million in Fiscal Year 2022. EBITDA from our Aluminium Business was $1,167 million for Fiscal Year 2024, compared to $699 million for Fiscal Year 2023 and $2,328 million for Fiscal Year 2022.

Principal products

Primary aluminium. Primary aluminium is produced from the smelting of metallurgical grade alumina. We produce primary aluminium in the form of ingots, primary foundry alloys, billets, slabs and wire rods for sale. Ingots are used extensively for aluminium castings and fabrication in the construction and transportation industries. Primary foundry alloys are used in the automotive industries. Wire rods are used in various electrical applications especially in the form of electrical conductors and cables. Billets are used in constructions (such as windows and door frames), transportation, engineering, consumer durables, automotive forgings and many other applications. Slabs are used generally in rolling mills for manufacturing aluminium foil and sheet products.

Rolled products. Rolled products, namely coils and sheets, are value-added products that BALCO produces from primary aluminium. Rolled products are used for a variety of purposes in different industries, including aluminium foil manufacturing, printing, transportation, consumer durables, building and architecture, electrical and communications, packaging and general engineering industries.

Production

The following table sets out our total production from our Korba, Lanjigarh and Jharsuguda facilities for the periods indicated:

		Fiscal Year			Three months ended 30 June
Facility	**Product**	**2022**	**2023**	**2024**	**2024**
			(Tonnes)		
Korba	Ingots	418,365	362,261	342,670	87,561
	Rods	130,124	172,018	196,209	50,629
	Rolled products	33,185	32,092	34,636	4,033
	Busbar	—	3,453	12,548	3,576
	Total	**581,674**	**569,824**	**586,063**	**145,798**
Lanjigarh	Alumina[(1)]	1,967,910	1,792,744	1,813,176	539,370
	Total	**1,967,910**	**1,792,744**	**1,813,176**	**539,370**
Jharsuguda	Ingots	1,018,525	1093,554	1,009,387	222,752
	Rods	200,661	255,368	325,448	88,753
	Hot metal sold	13,529	30,940	43,932	11,759
	Billets	390,436	275,657	334,130	115,417
	Slab	63,605	65,208	70,845	11,683

Facility	Product	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Three months ended 30 June 2024
		(Tonnes)			
	Total	**1,686,756**	**1,720,727**	**1,783,741**	**450,364**
Total	**Alumina[2]**	**1,967,910**	**1,792,744**	**1,813,176**	**539,370**
	Ingots	**1,436,890**	**1,455,815**	**1,352,057**	**310,313**
	Rods	**330,785**	**427,386**	**521,657**	**139,382**
	Rolled products	**33,185**	**32,092**	**34,636**	**4,003**
	Hot metal sold	**13,529**	**30,940**	**43,932**	**11,759**
	Billets	**390,436**	**275,657**	**334,130**	**115,417**
	Slab	**63,605**	**65,208**	**70,845**	**11,683**
	Busbar	**—**	**3,453**	**12,548**	**3,576**

Note:

(1) Alumina is used to produce aluminium and rolled products. Approximately two tonnes of alumina are required to produce one tonne of aluminium. Additional alumina needed to produce aluminium is purchased from third parties and is not reflected in alumina production numbers.

Description of operations

The following table sets out the total capacities as of March 31, 2024 at BALCO's Korba and our Lanjigarh and Jharsuguda facilities:

	Installed Capacity: Alumina	Installed Capacity: Aluminium	Installed Capacity: Captive Power
	(tpa)		*(mw)*
Korba II	—	570,000	1,410
Lanjigarh	3,500,000	—	140
Jharsuguda	—	550,000	1,215
Jharsuguda (SEZ Plant)	—	1,250,000	1,800
Total	3,500,000	2,320,000	4,565

Korba aluminium complex. BALCO's aluminium complex is located at Korba in the state of Chhattisgarh in central India. BALCO has a total of 1,200 MW coal-based thermal power facility at Korba in the state of Chhattisgarh. The power generated from 600 MW captive power plant units is being utilised in the 325 ktpa smelter, while the remaining 600 MW was converted to an independent power plant. Thermal coal is a key raw material required for the operation of BALCO's captive power plants.

Lanjigarh alumina refinery. The Lanjigarh alumina refinery is located in the Lanjigarh district in the state of Odisha. The Lanjigarh alumina refinery also has associated 90 MW captive power plant. The captive power plant is fully operational and can meet the power requirements of the Lanjigarh alumina refinery.

Jharsuguda aluminium smelter. The Jharsuguda aluminium smelter is located in Jharsuguda in the state of Odisha. We have a greenfield 550 ktpa aluminium smelter, together with an associated 1,215 MW captive power plant (nine units with a capacity of 135 MW each). We have 1,800 MW (three units of 600 MW) coal-based captive power plant in Jharsuguda. We also have another 1.25 mtpa aluminium smelter in Jharsuguda, which is the SEZ unit, with associated 1,800 MW (three units of 600 MW) coal-based captive power plant.

Sales and marketing

Our aluminium sales are both on spot and long-term basis and follows an LME-based pricing and product-wise premiums for both domestic and global customers. Our Aluminium Business's key customers include conductor manufacturers, state road transport corporations, railways, defence contractors and electrical equipment and machinery manufacturers.

(ii) Zinc, Lead and Silver Business

Introduction

Our fully integrated Zinc India Business is conducted by HZL, the second largest producer of zinc and the third largest silver producing company in the world (*Source: ICRA Report*). As of March 31, 2024, we had a 64.92% ownership interest in HZL, with the remainder owned by the GoI (29.54%) and institutional and public shareholders (5.54%).

HZL's fully integrated zinc-lead operations include five zinc-lead mines, four zinc smelters, one lead smelter, one zinc-lead smelter, eight sulphuric acid plants, one silver refinery plant, six captive thermal power plants and four captive solar plants at the Chanderiya, Dariba and Zawar facilities in the state of Rajasthan. In addition, HZL also has a rock-phosphate mine at Matoon, near Udaipur in the state of Rajasthan and processing and refining facilities for zinc, lead and silver at Pantnagar in the state of Uttarakhand. HZL's wholly owned subsidiary, Hindustan Zinc Alloys Private Limited also commissioned its facility at Dariba during Fiscal Year 2024. HZL sources all of its concentrate requirements from its mines. HZL's annual saleable metal production of zinc and lead for Fiscal Year 2024 was 817,059 tonnes and 215,984 tonnes, respectively. Lead metal production, inclusive of high silver lead production of 7,622 tonnes, was 223,606 tonnes during Fiscal Year 2024. During the three months ended 30 June 2024, HZL's saleable metal production of zinc and lead was 210,782 tonnes and 51,466 tonnes, respectively. Lead metal production inclusive of high silver lead production of 1,805 tonnes was 53,271 tonnes during the three months ended June 30, 2024. HZL's Rampura Agucha mine is the largest zinc mine globally on a production basis and its Chanderiya zinc smelter is the third largest smelter globally on a production basis (*Source: Wood Mackenzie*). The Sindesar Khurd mine also stands as the second largest silver producing mine globally (*Source: ICRA Report*).

Our Zinc International Business comprises assets namely (i) 100.0% ownership in Skorpion, which owns the Skorpion mine and refinery in Namibia, which is currently under care and maintenance; (ii) 70.61% ownership interest in Black Mountain Mining, which has assets that include the Broken Hill Deeps mine, the Swartberg mine and the Gamsberg mine, in South Africa; and (iii) 100.0% ownership in Lisheen, which owns the Lisheen mine in Ireland, which ceased operations in December 2015. The Black Mountain mines produce zinc, lead, and copper concentrates and the Gamsberg open pit mine produces zinc concentrate.

Revenue from our Zinc India Business was $3,369 million in Fiscal Year 2024, compared to $4,126 million in Fiscal Year 2023 and $3,844 million in Fiscal Year 2022. Revenue from our Zinc International Business was $430 million in Fiscal Year 2024, compared to $649 million in Fiscal Year 2023 and $602 million in Fiscal Year 2022. For Fiscal Year 2024, EBITDA from our Zinc India Business was $1,638 million, compared to $2,177 million for Fiscal Year 2023 and $2,170 million for Fiscal Year 2022 and EBITDA from our Zinc International Business was $84 million for Fiscal Year 2024, compared to $241 million for Fiscal Year 2023 and $206 million for Fiscal Year 2022.

Principal products

Zinc. HZL produces and sells zinc ingots as per international standard grades: Special High Grade (99.995%) ("**SHG**"), High Grade (99.95%) ("**HG**"), Continuous Galvanising Grade (99.5%) ("**CGG**"), die-casting alloys (95.0%) ("**HZDA**"), electroplating grade ("**EPG**") and Prime Western (98.0%) ("**PW**"). HZL sells most of its zinc ingots to Indian steel producers for steel to improve its durability and also in the export markets. Some of its zinc is also sold to alloy, dry cell battery and die casting. The Black Mountain and Gamsberg mines produce zinc and lead in concentrate which is sold through market priced off-take concentrate sales contracts with international customers.

Lead. HZL produces and sells lead ingots of 99.99% purity primarily to battery manufacturers and to a small extent to chemical manufacturers. The Black Mountain and Gamsberg mines produce lead in concentrate, which is sold through market-priced off-take concentrate sales contracts with international customers and in the spot market.

By-products

Sulphuric acid. HZL sells sulphuric acid to fertiliser and cement manufacturers and other industries.

Silver. HZL produces and sells silver ingots primarily to industrial users, jewellery manufacturers and traders of silver. Black Mountain Mining also produces silver as a by-product.

Copper. Black Mountain Mining produces copper in concentrate as a by-product, which is sold through market-priced off-take concentrate sales contracts with international customers and in the spot market.

Production

The following table sets out our total production from our Chanderiya, Debari, Dariba, Pantnagar and Skorpion facilities for the periods indicated:

		Fiscal Year			Three months ended June, 30
Facility	**Product**	**2022**	**2024**	**2024**	**2024**
		(Tonnes, except for silver which is in m oz)			
Chanderiya					
ISP(TM) pyrometallurgical zinc-lead smelter	Zinc	35,918	49,411	36,662	12,514
	Lead[1]	52,467	49,409	50,750	11,382
Hydrometallurgical zinc smelters	Zinc	440,952	454,413	464,237	118,580
Ausmelt(TM) lead smelter	Lead	42,517	45,577	44,233	11,985
Sulphuric acid plants	Sulphuric acid	528,711	583,339	592,904	150,393
Dariba					

Facility	Product	Fiscal Year 2022	2024	2024	Three months ended June, 30 2024
		(Tonnes, except for silver which is in m oz)			
Hydrometallurgical zinc smelter......	Zinc	231,721	234,544	237,980	58,367
Lead smelter	Lead	96,201	115,705	121,001	28,099
Sulphuric acid plant	Sulphuric acid	567,958	621,363	633,749	153,900
Debari					
Hydrometallurgical zinc smelter......	Zinc	67219	82526	78,215	20,824
Sulphuric acid plant	Sulphuric acid	277,711	263,807	253,150	75,222
Pantnagar					
Silver Refinery.................................	Silver(2)	20.8	22.9	24.0	5.3
Hindustan Zinc Alloys (zinc)...........		—	—	—	497
Skorpion					
Zinc refinery	Zinc	0	0	0	0
Total...	**Zinc**	**775,810**	**820,894**	**817,094**	**210,782**
	Lead	**191,185**	**210,691**	**215,984**	**51,466**
	Silver	**20.8**	**22.9**	**24.0**	**5.3**
	Sulphuric acid	**1,374,380**	**1,468,509**	**1,479,803**	**379,515**

Notes:

(1) Excludes lead contained in lead with high content of silver (high silver lead) produced from the pyrometallurgical zinc-lead smelter for captive use, which was 6,951 tonnes, 7,912 tonnes and 7,622 tonnes in Fiscal Years 2022, 2023 and 2024, respectively and was 1,805 tonnes for the three months ended June 30, 2024.

(2) Excludes silver contained in lead with high content of silver (high silver lead) produced from pyrometallurgical zinc-lead smelter for captive use which was 1.20 moz, 1.33 moz and 1.25 moz in Fiscal Years 2022, 2023 and 2024, respectively and was 0.31 moz for the three months ended June 30, 2024.

The following table sets out our total ore, zinc concentrate and lead concentrate production for the periods indicated:

Facility	Product	Fiscal Year 2022	2024	2024	Three months ended June, 30 2024
		(Tonnes)			
Zinc India......................................	Ore mined	16,338,556	16,744,034	16,521,322	3,870,069
	Zinc concentrate	1,594,086	1,670,209	1,710,142	407,593
	Lead concentrate	368,040	376,663	380,797	98,839
Zinc International...........................	Ore mined	4,566,331	5,207,424	3,997,295	824,204
	Zinc concentrate	193,732	229,809	169,007	30,769

Facility	Product	Fiscal Year 2022	Fiscal Year 2024	Fiscal Year 2024	Three months ended June, 30 2024
		(Tonnes)			
	Lead concentrate	28,993	42,904	39,460	6,805

Ore Reserve base

The following table sets out our Proved and Probable zinc and lead Ore Reserves[(1)] as of March 31, 2024:

	Proved Reserve				Probable Reserve				Total Proved and Probable Reserves			
	Quantity	Zinc Grade	Lead Grade	Silver Grade	Quantity	Zinc Grade	Lead Grade	Silver Grade	Quantity	Zinc Grade	Lead Grade	Silver Grade
	(Million tonnes)	*(%)*	*(%)*	*g/T*	*(Million tonnes)*	*(%)*	*(%)*	*g/T*	*(Million tonnes)*	*(%)*	*(%)*	*g/T*
Rampura Agucha	31.8	11.0	1.4	46	12.5	11.1	0.7	13	44.4	11.0	1.2	40
Rajpura Dariba	14.5	6.1	1.6	70	32.6	5.1	1.8	59	47.1	5.4	1.7	63
Zawar Group	28.4	2.6	1.5	21	13.8	2.7	1.4	25	42.2	2.6	1.5	22
Kayad	0.1	10.4	1.3	15	1.2	4.9	0.7	12	1.3	5.2	0.7	12
Sindesar Khurd	16.5	3.7	2.6	133	23.6	2.7	1.5	78	40.1	3.1	2.0	101
Skorpion	0.2	7.2	0	0	0.6	10.5	0	0	0.8	9.7	0	0
Black Mountain	0.1	2.8	4.2	75	50.4	0.6	1.7	29	50.5	0.6	1.7	29
Gamsberg	62.3	6.4	0.5	0	26.6	5.0	0.5	0	88.9	6.0	0.5	0

Note:

(1) See "*Annex C – Mineral Resource and Ore Reserve Reporting*" for an explanation of the basis of preparation of reserve amounts.

Description of operations

Smelters and refineries. The following table sets out the total capacities as of March 31, 2024 at our Chanderiya, Debari, Dariba, Zawar, Pantnagar and Skorpion facilities:

Facility	Capacity Zinc	Lead	Silver	Sulphuric Acid	Power Plant
		(tpa)			(MW)
Chanderiya[(1)(2)]	585,000	90,000	—	859,000	245.5
Debari	88,000		—	387,600	—
Dariba	240,000	120,000	—	710,500	170
Zawar Group	—	—	—	—	90
Pantnagar	—	—	800	—	—
Skorpion	150,000	0	0	0	0
Total	1,063,000	210,000	800	1,957,100	505.5

Notes:

(1) The Pantnagar plant refines and processes zinc and lead ingots from zinc and lead cathodes that are produced in the Chanderiya and Dariba smelters and silver ingots from lead residues in the Dariba lead smelter. Accordingly, it does not contribute to the total production capacity of HZL's facilities.

(2) Under Chanderiya, operation of pyrometallurgical smelter on zinc-lead mode is considered for calculating smelting capacity. Actual production can vary based on the mode of pyrometallurgical operation.

Chanderiya. The Chanderiya facility is located approximately 120 km east of Udaipur in the state of Rajasthan in northwest India. The Chanderiya zinc smelter is the third largest zinc smelter globally on a production basis (*Source: Wood Mackenzie*). The facility contains four smelters, two associated captive power plants, three sulphuric acid plants and one silver refinery.

Debari. The Debari hydrometallurgical zinc smelter is located approximately 12 km east of Udaipur in the state of Rajasthan. The hydrometallurgical zinc smelter was commissioned in 1968, uses RLE technology and has a capacity of 88,000 tpa. The Debari facility also includes a 387,600 tpa sulphuric acid plant.

Zawar Group. The Zawar Group facility does not have a smelter. The captive power plant at this facility provides power to the mine.

Dariba. The Dariba hydrometallurgical zinc smelter is located in the Rajsamand district of Rajasthan and has a capacity of 240 ktpa. The Dariba facility also includes a 306 ktpa sulphuric acid plant, a 120 ktpa lead smelter (including a 98,500 tpa sulphuric acid plant), and a roaster with an associated 306 ktpa sulphuric acid plant. Zinc cathodes are sent to its refining facilities at Pantnagar in Uttarakhand state for refining and processing. The anode slime obtained as a residue from lead smelting at this smelter is refined and casted into silver ingots at the Pantnagar plant.

Pantnagar. The Pantnagar plant is located in Pantnagar in the state of Uttarakhand and includes facilities for the refining and processing of zinc, lead and silver. The silver refinery has a capacity of 800 tpa.

Mines

Rampura Agucha. In Fiscal Year 2024, 4.9 million tonnes of ore at 11.4% zinc and 1.6% lead were mined from Rampura Agucha. It produced approximately 515,397 tonnes of zinc metal in concentrate and approximately 52,022 tonnes of lead metal in concentrate in Fiscal Year 2024. During the three months ended June 30, 2024, 1.1 million tonnes of ore at 12.1% zinc and 1.8% lead were mined from Rampura Agucha. It produced approximately 123,690 tonnes of zinc metal in concentrate and approximately 13,115 tonnes of lead metal in concentrate in the three months ended June 30, 2024. According to the Ore Reserve report, the Proved and Probable Ore Reserves for the Rampura Agucha mine as of March 31, 2024 was 44.4 million tonnes with 11.0% zinc, 1.2% lead and 40 g/t silver. As of March 31, 2024, HZL estimates the remaining mine life at Rampura Agucha to be nine years based on (i) reserves; and (ii) planned production which is determined on the basis of a life-of-mine plan. The gross book value of the Rampura Agucha mine's fixed assets and mining equipment (including assets related to the Rampura Agucha's underground mining operations and the Kayad mine) was ₹11,473 crore ($1,375 million) as of March 31, 2024. The mining lease of Rampura Agucha mine is up to March 2030.

Rajpura Dariba. In Fiscal Year 2024, 1.4 million tonnes of ore at a grade of 4.7% zinc and 1.0% lead ore was mined at Rajpura Dariba mine which produced 35,994 tonnes of zinc metal in concentrate and 5,586 tonnes of lead metal in concentrate. During the three months ended June 30, 2024, 0.3 million tonnes of ore at 4.8% zinc and 1.0% lead was mined from Rajpura Dariba mine. It produced approximately 7,974 tonnes of zinc metal in concentrate and approximately 1,232 tonnes of lead metal in concentrate in the three months ended June 30, 2024. According to the Ore Reserve report, the Proved and Probable Ore Reserves for the Rajpura Dariba mine as of March 31, 2024 was 47.1 million tonnes with 5.4% zinc, 1.7% lead and 63 g/t silver. As of March 31, 2024, HZL estimates the remaining mine life at Rajpura Dariba to be around 17 years based on (i) reserves; and (ii) planned production which is determined on the basis of a life-of-mine plan which includes assumed production expansion. The gross book value of the Rajpura Dariba mine's fixed assets and mining equipment was approximately ₹2,817 crore ($28,170 million) as of March 31, 2024.

Sindesar Khurd. In Fiscal Year 2024, 5.6 million tonnes of ore at a grade of 2.8% zinc and 1.9% lead ore were mined at the Sindesar Khurd mine which produced 154,717 tonnes of zinc metal in concentrate and 99,292 tonnes of lead metal in concentrate. During the three months ended June 30, 2024, 1.3 million tonnes of ore at 2.6% zinc and 1.8% lead was mined from Sindesar Khurd mine. It produced approximately 35,778 tonnes of zinc metal in concentrate and approximately 23,527 tonnes of lead metal in concentrate in the three months ended June 30, 2024. According to the Ore Reserve report, the Proved and Probable Ore Reserves for the Sindesar Khurd mine as of March 31, 2024 was 40.1 million tonnes with 3.1% zinc, 2.0% lead and 101 g/t silver. As of March 31, 2024, HZL estimates the remaining mine life at Sindesar Khurd to be around seven years based on (i) reserves; and (ii) planned production which is determined on the basis of a life-of-mine plan which includes assumed production expansion. The gross book value at of the Sindesar Khurd mine was approximately ₹8,330 crore ($999 million) as of March 31, 2024. HZL's mining permit at the Sindesar Khurd mine is valid until March 2049.

Zawar Group. Zawar consists of four mines namely, Mochia, Balaria, Zawar Mala and Baroi. The mining lease granted by the State Government of Rajasthan is valid until March 31, 2030. In Fiscal Year 2024, approximately 4.0 million tonnes of ore at 3.1% zinc and 1.8% lead was mined which produced 115,405 tonnes of zinc metal in concentrate and 63,581 tonnes lead metal in concentrate. During the three months ended June 30, 2024, 1.0 million tonnes of ore at 3.2% zinc and 2.0% lead were mined from Zawar mine. It produced approximately 30,272 tonnes of zinc metal in concentrate and approximately 19,057 tonnes of lead metal in concentrate in the three months ended June 30, 2024. According to the Ore Reserve report, the Proved and Probable Ore Reserves for the Zawar Group as of March 31, 2024 was 42.2 million tonnes with 2.6% zinc, 1.5% lead and 22 g/t silver. As of March 31, 2024, HZL estimates the remaining mine life of the Zawar mine to be eight years based on (i) reserves; and (ii) planned production which is determined on the basis of a life-of-mine plan which includes assumed production expansion. The gross book value of the Zawar fixed assets and mining equipment was approximately ₹6,022 crore ($722 million) as of March 31, 2024.

Kayad. The Kayad zinc-lead mine is located in Ajmer in the state of Rajasthan. In Fiscal Year 2024, 0.57 million tons of ore at a grade of 6.1% zinc and 0.8% lead ore were mined at Kayad mine which produced 33,488 tons of zinc metal in concentrate and 3,572 tons of lead metal in concentrate. During the three months ended June 31, 2024, 0.1 million tonnes of ore at 5.3% zinc and 0.8% lead were mined from Kayad mine. It produced approximately 7,260 tonnes of zinc metal in concentrate and approximately 879 tonnes of lead metal in concentrate in the three months ended June 30, 2024. According to the Ore Reserve report, the Proved and Probable Ore Reserves for Kayad mine as of March 31, 2024 was 1.3 million tonnes at 5.2% zinc, 0.7% lead and 12 g/t silver. As of March 31, 2024, HZL estimates the remaining mine life of the Kayad mine to be over two years based on (i) reserves; and (ii) planned production which is determined on the basis of a life-of-mine plan which includes assumed production expansion.

Skorpion. According to the Ore Reserve report, the Proved and Probable Ore Reserves for the Skorpion mine as of March 31, 2024 was 0.8 million tonnes with 9.7% zinc. The Skorpion mine is currently under care and maintenance.

Black Mountain. The Black Mountain mines, comprising the Broken Hill Deeps mine and the Swartberg mine, are operated pursuant to mining right 58/2008 MR granted pursuant to the Mineral and Petroleum Resources Development Act, 28 of 2002 of South Africa which entitles Black Mountain Mining to mine for lead, copper, zinc, and associated minerals for a period of 30 years till 2038. During Fiscal Year 2024, 1.6 million tonnes of ore at 1.6% zinc and 2.6% lead was mined from the Black Mountain mines, which produced approximately 44,997 tonnes of zinc concentrate and 57,793 tonnes of lead concentrate, containing 21,792 tonnes of zinc and 39,374 tonnes of lead respectively. According to the Ore Reserve report, the Proved and Probable Ore Reserves for the Black Mountain mines as of March 31, 2024 was 50.5 million tonnes with 0.6% zinc, 1.7% lead, and 29 g/t silver. As of March 31, 2024 and based on current production levels of 67 kt per annum, Black Mountain Mining estimates the remaining life of the Black Mountain mines to be around two years.

Gamsberg. According to the Ore Reserve report, the Proved and Probable Ore Reserves for the Gamsberg mine as of March 31, 2024 was 88.9 million tonnes with 6.0% zinc and 0.5% lead. As of March 31, 2024, Black Mountain Mining estimates the life of mine of Gamsberg mine to be around 11 years.

Sales and marketing

In Fiscal Year 2024, HZL sold 71.0% of the zinc metal produced in the domestic market and the remaining 29.0% metal produced was exported globally. HZL sold 59.0% of the lead metal produced sold in the domestic market and the remaining 41.0% lead metal was exported globally.

In Fiscal Year 2024, HZL accounted for more than 98.0% of domestic sales of zinc metal under annual contracts and approximately 79.0% of export sales under annual contracts specifying quantity, grade and price, with the remainder sold on the spot market.

The Black Mountain mines produce zinc, lead and copper concentrates that are sold in international markets on a spot basis or a frame contract basis. The commercial terms negotiated include considering the percentage of payable metals, treatment and refining charges and applicable prices.

The Gamsberg mine produces zinc and lead concentrates that are sold in international markets on a spot basis or a frame contract basis. The commercial terms negotiated include considering the percentage of payable metals, treatment and refining charges and applicable prices.

All the zinc and lead concentrates that the Black Mountain mines and the Gamsberg mine produced in Fiscal Year 2024 were sold under frame or spot contracts specifying quantity, grade and price. The contract sales price is linked to the prevailing LME price with an additional market premium. Thus, the prices that the Black Mountain mines and the Gamsberg mine receive for their zinc and lead products are dependent upon and are subject to fluctuations in the LME price.

(iii) Oil and Gas Business

Introduction

Our Oil and Gas Business is conducted by Vedanta Limited and its wholly owned subsidiary, CEHL. Our Oil and Gas Business has multiple blocks in India. The blocks are primarily located across the Indian basins in Barmer, Krishna-Godavari, Cambay, Assam, Gujarat Kutch and Cauvery.

Our Oil and Gas Business is primarily engaged in the business of exploration, development and production of crude oil, gas and related by-products. Our Oil and Gas Business continues to contribute significantly to India's domestic crude oil production. We contributed approximately 25% of India's domestic crude oil production during Fiscal Year 2024 (*Source: ICRA Report*).

Oil and gas are produced from the RJ-ON-90/1 (the "**Rajasthan Block**"), the Ravva PKGM-1 (the "**Ravva Block**") and the Cambay CB/OS-2 (the "**Cambay Block**"). Gross operated production of our Group was 160.9 kboepd in Fiscal Year 2022, 142.6 kboepd in Fiscal Year 2023, 127.5 kboepd in Fiscal Year 2024 and 112.4 kboepd for the three months ended June 30, 2024.

Revenue from our Oil and Gas Business was $2,155 million in Fiscal Year 2024, compared to $1,873 million in Fiscal Year 2023 and $1,669 million in Fiscal Year 2022. For Fiscal Year 2024, EBITDA from our Oil and Gas Business was $1,184 million, compared to $972 million for Fiscal Year 2023 and $809 million for Fiscal Year 2022.

Principal products

Oil. We produce crude oil of various grades with different degrees and contents across fields. The crude oil in the majority of fields in the Rajasthan Block is medium sweet oil with high pour point. Conversely, the crude oil produced from Ravva and Cambay Blocks are light sweet in nature.

Gas. The Rajasthan, Ravva and Cambay Blocks produce natural gas and natural gas commingled with crude oil. While our Oil and Gas Business has been historically selling gas from the offshore blocks of Ravva and Cambay, it commenced gas sales in the Rajasthan Block in Fiscal Year 2014, following the regulatory approval in March 2013.

Production

The table below sets out our gross production for the periods indicated:

	Fiscal Year			**Three Months ended June 30**
	2022	**2023**	**2024**	**2024**
Average Daily Gross Operated Production (*boepd*).........................	160,851	142,615	127,549	112,434
Rajasthan	137,723	119,888	106,469	92,687
Ravva...	14,166	11,802	10,807	11,267
Cambay..	8,923	10,777	8,899	4,771
OALP	39	147	1,374	3,708
Net Production – Working Interest (*boepd*)	103,737	91,485	82,450	73,653
Rajasthan	96,406	83,922	74,528	64,881
Ravva...	3,187	2,655	2,432	2,535
Cambay..	3,569	4,311	3,560	1,909
KG-ONN	535	450	556	620
OALP	39	147	1,374	3,708
Total Oil and Gas (*mmboe*)...........				
Gross Operated Production..............	58.7	52.1	46.7	10.2
Net Production – Working Interest..	37.9	33.4	30.2	6.7

The following table sets forth our production for the periods indicated.

	Fiscal Year			Three Months ended June 30
	2022	2023	2024	2024
Gross Operated:				
Oil (*bopd*)	135,662	118,634	104,046	89,668
Gas (*mmscfd*)	151	144	141	137
Oil and gas (*boepd*)	160,851	142,615	127,549	112,434
Total:				
Oil (*mmbbls*)..................................	49.5	43.3	38.1	8.2
Gas (*mmboe*)..................................	9.2	8.8	8.6	2.1
Oil and gas (*mmboe*).......................	58.7	52.1	46.7	10.2

Our Estimates of Hydrocarbons Initially in Place, Reserves and Contingent Resources

We use various measures of hydrocarbons to make decisions regarding exploration priorities and investment in field developments. In the exploration phase, estimates of hydrocarbons initially in place, and the associated estimate of prospective resource are essentially speculative and subject both to a binary risk (probability of success or failure) and considerable uncertainty of volumetric magnitude. Following successful exploration and appraisal work, and as a field matures technically and commercially through development work and actual production, it becomes possible for us to make estimates, which may change over time, of the volumes of hydrocarbons or reserves that, in varying degrees of certainty or uncertainty, will ultimately be recoverable.

We rely primarily on estimates of 2P reserves for purposes of significant capital investment decisions.

Estimates of contingent resources are also used as a further measure of the potential commerciality of known accumulations of hydrocarbons in our areas. The estimation of these resources, and the likelihood that they may be reclassified as reserves, depends on our ability to prove commercial and technical viability of recovery within a reasonable timeframe. We employ reserves and resources definitions according to international standards set by the Society of Petroleum Engineers and the World Petroleum Council which provide detailed descriptions for each category of reserves and resources.

The table below sets forth certain data regarding our estimates of gross hydrocarbons initially in place, gross and net working interest reserves and contingent resources from fields within the Rajasthan Block, the Ravva Block, Cambay Block, KG-ONN-2003/1, Open Acreage Licensing Policy ("**OALP**") and Discovered Small Fields ("**DSF**") blocks as of March 31, 2024. In this table, gas has been converted into oil equivalent using a conversion factor of 6,000 standard cubic feet per barrel of oil equivalent. Based on the Fiscal Year 2024 gross production, the gross 2P reserves and 2C resources have a life of approximately 29 years.

	Gross Proved Plus Probable Hydro-carbons Initially in Place	Gross Proved Plus Probable Reserves and 2C resources	Net Working Interest Proved Plus Probable Reserves and 2C resources
	(mmboe, as at March 31, 2024)		
Rajasthan Block			
Total Mangala, Bhagyam, Aishwariya Fields...	2,337	189	132
Rajasthan enhanced oil recovery	—	392	275
Rajasthan Block other fields............................	2,873	526	368
Ravva Block..	704	14	3
Cambay Block...	298	31	12
KG-ONN-2003/1	260	31	15
DSF	218	112	112
OALP	361	81	81
Total (excluding enhanced oil recovery)............	**7,051**	**984**	**724**
Total (including enhanced oil recovery)	**7,051**	**1,376**	**998**

DeGolyer and MacNaughton's Evaluation of Reserves

DeGolyer and MacNaughton, independent petroleum engineering consultants, had been engaged to perform an independent evaluation of the proved and probable oil, condensate, and marketable gas reserves and the contingent resources contained within our areas.

The difference in total gross "Proved plus Probable" hydrocarbon reserve estimates between us and DeGolyer and MacNaughton is approximately 1.0%. It is DeGolyer and MacNaughton's opinion that the total gross "Proved plus Probable" reserve estimates by our Group, as of March 31, 2024, do not differ materially from those prepared by DeGolyer and MacNaughton.

The Rajasthan Block (Operator; 70.0% participating interest)

The Rajasthan Block is an onshore block. It is our principal production asset, where Vedanta Limited along with CEHL owns a 70.0% participating interest pursuant to the Rajasthan Block PSC. Our joint operation partner has a 30.0% participating interest. The Rajasthan Block consists of three contiguous development areas: (i) Development Area 1, primarily comprises the Mangala, Aishwariya, Raageshwari and Saraswati fields; (ii) Development Area 2, primarily comprises the Bhagyam, NI and NE and Shakti fields; and (iii) Development Area 3, primarily comprises the Kaameshwari West fields.

The majority of the estimated hydrocarbons in place, 2P reserves and contingent resources attributable to fields in which we have an interest are contained in the Rajasthan Block. As of March 31, 2024, we estimate the gross hydrocarbons initially in place and the gross 2P reserves plus 2C resources of 5.2 bnboe and 1.1 bnboe, respectively. As of March 31, 2024, our oil and gas estimates that the Mangala, Bhagyam, Aishwariya fields (including enhanced oil recovery) contained gross hydrocarbons initially in place and the gross 2P reserves plus 2C resources 2.3 bnboe and 0.6 bnboe, respectively. The other fields in Rajasthan Block contained gross hydrocarbons initially in place and the gross 2P reserves plus 2C resources 2.9 bnboe and 0.5 bnboe, respectively.

Production from the Rajasthan Block

The following table sets out the net average oil and gas daily production from the Rajasthan Block for the periods indicated:

		Fiscal Year			Three Months ended June 30
Particulars	**Units**	**2022**	**2024**	**2024**	**2024**
Average Daily Production (Rajasthan)					
Gross Operated	Boepd	137,723	119,888	106,469	92,687
Net Operated......................................	Boepd	96,406	83,922	74,528	64,881
Oil...	Bopd	81,506	70,178	60,971	52,476
Gas...	Mmscfd	89.4	82.5	81.3	74.4

The production of the Rajasthan Block decreased from 119,888 boepd on a gross basis in Fiscal Year 2023 to 106,469 boepd in Fiscal Year 2024 and 92,687 for the three months ended June 30, 2024. The natural reservoir decline in the Mangala, Bhagyam and Aishwariya fields has been partially offset by infill wells brought online in the Mangala, Aishwariya, Bhagyam, Tight Oil (Aishwariya Barmer Hill) and Tight Gas (Raageshwari Deep Gas) fields.

The Rajasthan Block PSC

As of March 31, 2024, we held a 70.0% participating interest in the Rajasthan Block and our joint operation partner held the remaining 30.0% participating interest. The Rajasthan Block PSC was originally valid until May 2020 but has since been extended to May 2030.

The Ravva Block (Operator; 22.5% participating interest)

Our Oil and Gas Business's production operations in the Krishna-Godavari Basin are centred on the Ravva Block, lying off the coast of Andhra Pradesh in Eastern India.

Production from the Ravva Block

The following table sets out the net average oil and gas daily production from the Ravva Block for the periods indicated.

		Fiscal Year			Three Months ended June 30
Particulars	**Units**	**2022**	**2024**	**2024**	**2024**
Average Daily Production (Ravva)					
Gross Operated	Boepd	14,166	11,802	10,807	11,267
Net Operated....................................	Boepd	3,187	2,655	2,432	2,535
Oil..	Bopd	2.715	2,314	2,208	2,374

Particulars	Units	Fiscal Year 2022	Fiscal Year 2024	Fiscal Year 2024	Three Months ended June 30 2024
Gas	Mmscfd	2.8	2.0	1.3	1.0

The production of the Ravva Block decreased from 11,802 boepd on a gross basis in Fiscal Year 2023 to 10,807 boepd in Fiscal Year 2024, owing to the natural field decline.

The Ravva Block PSC

As of March 30, 2024, we held a 22.5% working interest in the Ravva Block with the remaining interests currently held by three other oil and gas companies, holding 40.0%, 25.0% and 12.5%, respectively. The Ravva Block PSC was originally valid until October 27, 2019 but has since been extended for 10 years by the GoI.

The Cambay Block (Operator; 40.0% participating interest)

The Cambay Block is an offshore block which is located in the Cambay Basin of the state of Gujarat in western India. Our Oil and Gas Business's operations in the Cambay Block are centred on the Lakshmi and Gauri oil and gas fields and the CB-X development area. The Lakshmi and Gauri offshore fields cover areas of 121.1 sq. kms and 52.7 sq. kms, respectively, in the Cambay Basin and lie off the coast of the state of Gujarat. The CB-X is an onshore gas field situated in the Cambay Block. Currently, there is no production from the CB-X field.

Production from the Cambay Block

The following table sets out the net average oil and gas daily production from the Cambay Block for the periods indicated.

	Units	Fiscal Year 2022	Fiscal Year 2024	Fiscal Year 2024	Three Months ended June 30 2024
Particulars Average Daily Production (Cambay)					
Gross Operated	Boepd	8,923	10,777	8,899	4,771
Net Operated	Boepd	3,569	4,311	3,560	1,909
Oil	Bopd	2,847	3,198	2,701	1,327
Gas	Mmscfd	4.3	6.7	5.2	3.5

The production of Cambay Block decreased from 10,777 boepd in Fiscal Year 2023 to 8,899 boepd in Fiscal Year 2024. This was primarily due to the natural field decline.

The Cambay Block PSC

As of March 31, 2024, our Oil and Gas Business's participating interest in the Cambay Basin joint operation consisted of a 40.0% interest in the Lakshmi, Gauri and CB-X development areas. The remaining interests in these development areas are held by two other participants, holding 50.0% and

10.0%, respectively. The Cambay Block PSC was originally valid until 2023, but whilst waiting for this extension to be granted, the GoI allowed petroleum operations in Cambay Block until the earlier of the execution of the Cambay PSC addendum or September 29, 2024, whichever is earlier.

Sales and marketing

All of the oil and gas that we produced in Fiscal Year 2024 was sold under annual contracts specifying quantity and price. The crude oil price in Fiscal Year 2024 was benchmarked to Dated Brent, an international benchmark crude for low sulphur crude grades. The crude oil price benchmarks are based on crude oil sales agreement.

(iv) Copper Business

Introduction

Our Copper Business comprises operations in India and the UAE. Our Copper Business is operated by Vedanta Limited and our business in the UAE is operated by our subsidiary, Fujairah Gold FZC ("**Fujairah Gold**"). As of March 31, 2024, we own 100.0% of the share capital of Fujairah Gold.

Our Copper Business is principally a custom smelting business, which includes a smelter, refinery, phosphoric acid plant, sulphuric acid plant, copper rod plant and three captive power plants at Tuticorin in southern India, a refinery and a copper rod plant, and three anode casting plants at Silvassa in western India, a precious metal refinery that produces gold and silver, a doré anode plant, and a copper rod plant at Fujairah, the UAE.

As a custom copper producer, we buy copper concentrates and blisters at LME copper price less the treatment charge and refining charge ("**TcRc**") that it negotiates with suppliers. We sell refined copper at LME prices in domestic and export markets. We receive a discount from our suppliers in the form of a TcRc, which is influenced by the global copper concentrate and blister demand, supply of copper smelting and refining capacity, LME trends, LME-linked price participation and other factors. We source our concentrates and blisters from various global suppliers.

Revenue from our Copper Business was $2,383 million in Fiscal Year 2024, compared to $2,179 million in Fiscal Year 2023 and $2,035 million in Fiscal Year 2022. For Fiscal Year 2024, EBITDA from our Copper Business was $(9) million, compared to $(7) million for Fiscal Year 2023 and $(15) million for Fiscal Year 2022.

Principal products

Copper cathode. Our copper cathodes from Silvassa are square shaped with purity levels of 99.9% copper. These cathodes meet international quality standards and are registered as LME "A" Grade. The major uses of copper cathodes are in the manufacture of copper rods for the wire and cable industry and copper tubes for consumer durable goods. Copper cathodes are also used for making alloys like brass, bronze and alloy steel, with applications in transportation, electrical appliances and machinery in defence and construction.

Copper rods. Our copper rods are currently used primarily for power cable, winding wire, housing wire, transformer parts, etc. Our copper continuous cast rods meet all the requirements of international quality standards including the ASTM- B-49:2020, BS EN-1977:2013 & IS -12444-2020 standards.

Sulphuric acid. We produce sulphuric acid at our sulphuric acid plants through conversion of sulphur dioxide gas that is generated from the copper smelter.

Gold bars, silver bars and granules. Fujairah Gold produces refined gold bar, silver bars and granules at its precious metal refinery from anode slime, silver sand and ore, which are imported from India. Gold and silver are further sold to jewellers and traders in the UAE.

Production

Copper cathode is used as an input material for copper rods. Approximately one tonne of copper cathode is required to produce one tonne of copper rods. The table below sets out our total production for the periods indicated.

		Fiscal Year			Three months ended June 30
	Product	**2022**	**2023**	**2024**	**2024**
			(tonnes, except for gold in kg)		
Facility					
Silvassa[1]	Copper cathode	125,104	147,880	140,716	19,990
	Copper rods	126,445	154,767	188,487	36,144
Fujairah[2]	Copper rods	53,791	70,648	65,583	17,531
	Silver	4.4	5.8	8.7	2.2
	Gold	42	187	271	102

Notes:

(1) During Fiscal Years 2022, 2023 and 2024 and the three months ended June 30, 2024, these plants produced secondary material of 162,946 tonnes, 174,056 tonnes, 174,515 tonnes and 29,210 tonnes, respectively, which further supported the tank-house operations at Silvassa.

(2) During Fiscal Year 2024, Vedanta Copper International has been incorporated in Kingdom of Saudi Arabia to produce copper rods with a capacity of 125 ktpa post commissioning.

Description of operations

The table below sets out our total capacities from the Silvassa facilities as of March 31, 2024:

	Capacity					
	Copper Anode[1]	**Copper Cathode[4]**	**Copper Rods[2]**	**Sulphuric Acid[3]**	**Phosphoric Acid[3]**	**Thermal Power Plant**
			(ktpa)			*(MW)*
Tuticorin	400	246	96	1,300	230	160
Silvassa[5]	245	216	258	—	—	—
Total	**645**	**462**	**354**	**1,300**	**230**	**160**

Notes:

(1) Copper anode is an intermediate product produced by copper smelters and is generally not sold to customers. It is used to produce copper cathode by copper refineries. Approximately one tonne of copper anode is required to produce one tonne of copper cathode.

(2) Copper cathode is used as an input material for copper rods. Approximately one tonne of copper cathode is required to produce of one tonne of copper rods.

(3) Sulphuric acid is used as an input material for phosphoric acid. Approximately 2.8 tonnes of sulphuric acid are required to produce one tonne of phosphoric acid.

(4) Copper starter sheets are used as a starting material for KBC copper cathodes. Approximately one tonne of copper starter sheets are required to produce eight tonne of copper cathodes at TLP.

(5) Copper anode in Silvassa is an intermediate product produced by copper blister processing plants from copper blister and is used to produce copper cathode by copper refineries. Approximately one tonne of copper anode is required to produce one tonne of copper cathode.

(6) Vedanta Copper International has been incorporated in Kingdom of Saudi Arabia to produce copper rods with a capacity of 125 ktpa post commissioning.

Tuticorin. Our Tuticorin facility comprises a 400 ktpa copper smelter, a 246 ktpa copper refinery, a 96 ktpa copper rod plant, a 1,300 ktpa sulphuric acid plant, a 230 ktpa phosphoric acid plant, and a complete captive power plant with capacity of 160 MW and two diesel generator sets with capacities of 7.5 MW and 24 MW, respectively. The coal-based power plant of 160 MW is primarily used for captive consumption. Our operations at Tuticorin, India is currently suspended due to ongoing litigation regarding the renewal of its consent to operate. See the section entitled "— *Litigation*" for more information.

Silvassa. Our Silvassa facility comprises a refinery and two copper rod plants and is located approximately 140 km from Mumbai in the union territory of Dadra and Nagar Haveli in western India. The Silvassa facility consists of a 245,000 tonnes of blister/secondary material processing plant, a 216 ktpa copper refinery, and a copper rod mill with an installed capacity of 258 ktpa. Our Silvassa facility draws power from the state power grid to satisfy its power requirements.

Fujairah Gold. Fujairah Gold's facility is located in Fujairah Free Zone-2. It is strategically located 130 km east of Dubai, on the coast of the Arabian Sea. The precious metals refinery has a capacity of 20 million tonnes of gold and 105 million tonnes of silver. Fujairah Gold's facility also includes a copper rod plant with an annual capacity of 100 ktpa. Fujairah Gold also has a copper rod plant with an annual capacity of 100 ktpa and a doré anode plant for smelting of anode slime to doré anode.

Sales and marketing

Our copper sales and marketing head office is located in Mumbai. We sell copper rods and cathodes in both the domestic and export markets. In Fiscal Years 2022, 2023 and 2024, exports accounted for approximately 10.8%, 7.6% and 21.9% of the revenue of our Copper Business, respectively.

Domestic sales by our Group in India are broadly based on the LME spot price plus regional premiums, as well as domestic supply and demand conditions. A majority of our sales are made pursuant to existing supply agreements. The price for the copper we sell in India is normally higher than the price we charge in the export markets due to the tariff structure on costs, smaller order sizes that domestic customers place and the packaging, storing and truck loading expenses that we incur when supplying domestic customers. Our export sales of copper are made on the basis of both long-term sales agreements. The prices of our copper exports include the LME price plus a producer's premium. Our Group does not enter into fixed price long-term copper sales agreements with our customers.

(v) Iron Ore Business

Introduction

Our Iron Ore Business is carried out in the states of Goa and Karnataka. Our Iron Ore Business includes exploration, mining and processing of iron ore. We are one of the one of leading iron ore producers in India in Fiscal Year 2024. During Fiscal Year 2024, we produced 6.1 million dmt of saleable iron production. The sales for Fiscal Year 2024 were at 6.7 million dmt (comparing sales from Goa, Karnataka and WCL).

We operate two metallurgical coke plants and a pig iron plant with an installed rated capacity of 522 ktpa, 120 ktpa and 950 ktpa, respectively, in Goa and Maharashtra. Our Group manufactures pig iron through the blast furnace route. In Fiscal Year 2024, we produced approximately 831 kt of pig iron and 417 kt of metallurgical coke. In addition, we operate two waste heat recovery plants of 30 MW and 35 MW, respectively in Goa, which generates power from the waste gases of the metallurgical coke plant and blast furnace. We also recently commenced operations at the Bicholim mineral block.

We also have 100.0% ownership interest in WCL, a Liberian iron ore exploration company. WCL's assets include development rights to the Western Cluster, a network of iron ore deposits in West Africa, in three concession areas, namely Bomi Hills, Bea Mountain and Mano River.

Revenue from our Iron Ore Business was $1,080 million in Fiscal Year 2024, compared to $753 million in Fiscal Year 2023 and $837 million in Fiscal Year 2022. For Fiscal Year 2024, EBITDA from our Iron Ore Business was $200 million, compared to $124 million for Fiscal Year 2023 and $304 million for Fiscal Year 2022.

Principal products

Iron ore. Our iron ore reserves consist of both lump and fine ore. Lump ore is sold from the mines in Karnataka primarily to domestic pig iron or steel producers.

Pig iron. We produce basic, foundry and nodular grade pig iron in various sub-grades for steel mills and foundries.

Metallurgical coke. We also produce metallurgical coke, which is primarily used for captive consumption for producing pig iron in India.

Power. Electricity for our metallurgical coke and manufacturing operations is primarily supplied by our captive power plant which generates power from the waste gases of our metallurgical coke plant and blast furnace.

Production

The table below sets out our total production[1] for the periods indicated:

		Fiscal Year			**Three months ended June 30**
	Product	**2022**	**2023**	**2024**	**2024**
		(Million tonnes)			
Mine/Mine Type					
Goa (Open-Pit)[1]	Iron ore	0.0	0.0	0.0	0.1
Sesa Resources Limited (open-pit)[1]	Iron ore	0.0	0.0	0.0	0.0
A. Narrain (Open-Pit)	Iron ore	5.4	5.3	5.6	1.2
Liberia	Iron ore	0.0	0.2	0.5	0.3
Total Iron Ore	**Iron ore**	**5.4**	**5.5**	**6.1**	**1.6**
Amona Plant	Metallurgical coke	0.48	0.41	0.42	0.11

Product	Fiscal Year 2022	2023	2024	Three months ended June 30 2024
		(Million tonnes)		
Pig iron	0.79	0.68	0.83	0.20

Note:

(1) No iron ore was mined from the Goa mines in Fiscal Years 2022, 2023 and 2024.

The table below sets out Proved and Probable iron ore Reserves[1] as of March 31, 2024 at mines that we own or have rights to as set out to in the table below:

	Proved Reserve		Probable Reserve		Total Proved and Probable Reserves	
	Quantity	Iron Grade	Quantity	Iron Grade	Quantity	Iron Grade
	(Million tonnes)	*(%)*	*(Million tonnes)*	*(%)*	*(Million tonnes)*	*(%)*
WCL – Bomi	2.5	60.7	220.1	36.5	222.6	36.8
Karnataka – A. Narrain	7.9	54.8	31.1	41.2	39.0	43.9
Total Iron Ore Reserves	**10.4**	**56.2**	**251.2**	**37.1**	**261.6**	**37.9**

Note:

(1) See "*Annex C – Mineral Resource and Ore Reserve Reporting*" for an explanation of the basis of preparation of reserve amounts.

Additional Information – for India

- The reserve estimates were prepared by the mining engineers at our Group and SRK Mining Services (India) Private Limited ("**SRK IN**") reviewed in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "**JORC Code**"). The estimates were independently audited by SRK in 2024.
- Ore reserves are estimated at a variable cut-off grade based on ore type; the minimum cut-off grade was 30.0% Fe iron for siliceous ore and 45.0% Fe iron for normal ore.
- The ore bodies are of relatively significant size with good continuity of the mineralised zones, little internal dilution and the contacts are well constrained. Free digging and diluting material can also carry grade. The mining recovery was 98.0% and a mining dilution of 2.0% was considered.

Description of operations

Production facilities

Amona plant. The Amona plant has been engaged in the manufacture and sale of pig iron since it commenced its operations. Our production consists mainly of low ash coking coal and we import almost 100.0% of low ash coking coal each year. We generate our own electric power from the waste heat of our metallurgical coke plant and the blast furnace gas.

Vazare Plant. We acquired this plant given it complements backward integration opportunity for our existing pig iron division and also increases our footprint in the met coke market in southwestern part of India.

The following table sets out the total rated capacities as of March 31, 2024 at our Amona and Vazare facilities:

	Capacity		
	Metallurgical Coke	**Pig Iron**	**Power**
	(tpa)	*(tpa)*	*(mw)*
Amona Plant	0.522	0.950	65
Vazare Plant	0.12	—	—

Mines

Karnataka. Our main operation in Karnataka is at the A. Narrain mine which is located approximately 200 km northwest of Bangalore. The open-pit mine is well connected by rail.

WCL. WCL comprises of three concession areas, namely Bomi Hills, Bea Mountain and Mano River.

Sales and marketing

Pig iron. Currently, the majority of the pig iron produced by us are sold within India to foundries and steel mills. The sale of pig iron is generally done on a spot basis with prices valid for a month. The prices of pig iron are fixed, with material generally being sent on a freight-to-pay and prepaid basis.

Metallurgical coke. Besides sales within our Group, the balance is sold in the domestic Indian market to foundries, pig iron producers, ferrous alloys producers and cement plants. The sale of metallurgical coke to other customers is done on a spot basis with delivery schedule over the month.

(vi) Steel Business

Introduction

ESL's manufacturing facility is a greenfield integrated steel plant located near Bokaro, Jharkhand, India, which has a current capacity of 1.7 mtpa. It primarily consists of one sinter plant, a vertical coke oven plant, two blast furnaces, an oxygen plant, a lime calcination plant, a steel melting shop, a wire rod mill, a bar mill, a captive power plant and a ductile iron pipe plant. ESL is selling primarily TMT bars, wire rods, ductile iron pipes, pig iron and steel billets in open market and has established its presence in the domestic market. We hold 95.49% of the paid-up share capital of ESL as at March 31, 2024.

Total Saleable Production from ESL was 1,260 kt, 1,285 kt and 1,386 kt in Fiscal Years 2022, 2023 and 2024. Revenue from our Steel Business was $1,003 million in Fiscal Year 2024, compared to $978 million in Fiscal Year 2023 and $869 million in Fiscal Year 2022. For Fiscal Year 2024, EBITDA from our Steel Business was $27 million compared to $39 million and $94 million for Fiscal Years 2023 and 2022, respectively.

Principal Products

TMT Bars. TMT Bars are thermo mechanically treated steel bars which are produced by controlled quenching and self-tempering process. We sell TMT Bars primarily to the construction industry.

Wire Rod. Steel wire rod is rolled from steel billet in a wire rod mill and is used primarily for the manufacture of wire. The steel for wire rod is produced by all the modern steelmaking processes, including the basic oxygen and electric furnace processes. Steel wire rod is usually cold drawn into wire suitable for further processing such as cold rolling, cold heading, cold upsetting, cold extrusion, cold forging or hot forging. We sell wire rod primarily to automobile and white goods industries.

Ductile Iron Pipe. Ductile iron pipe is a pipe made of ductile cast iron commonly used for potable water transmission and distribution. The ductile iron used to manufacture the pipe is characterised by the spheroidal or nodular nature of the graphite within the iron. Protective internal linings and external coatings are often applied to ductile iron pipes to inhibit corrosion, the standard internal lining is cement mortar and standard external coatings include bonded zinc, asphalt or water-based paint. The ductile iron pipe is primarily used in sanitation, sewerage and irrigation.

Pig Iron. Pig iron is an intermediate product of the iron industry, also known as crude iron, which is first obtained from a smelting furnace in the form of oblong blocks. Pig iron has a very high carbon content, typically ranging from 3.8% to 4.7%, along with silica and other constituents of dross, which makes it very brittle and not useful directly as a material except for limited applications. Pig iron is made by smelting iron ore into a transportable ingot of impure high carbon-content iron in a blast furnace as an ingredient for further processing steps. Pig iron is further processed and is used in steel plants.

Steel Billet. A billet is a length of metal that has a round or square cross-section. Billets are created directly via continuous casting or extrusion or indirectly via hot rolling an ingot or bloom. Billets are further processed via profile rolling and drawing. Final products include TMT and wire rod.

By Product

Granulated Slag. Granulated blast-furnace slag is obtained by quenching molten iron slag from a blast furnace in water or steam, to produce a glassy, granular product that is then dried and grounded into a fine powder. Granulated slag is used in the production of quality-improved slag cement by cement industry.

Production Volumes

The following table sets out ESL's total production from the Bokaro facility for the periods indicated:

	Fiscal Year			Three months ended June 30
	2022	2023	2024	2024
	(tonnes)			
Product				
TMT	398,579	462,815	505,287	137,193
Wire rod	420,509	407,124	435,767	108,735
Ductile iron pipe	163,882	196,391	211,823	49,623

	Fiscal Year			Three months ended June 30
	2022	2023	2024	2024
Pig iron	185,854	192,078	203,369	57,806
Saleable Steel billet	91,334	26,488	29,922	2,378
Total	**1,260,168**	**1,284,897**	**1,386,168**	**355,734**

(vii) Power Business

Introduction

Our Power Business is primarily conducted by Vedanta Limited and our subsidiary, TSPL. Our Power Business has a portfolio with total gross capacity of 6,580 MW, and 4,380 MW of which are currently operational. We have PPAs in place with public utilities involved in power distribution for 2,580 MW of our merchant capacity.

The following table sets out information relating to our power plants as of June 30, 2024:

Plant Location	Gross Capacity (MW)	Merchant Capacity (MW)	Remarks
Talwandi Sabo, Punjab	1,980	1,980	PPA with Punjab Discom
Jharsuguda SEZ, Odisha	2,400	600	PPA with Odisha Discom
Singhatari Chhattisgarh	1,200	1,200	Under construction
Meenakshi, Tirupati	1,000	1,000	Partly operational
Total	**6,580**	**4,780**	

Revenue from our Power Business was $743 million in Fiscal Year 2024, compared to $838 million in Fiscal Year 2023 and $739 million in Fiscal Year 2022. For Fiscal Year 2024, EBITDA from our Power Business was $117 million, compared to $114 million for Fiscal Year 2023 and $145 million for Fiscal Year 2022.

Commercial power plants

Vedanta Limited. We operate a 2,400 MW coal based thermal power plant (comprising of four units of 600 MW each) in Jharsuguda, Odisha. The three 600 MW units are captive power for our Aluminium Business and one 600 MW unit is an independent power plant. Vedanta Limited has a long-term coal linkage for the second 600 MW unit and entered into a fuel supply agreement of 2.56 mtpa. Independent power plants in Odisha source coal from GoI’s coal mining companies, long-term coal supply agreements with various state government under PPAs and from imports. During Fiscal Year 2024, 2.24 million tonnes of coal was purchased from these sources towards our Jharsuguda independent power plant as compared to 2.68 tonnes and 1.72 million tonnes purchased during Fiscal Years 2023 and 2022, respectively. The typical coal volume required for full scale operations of 600 MW independent power plant ranges between 2.5 million to 3.5 million tonnes. However, actual coal consumption is largely dependent on the amount of power generation. For Fiscal Years 2022, 2023 and 2024, the ten largest customers of the Jharsuguda operations accounted for 100.0% of Vedanta Limited’s Power Business.

TSPL. TSPL has secured a long-term linkagefor 6.15 mtpa coal which is transported by rail. TSPL also sources coal from sources such as the GoI's coal mining companies and imports. In Fiscal Year 2024, the total coal purchased from these sources was 7.51 million tonnes. For Fiscal Years 2022, 2023 and 2024, a state-owned power company accounted for 100.0% of TSPL power business.

Athena. In July 2023, we acquired Athena Chhattisgarh Power Limited ("**Athena**") which owns a 1,200 MW coal-based thermal power plant located at Raigarh district of Chhattisgarh. It is a sub-critical project with two units of 600 MW each. The two 600 MW units of Athena are yet to be commissioned. Athena has secured the project financing from Power Finance Corporation and is expected to commence operations in Fiscal Year 2026.

Meenakshi. In August 2023, we acquired Meenakshi Energy Limited ("**Meenakshi**") which owns a 1,000 MW thermal coal-based power plant located in the Nellore district of Andhra Pradesh. With an acquisition cost of ₹1,440 crore, the project comprises of two phases with the first phase having two 150 MW units and the second phase having two 350 MW units each. The two 150 MW units was completed and is fully operational since Fiscal Year 2025, whilst the two 350 MW units have been commissioned but have not commenced commercial operations. Since our acquisition in 2023, the plant has undergone revival. Phase I (2x150 MW) has commenced operations in the first quarter of Fiscal Year 2025 and is in process of stabilization with full load operation. Phase II (2x350 MW) is expected to commence operations by February 2025.

(viii) Other Activities

Ferro Alloys Corporation Limited

On September 21, 2020, we completed the acquisition of Ferro Alloys Corporation Limited ("**FACOR**"). FACOR was acquired under the corporate insolvency resolution process pursuant to the Bankruptcy Code. The NCLT on January 30, 2020 approved the resolution plan for the acquisition resulting in FACOR becoming a wholly owned subsidiary. FACOR then amalgamated with its subsidiary Facor Power Limited ("**FPL**") by NCLT Order dated November 22, 2022.

For Fiscal Year 2024, FACOR's ore production volume and ferro chrome production were 239,831 tonnes and 79,572 tonnes, respectively and ferro chrome sales was 78,403 tonnes. For the three months ended June 30, 2024, FACOR's ore production volume and ferro chrome production were 79,895 tonnes and 27,533 tonnes, respectively and ferro chrome sales was 26,666 tonnes.

Vedanta Semiconductors Private Limited and Vedanta Displays Limited

In 2022, we incorporated Vedanta Semiconductors Private Limited and Vedanta Displays Limited to spearhead our foray into semiconductors and display glass, respectively. Vedanta Semiconductors Private Limited and Vedanta Displays Limited are our wholly owned subsidiaries.

Market Share and Competition

Our Aluminium Business has a significant market share of approximately 45% in the primary aluminium production sector in India and is the largest aluminium producer in India accounting for approximately 56.5% of the overall smelting capacity in the country (*Source: ICRA Report*). Our competitors include, among others, Hindalco and Nalco (*Source: ICRA Report*).

HZL is the market leader for zinc, with a significant approximately 75% market share (in domestic consumption terms) and ranked as the second largest producer of zinc in the world (*Source: ICRA Report*). It is also the leading producer of refined lead in India with a market share of approximately 66% during Fiscal Year 2024 (*Source: ICRA Report*). HZL is the only primary silver producer in India and is the third largest silver producing company in the world with a market share of approximately 3%

globally (*Source: ICRA Report*). Our competitors include, among others, Glencore, Teck Resources, Fresnillo and KGHM polska Miedz (*Source: ICRA Report*).

We contribute approximately 25.0% of India's domestic crude oil production during Fiscal Year 2024 (*Source: ICRA Report*). Our competitors include, among others, ONGC, IOCL, HMPL and BPCL (*Source: ICRA Report*).

We are also one of the leading iron ore producers in India in Fiscal Year 2024 (*Source: ICRA Report*). Our competitors include, among others, Tata Steel, SAIL, JSW Steel, AM/NS India, Jindal Steel and Power and Rungta Mines (*Source: ICRA Report*).

Intellectual Property

We have entered into a brand license and strategic services agreement dated March 18, 2023 (as amended and restated on January 25, 2024) with Vedanta Limited and Vedanta Resources Investments Limited ("**VRIL**") ("**Agreement**"). Prior to the Agreement, our Company had granted a non-exclusive license to Vedanta UK Holdings Limited to use the 'Vedanta' name, logo and trademarks ("**Trademarks**"), which in turn granted such license to VRIL. Pursuant to this Agreement, VRIL has granted a non-exclusive, non-assignable and non-transferable license to Vedanta Limited to use the Trademarks in accordance with the terms of the Agreement. The Agreement is valid for a period of 15 years until March 31, 2038 and upon expiry or termination of the Agreement, the sub-license will automatically convert into a direct license between our Company and Vedanta Limited.

Sustainability

In Fiscal Year 2012, we introduced a series of policies and technical and management standards (the "**Vedanta Sustainability Framework**") aligned to international sustainability standards, such as the International Finance Corporation Performance Standards, the International Council on Mining and Metals Sustainable Development Framework and the United Nations Global Compact Principles. We also engage with third party consultants to effectively mitigate, manage and resolve environment pollution, if any, in locations where we operate.

Our sustainability committee is tasked to oversee our management of sustainability matters including but not limited to decarbonisation, water management, safety, employment practices, sustainable development engagement with the communities in which we operate, human rights and land access. We review our sustainability performance twice in a year. Our sustainability committee was transformed and renamed to ESG committee, to increase the scope of the committee and include ESG issues.

We are ranked 3rd among 172 global metal and mining peers in the S&P Global CSA 2023, a significant climb from previous years. Additionally, HZL secured the top position in the same assessment, showcasing our dedication to responsible mining practices. Our Aluminium Business also achieved the top ranking within the aluminium producer category, further solidifying our commitment to sustainability across our operations. Furthermore, Vedanta Limited and HZL were included in the prestigious S&P Global Sustainability Yearbook 2024 recognizing among the top 21 sustainability performers in the industry.

The table below summarizes our current and historical scores/ratings from key ESG rating agencies:

Rating Agency	**Current Score/Rating**	**Historical Score/Rating**
S&P Global CSA 2023	81/ 100	66 > 62 > 76 > 81 (Steady Improvement)
MSCI	BB	CCC > CCC > B > BB > BB (Upward Trend)
Sustainalytics	37.6 Rank: 86/243	40.7 > 38.9 > 37.6 (Continuous Risk Reduction)

Rating Agency	Current Score/Rating	Historical Score/Rating
CDP-Climate Change..................	B	D > B- > B > B > B (Significant Improvement)
CDP-Water..................................	A	B > A- (Maintaining High Standards)

As of Fiscal Year 2024, we have, among other things, planted around 2 million trees, achieved 0.7x water positivity and achieved 90% high volume low toxicity (HVLT) waste utilisation. We are also currently constructing 838 MW of round-the-clock renewable energy power generation.

As of Fiscal Year 2024, about 20% of our employees are women, 33% of which are in enabling functions. As of Fiscal Year 2024, we also employ 36 transgenders in our workforce.

Environment, Health and Safety

Health and safety are critical to our business operations, and we have established necessary policies, procedures and related governance mechanism including governance committees across all units to successfully manage risk and realise the ambition of zero fatalities. Regular assessments are also conducted, and improvement programmes are in place across all operating units to ensure health and safety risk are well addressed and managed. We also ensure that workers' rights continue to be honoured at every stage of our operations, across diverse worker groups and the changing legal landscape. Moreover, in our effort to promote health and safety, we have adopted many practices, including the experience-based risk quantification and bow tie and making better risk decision approach to enhance our risk assessment, incident investigations, decision-making capabilities cross business safety audits, fatality investigation and learning through incident cause analysis method ("**ICAM**"). We have implemented the "Critical Risk Management" framework across our operations, which identifies 13 critical risks and is based on the 9-step methodology developed by the ICMM.

Corporate Social Responsibility

Making a positive contribution to local communities in India and Africa remains a high priority for us. Through our philanthropic arm, Anil Agarwal Foundation, we have impacted over 50 million lives and pledged $5 billion over next decade to strengthen the rural communities through a sustainable and inclusive growth model. As of Fiscal Year 2024, we have established over 6,000 *nand ghar* (a local child and woman care centre).

Litigation

This section includes such legal proceedings which we consider material and which we believe could reasonably be expected to have a material adverse effect on our results of operation and financial condition as of the date of this Offering Circular, including, inter alia, (i) outstanding civil litigation or arbitration proceedings involving us, our Indian subsidiaries (including their directors and their material subsidiaries) where the amount involved exceeds approximately ₹4,130 million, being 2% of the net worth of Vedanta Limited, based on its last audited consolidated financial statements, in accordance with "Policy for Determination of Materiality of Any Event / Information" framed in accordance with Regulation 30 of the SEBI Listing Regulations and adopted and last revised by the board of directors of Vedanta Limited pursuant to its resolution dated July 21, 2023; (ii) outstanding actions initiated by statutory or regulatory authorities against us, our Indian subsidiaries (including their directors and their material subsidiaries); (iii) outstanding criminal litigation filed against us, our Indian subsidiaries (including their directors and their material subsidiaries); and (iv) outstanding material tax litigations involving us, our Indian subsidiaries (including their material subsidiaries). Save as disclosed below, there are no outstanding governmental, legal or arbitration proceedings, including any such proceedings which are pending or threatened of which we are aware, which we believe could reasonably be expected to have a material adverse effect on our results of operation and financial condition.

Gujarat Gas Limited has commenced arbitration proceedings against Vedanta Limited.

Vedanta Limited and certain others ("**Respondents**") entered into certain agreements with Gujarat Gas Limited ("**Gujarat Gas**") for the offtake of all gas produced from the CB-OS/2 block ("**Agreements**"). Gujarat Gas initiated arbitration proceedings under Section 23 of the Arbitration Act against the Respondents alleging breach of the Agreements by the Respondents in relation to, *inter alia*, sale of gas from the CB-OS/2 block to third parties, reduction of allocation of gas from CB-0S/2 Block to Gujarat Gas and the failure of the Respondents to notify Gujarat Gas of plans to develop a new oil well. Gujarat Gas claimed, *inter alia*, approximately ₹ 6, billion as damages from the Respondents for the amounts received due to the diversion of natural gas from the CB-OS/2 block to third party buyers. The Respondents filed a counter claim seeking *alia* USD 86.77 million on the grounds that *inter alia* Gujarat Gas refused to exercise its right of step in, and the Agreements did not require consent or consultation of Gujarat Gas in case of termination. The matter is currently pending.

Show cause notice issued by SEBI against Sterlite Industries Limited (now merged with Vedanta Limited)

SEBI issued a show cause notice to Sterlite Industries India Limited (now merged with Vedanta Limited) ("**SIIL**") to show cause as to why it should not proceed against SIIL under Section 24 read with Section 27 of the SEBI Act, 1992 for alleged violation of regulation 4(a) and 4(d) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 1995 ("**Alleged Violations**"). SIIL replied to the show cause notice. Thereafter, the Chairman of SEBI ("**Authority**") passed an order dated April 19, 2001, prohibiting SIIL from accessing the capital markets for a period of two years and ordering prosecution proceedings for the Alleged Violations ("**Impugned Order**"). Accordingly, SEBI proceeded to file a criminal complaint before the 8th Additional Chief Metropolitan Magistrate's Court at Esplanade Mumbai ("**Trial Court**"). SIIL filed an appeal before the Securities Appellate Tribunal ("**SAT**") against the Impugned Order. The Impugned Order was subsequently overruled by the SAT vide an order dated October 22, 2001, on the basis that *inter alia* there was insufficient material evidence to establish that SIIL had, directly or indirectly, engaged in market manipulation and allowed the appeal filed by SIIL ("**SAT Order**"). SEBI filed an appeal before the High Court of Judicature at Bombay ("**Bombay High Court**") against SIIL, its Director, Anil Agarwal and others ("**Accused**") challenging the SAT Order. SIIL filed a criminal application before the Bombay High Court to stay the criminal proceedings initiated by SEBI through its criminal complaint. The Bombay High Court *inter alia vide* an order dated November 22, 2006 admitted the application and granted an interim stay on the criminal proceedings. As per the amendment to the SEBI Act, 1992 through the Securities Law (Amendment) Act, 2014, the jurisdiction of the matter has been transferred from the Trial Court to the sessions court. The aforementioned interim stay on the criminal proceedings granted by the Bombay High Court continues to be in force as on date. The matter is currently pending.

Proceedings initiated by Sterlite Industries Limited (now merged with Vedanta Limited) against the order of Special Director, Enforcement Directorate.

The Special Director, Enforcement Directorate ("**Adjudicating Authority**") vide an order imposed a penalty of ₹ 200 million on Sterlite Industries India Limited (now merged with Vedanta Limited) ("**SIIL**") and ₹ 50 million each on Naveen Agarwal and Anil Agarwal alleging violation of Section 8(1) of the Foreign Exchange Regulation Act, 1973 ("**Act**") for acquiring and transferring foreign exchange equivalent amounting to ₹2,080 million into an overseas entity, without prior approval of the Reserve Bank of India ("**RBI**") ("**Order I**"). Vedanta Limited challenged Order I before the Appellate Authority for FEMA, New Delhi ("**Appellate Authority**"). The Appellate Authority granted waiver of the pre-deposit of the penalty imposed on the Parties. The matter is currently pending.

Proceedings involving Cairn India Limited (now merged with Vedanta Limited) for non-payment of dividend

Cairn UK Holdings Limited ("**CUHL**") filed a complaint on the SEBI complaint redress system ("**Complaint**") alleging non-payment of dividend amounting to ₹3,406.50 million by Cairn India Limited (now merged with Vedanta Limited) ("**CIL**") in respect of the equity shares held by CUHL in CIL. SEBI disposed of the Complaint on the ground that the unpaid dividends had been paid to the Government of India pursuant to the recovery notice issued by the Deputy Commissioner of Income Tax and the said matter was pending before the relevant income tax authorities. CUHL filed an appeal before the Securities Appellate Tribunal ("**SAT**") challenging the disposal of the Complaint by SEBI. Subsequently, the SAT directed SEBI to reconsider the Complaint for violation of provisions of the Companies Act and SEBI Listing Regulations for non-payment of dividends. Basis re-examination, SEBI disposed of the Complaint on the ground that inter alia there was absence of mens rea on the part of CIL, which is required to constitute an offence under Section 127 of the Companies Act ("**Disposal of Complaint**"). CUHL challenged the Disposal of Complaint before the SAT. The SAT, observed that a *prima-facie* case was made out by CUHL and directed SEBI to investigate the alleged violations of the Companies Act and SEBI Listing Regulations within six months ("**SAT Order**"). SEBI filed an appeal before the Supreme Court and the Supreme Court upheld the SAT Order and extended the time for completing the enquiry. Thereafter, SEBI issued a show cause notice to Vedanta Limited, its Directors, Navin Agarwal and Priya Agarwal Hebbar and others (collectively, "**Parties**") to show cause as to why suitable directions should not be initiated for *inter alia* alleged violations of certain provisions of the Companies Act and SEBI Listing Regulations for non-payment of dividend. Pursuant to an order ("**Order**"), SEBI directed Vedanta Limited to pay CUHL ₹776.3 million, that is simple interest at the rate of 18% per annum for delayed payment of dividend, due and payable to CUHL within 45 days of the Order and pursuant to its directions **inter alia** (a) restrained Vedanta Limited's Director, Navin Agarwal and certain others from accessing the securities market and further prohibited from buying, selling or otherwise dealing in securities, directly or indirectly, or being associated with securities market in any manner, whatsoever, for a period of two months from the date of the Order; and (b) restrained Vedanta Limited's Director, Priya Agarwal Hebbar and certain others from accessing the securities market and further prohibited from buying, selling or otherwise dealing in securities, directly or indirectly, or being associated with securities market for a period of one month from the date of the Order. Aggrieved by the Order, the Parties filed an appeal before SAT and subsequently, SAT granted a stay on the effect and operation of the Order subject to payment of 50% of the interest amount by Vedanta Limited to CUHL. The aforesaid payment of 50% of the interest amount was deposited by Vedanta Limited. The matter is currently pending before the SAT.

SEBI action against Cairn India Limited (now merged with Vedanta Limited)

SEBI issued a show cause notice ("**Notice**") to Vedanta Limited and others, alleging that pursuant to an investigation, it had observed that Cairn India Limited (now merged with Vedanta Limited) ("**CIL**") had made a misleading announcement in relation to a buyback without any intention to fulfil the same. Pursuant to the Notice, SEBI directed Vedanta Limited and others to show cause as to why (a) an enquiry shall not be held against them; and (b) penalty shall not be imposed under Section 15HB of the SEBI Act for violation of the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 ("**PFUTP Regulations**") and the Securities and Exchange Board of India (Buyback) Regulations, 1998 ("**Buyback Regulations**"). Subsequently, the Adjudicating Officer, SEBI ("**AO**") held Vedanta Limited to be in violation of the provisions of the PFUTP Regulations and Buyback Regulations ("**Order**") and imposed a penalty of ₹52.50 million on Vedanta Limited for making misleading announcement in relation to a buyback of its shares. Vedanta Limited filed an appeal against the Order before the Securities Appellate Tribunal ("**SAT**") contending *inter alia* that it cannot be conclusively proved that Vedanta Limited made such misleading announcement in relation to a buyback of its shares. Pursuant to its order, SAT set aside the Order ("**SAT Order**"). SEBI has filed an appeal before the Supreme Court challenging the SAT Order. The matter is currently pending.

Writ petition filed against the Vedanta Limited alleging violation Mines and Minerals (Development & Regulation) Act, 1957.

The District Collector, Salem ("**District Collector**") issued a notice to Vedanta Limited ("**Demand Notice**") directing it to pay an amount of ₹429.20 million as annual compensation towards surface rights over government Poramboke lands, for the period from 1997 to 2016. Vedanta Limited challenged the Demand Notice by filing a writ petition ("**Petition**") before the Madras High Court, contending that the Demand Notice was in violation of Section 13(2)(j) of the Mines and Minerals (Development & Regulation) Act, 1957 ("**Act**") read with Rule 27(1)(t) of the Mineral Concession Rules, 1960 ("**Rules**"), which prescribe that the state government is not to be compensated for the use of surface of the land by the lessee in case of a government land put for mining operations. However, the Madras High Court dismissed the Petition and allowed Vedanta Limited to issue a representation to the State of Tamil Nadu and the District Collector in respect of the quantum of the demand in the Demand Notice ("**Impugned Order**"). The representation was furnished, but as on date no action has been taken to revise or revoke the Demand Notice. Vedanta Limited has filed an appeal before the Madras High Court challenging the Impugned Order. The matter is currently pending.

Notices received by Vedanta Limited from Department of Geology and Mining, Namakkal District regarding non-operation bauxite mining leases.

Vedanta Limited has also received two demand notices from the District Collector, Namakkal District, Tamil Nadu and the Assistant Director, Department of Geology and Mining, Namakkal District, respectively, towards compensation for surface rights in relation to the currently non-operational bauxite mining leases of Vedanta Limited from the period since 1967 ("**Impugned Notices**"). Vedanta Limited has challenged these Impugned Notices by filing a writ petition before the Madras High Court on the ground that *inter alia* the Impugned Notices are in violation of Section 13(2)(j) of the Act read with Rule 27(1)(t) of the Rules. The matter is currently pending.

Proceedings initiated by Vedanta Aluminium Limited (now merged into Vedanta Limited) against Principal Secretary, Government of Odisha, Revenue and Disaster Management Department.

The Principal Secretary, Government of Odisha, Revenue and Disaster Management Department issued an order directing the Collector, Jharsuguda to, *inter alia*, withdraw the permission granted to Vedanta Aluminium Limited (now merged into Vedanta Limited) ("**Petitioner**") to fill fly ash over plot number 188 of Mouza-Bhurkamunda, Odhisa ("**Plot**") and cause eviction of the Petitioner from the said land ("**PS Order**"). The District Office, Jharsuguda (Revenue Section) also issued an order, *inter alia*, withdrawing the permission granted to the Petitioner for filling fly ash over the Plot ("**DO Order**"). Aggrieved by the PS Order and the DO Order, the Petitioner has filed a writ petition before the Orissa High Court. The matter is currently pending.

Proceedings related to fatal accident at Vedanta Limited's factory in Bhurkamunda, Sripura, Jharsuguda.

The Assistant Director of Factories & Boilers, Jharsuguda Zone, Odisha ("**Assistant Director**") filed a criminal complaint before the Sub Divisional Judicial Magistrate, Jharsuguda, Odisha under Rule 13 of the Orissa Factories Rules, 1950 against certain employees of Vedanta Limited. The Assistant Director has alleged violations of Section 7-A(2)(a) of the Factories Act, 1948 and Rule 62 D of the Odisha Factories Rules, 1950 due to a fatal accident that took place at Vedanta Limited's factory in Bhurkamunda, Sripura, Jharsuguda. The matter is currently pending.

Proceedings filed by SEBI against Sterlite Industries India Limited (now merged with Vedanta Limited) for alleged violation of provisions of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to securities market) Regulations, 1995.

SEBI filed a criminal complaint against Sterlite Industries India Limited (now merged with Vedanta Limited) ("SIIL"), its Director, Anil Agarwal and others before the Additional Metropolitan Magistrate, Esplanade in relation to the alleged violation of Regulations 4(a) and 4(d) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 1995. SIIL filed a criminal application before the Bombay High Court to stay the criminal proceedings initiated by SEBI through its criminal complaint.

Proceedings involving Vedanta Aluminum Limited (now merged into Vedanta Limited) pertaining to applicability of Orissa Electricity Regulatory Commission (Renewable and Co-generation Purchase Obligation and its Compliance) Regulations, 2010.

In 2010, the Odisha State Commission ("**State Commission**") approved the Orissa Electricity Regulatory Commission (Renewable and Co-generation Purchase Obligation and its Compliance) Regulations, 2010 ("**RCPO Regulations**"). Under the RCPO Regulations, every obligated entity was to purchase not less than 5% of its total annual energy consumption from co-generation and renewable energy sources from Fiscal 2012. Bhushan Steel and Power Limited filed a petition before the State Commission praying for relaxation from the RCPO Regulations. In order to have a comprehensive hearing, the State Commission decided to hear the power generating entities in the state, including Vedanta Aluminium Limited (now merged into Vedanta Limited) ("**Appellant**"). With a view to take a common decision on the applicability of the RCPO Regulations, the State Commission initiated *suo motu* proceedings on fulfilling the renewable purchase obligation under the RCPO Regulations and decided to hear the obligated entities in Odisha ("**Suo-Motu Proceedings**"). The Appellant was impleaded as a party to the Suo-Motu Proceedings by the State Commission. The Appellant objected to the applicability of the RCPO Regulations on the grounds that, *inter alia*, the direction of the State Commission that captive plants and open access consumers should compulsorily purchase renewable energy is beyond the jurisdiction of the State Commission and alternatively, sought exemption from the RCPO Regulations. The State Commission held, *inter alia*, that reopening of issues with respect to various provisions of the RCPO Regulations cannot be entertained as it would amount to re-opening of the issues that have been previously decided by the State Commission and rejected the submissions made by the Appellant ("**Impugned Order**"). Aggrieved by the Impugned Order, the Appellant filed an appeal before the Appellate Tribunal for Electricity, New Delhi ("**APTEL**"). APTEL observed, *inter alia*, that the State Commission had failed to follow the rationale laid down by APTEL and set aside the Impugned Order ("**Impugned Judgement**"). Aggrieved by the Impugned Judgment, the State Commission filed a special leave petition before the Supreme Court. The matter is currently pending.

Proceedings initiated by Ministry of Environment, Forest and Climate Change against Vedanta Limited.

Satyanarayan Rao ("**Complainant**") filed an appeal before the National Green Tribunal, Eastern Zone Bench at Kolkata (the "**Tribunal**") against the environmental clearance ("**EC**") granted to Vedanta Limited's plant located in Bhurkamunda District Jharsuguda, Odisha ("**Plant**") by the Ministry of Environment, Forest and Climate Change ("**MoEF**") for expansion of the Plant's aluminium smelter production capacity. The Complainant argued that that the EC granted to Vedanta Limited was invalid on the grounds that, *inter alia*, the expert appraisal committee ("**EAC**") had failed to verify facts with respect to encroachment on forest lands by the project proponent and the EAC had failed to conduct a fresh public consultation regarding the EC granted to the Plant. The Tribunal dismissed the appeal on the grounds of insufficient cause for the condonation of delay for 39 days from the date of communication of the EC and 59 days from the grant of EC ("**Impugned Judgement**"). Aggrieved by the Impugned Judgment, the Complainant filed an appeal before the Supreme Court. The Supreme Court has remanded the matter to the Tribunal. The matter is currently pending.

Proceedings initiated by Odisha Power Transmission Corporation Limited against Odisha Electricity Regulatory Commission in relation to transmission charges.

The Odisha Electricity Regulatory Commission ("**OERC**") *vide* a tariff order approved a retail supply tariff for the financial year 2022 for all its distribution utilities in Odisha ("**Tariff Order**"). As per the Tariff Order, only 20% of the transmission and wheeling charge was payable by an open access consumer drawing power from renewable source except biomass power plant and co-generation ("**Consumers**"). Odisha Power Transmission Corporation Limited ("**OPTCL**") filed a petition before OERC seeking to allow to levy 100% transmission charges to all Consumers. Vedanta Limited and others were impleaded as parties to the proceedings. OERC passed an order withdrawing all concession charges given to Consumers for the Financial Year 2023 ("**Order I**"). Pursuant to the Order I, OPTCL retrospectively applied Order I and levied 100% transmission charges for Consumers for the financial years 2021 and 2022 ("**Charges**"). OERC held the Charges to be illegal ("**Order II**"). Subsequently, OPTCL has challenged Order II before the Appellate Tribunal for Electricity, New Delhi. The matter is currently pending.

Proceedings initiated against Vedanta Limited alleging violation of certain air, water and hazardous waste management regulations.

Fatima ("**Complainant**") filed a criminal petition against Vedanta Limited, its Director, Navin Agarwal, and others (collectively, "**Accused**") before the Court of the Judicial Magistrate No. III, Thoothukkudi, Tamil Nadu ("**CJM**") under Section 200 of the Code of Criminal Procedure, 1973 read with Section 15 of the Environment Protection Act, 1986. The Complainant alleged, *inter alia*, that the Accused had failed to renew the consent and authorization for handling hazardous waste ("**Authorization**") for Vedanta Limited's copper smelter plant located at the SIPCOT Industrial Complex, Thoothukudi, Tamil Nadu ("**Copper Smelter Plant**") under the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016. The CJM by way of an order dismissed the said petition on the ground that cases on the same issue were pending before the Madras High Court and the Supreme Court ("**Impugned Order**"). Aggrieved by the Impugned Order, the Complainant filed a criminal revision petition before the Madras High Court for setting aside the Impugned Order. The Complainant has alleged that *inter alia* Vedanta Limited's application for renewal of consent to operate was rejected due to failure of Vedanta Limited to conform to certain conditions as mentioned in the Authorization. The matter is currently pending.

Writ Petitions filed against Vedanta Limited for demolition of its Copper Smelter Plant.

The Complainant also filed a separate writ petition against the State of Tamil Nadu, Vedanta Limited and others before the High Court of Madras ("**High Court**") seeking, *inter alia*, a writ of mandamus directing the State of Tamil Nadu ("**State**"), the Tamil Nadu State Pollution Control Board ("**TNPCB**") and the District Collector, Thoothukudi District, Tamil Nadu to demolish the Copper Smelter Plant and restore the site to its previous state by remediating the environment, including the soil and water. In relation to the writ petition, the High Court issued an order impleading the Central Pollution Control Board as a party to the writ petition. The matter is currently pending.

Matters in relation to reopening and restart of Vedanta Limited's Copper Smelter Plant

The State of Tamil Nadu and Tamil Nadu State Pollution Control Board ("**Government Authorities**") had passed a series of orders directing the closure of the Copper Smelter Plant for violation of numerous environmental norms ("**Government Orders**"). Vedanta Limited challenged the Government Orders before the National Green Tribunal ("**NGT**"). The NGT formed a committee consisting of officials from the Ministry of External Affairs, the Central Pollution Control Board and a retired High Court Chief Justice ("**Committee**") and based on the Committee's recommendations, ordered the reopening of the Copper Smelter Plant ("**NGT Order**"). Aggrieved by the NGT Order, the Government Authorities filed an appeal before the Supreme Court. The Supreme Court observed, *inter alia*, that the NGT did not have the jurisdiction to decide the matter and set aside the NGT Order. However, the Supreme Court granted liberty to Vedanta Limited to approach the High Court under Article 226 of the Constitution of India. ("**SC Order**"). Pursuant to the SC Order, Vedanta Limited approached the High Court. The High Court observed that the Copper Smelter Plant, *inter alia*, did not have appropriate systems in place for the disposal of hazardous waste, failed to comply with the requirement of maintaining a green belt operated and ordered the closure of the Copper Smelter Plant ("**HC Order**"). Aggrieved by the HC Order, Vedanta Limited filed a special leave petition before the Supreme Court. The Supreme Court observed, *inter alia*, that the unequivocal right to a clean environment is an indispensable entitlement extended to all persons and upheld the HC Order ("**SLP Order**"). Aggrieved by the SLP Order, Vedanta Limited has filed a review petition before the Supreme Court. The review petition is currently pending.

Proceeds initiated by Vedanta Limited against T.P. Western Odisha Distribution Limited

Vedanta Limited operates captive power generating plants ("**CGP**") in Odisha for self-consumption. T.P. Western Odisha Distribution Limited ("**TPWODL**") issued demand notices and invoices to Vedanta Limited demanding payment of cross subsidy charges for the Financial Year 2016 ("**Notices**"). Vedanta Limited challenged the Notices before the Odisha Electricity Regulatory Commission ("**OERC**") contending that *inter alia* CGP is exempt from the payment of cross subsidy charges. OERC observed that Vedanta Limited lost its CGP status in Financial Year 2016 and directed Vedanta Limited to make the payment in terms of the Notices ("**Order**"). Thereafter, TPWODL issued a revised notice demanding payment of cross subsidy charges ("**Revised Notice**"). Vedanta Limited has challenged the Order before the Appellate Tribunal for Electricity, New Delhi on the ground that *inter alia*, Vedanta Limited was not granted a fair hearing and that the CGP status was wrongfully denied to Vedanta Limited. The matter is currently pending.

Vedanta Limited has commenced proceedings against the GoI, which the GoI has disputed Vedanta Limited's exercise of the call option to purchase its remaining ownership in HZL.

Pursuant to the Government of India's ("**GoI**") policy of disinvestment, Sterlite Opportunities & Ventures Limited (now merged with Vedanta Limited) ("**SOVL**") acquired 26% of the equity share capital of HZL from the GoI. In terms of the shareholders' agreement ("**SHA**"), SOVL had two call options to purchase the equity shares held by GoI in HZL. SOVL exercised the first call option on August 29, 2003, and acquired an additional 18.9% of HZL's issued share capital. SOVL exercised its second call option in 2009, however, the same was refused by the GoI. Consequently, SOVL initiated arbitral proceedings for enforcing its rights under the SHA to exercise the call options and to purchase the remaining equity shares held by the GoI in HZL. Separately, a writ petition (**"Petition"**) was filed before the Supreme Court questioning the decision of GoI to divest its shareholding in HZL. The Supreme Court disposed of the Petition and allowed the GoI's proposal to divest its entire shareholding in HZL in the open market in accordance with the applicable law and directed the Central Bureau of Investigation of India to register a regular case ("**CBI Enquiry**") in relation to the process followed by GoI for the disinvestment of HZL ("**Order**") and submit reports every quarter. Pursuant to the Order, Vedanta Limited has withdrawn the arbitration claim, which has been accepted by the arbitration tribunal. Vedanta Limited also filed a miscellaneous application ("**Application**") before the Supreme Court on the grounds that the GoI had not divested its remaining shareholding HZL. The Application was subsequently disposed of by the Supreme Court. The CBI Enquiry is currently pending.

Intervention application filed by Commissioner of Income Tax objecting to the scheme of amalgamation and arrangement amongst Ekaterina Limited, Sterlite Industries (India) Limited, Madras Aluminum Company Limited, Sterlite Energy Limited, Vedanta Aluminum Limited and Vedanta Limited.

The Commissioner of Income Tax ("**CIT**") had filed an intervention application before the Bombay High Court objecting to the scheme of amalgamation and arrangement ("**Scheme**") amongst Ekaterina Limited, Sterlite Industries (India) Limited, Madras Aluminium Company Limited, Sterlite Energy Limited, Vedanta Aluminium Limited and Vedanta Limited on the grounds that by virtue of the Scheme the entire tax liability of Vedanta

Limited would be wiped out and refunded to it. However, the Bombay High Court passed an order stating that the Central Government and the income tax authorities do not have the power to intervene or to be heard on any scheme which is filed for seeking sanction. Aggrieved by the High Court's order, the CIT and the Ministry of Corporate Affairs have filed separate special leave petitions against the Bombay High Court order before the Supreme Court of India. The matters are currently pending.

Arbitration proceedings invoked by Vedanta Limited against GoI for demanding payment of dues arising out of audit carried out by the GoI in terms of the production sharing contract signed by Vedanta Limited with Oil and Natural Gas Corporation and Shell India Production Development.

The Government of India ("**GoI**") entered into a production sharing contract ("**PSC**") with Oil and Natural Gas Corporation and Shell India Production Development ("**SIPD**") in relation to, *inter alia,* carrying out exploration, discovery, development and production of petroleum resources on the Rajasthan block RJ-ON-90/1 and subsequently, Vedanta Limited acquired SIPD's interest in the PSC. The GoI demanded payment from Vedanta Limited on the basis of the audit carried out by the GoI in terms of the PSC ("**Audit Exceptions**"). Vedanta Limited invoked arbitration proceedings against the GoI regarding, *inter alia*, recovery of exploration, development, and production costs. Further, Vedanta Limited challenged the demand of payment of dues arising out of Audit Exceptions. The GoI filed a counterclaim demanding, *inter alia,* ₹85,968.00 million on the basis of its Audit Exceptions. Pursuant to its order, the arbitral tribunal ("**Tribunal**") decided in Vedanta Limited's favour on substantial issues and *inter alia* dismissed the GoI's counterclaim to enforce the Audit Exceptions. The Tribunal passed a final partial award regarding the interpretation of the PSC and observed, *inter alia*, that the audit exceptions pertaining to the allocation of development costs, production costs, exploration costs are unenforceable and provided that if the parties could not agree on precise figures for the quantum of costs, then the Tribunal would provide appropriate directions ("**Final Partial Award**"). Subsequently, the GoI applied before the Tribunal for injunctive relief under Section 17 of the Arbitration Act against unilateral deductions. The Tribunal held, *inter alia*, that unilateral deductions do not amount to unilaterally settling quantum and the accounts at issue did not violate the Final Partial Award, therefore the requests made by the GoI for restraining Vedanta Limited from implementing the Final Partial Award would not meet the threshold for harm to the GoI required for injunctive relief ("**Impugned Order**"). Aggrieved by the Impugned Order, the GoI filed an appeal before the Delhi High Court under Section 37 of the Arbitration Act. The GoI also filed a separate appeal before the Delhi High Court under Section 34 of the Arbitration Act seeking the setting aside of the Final Partial Award. The matter is currently pending.

Proceedings relating to the GRIDCO Power purchase agreement.

Vedanta Limited entered into a consolidated power purchase agreement ("**PPA**") with the Grid Corporation of Odisha ("**GRIDCO**") for the supply of power from Vedanta Limited's power plant located in Jharsuguda, Odisha. Vedanta Limited filed a petition before the Odisha Electricity Regulatory Commission ("**OERC**") under Section 86(1) of the Electricity Act, 2003 for adjudication of disputes between Vedanta Limited and GRIDCO regarding, *inter alia*, payment of outstanding dues and execution of the revised PPA ("**Petition**"). The OERC dismissed the Petition on the grounds that, inter alia, the matter for payment of outstanding disputes was pending before the Supreme Court and the revised PPA was to be considered for approval after the sub judice matter had been settled by the OERC ("**Impugned Order**"). Aggrieved by the Impugned Order, Vedanta Limited filed an appeal before the Appellate Tribunal for Electricity ("**APTEL**"). APTEL dismissed the appeal and observed, *inter alia*, that the entire issue was covered by previous judgments of APTEL and ordered GRIDCO to make payments amounting to ₹ 4,489.00 million to Vedanta Limited for supply of power from 2010 to 2016 ("**Appellate Judgement**"). Aggrieved by the Appellate Judgement, GRIDCO has filed an appeal before the Supreme Court under Section 125 of the Electricity Act, 2003. The appeal is currently pending.

GRIDCO also filed an application before the OERC under Section 86(1)(f) of the Electricity Act, 2003 for resolution of disputes regarding, *inter alia*, definition of marginal sources and priority of marginal sources and calculations of annual fixed charges and capacity charges. The OERC observed, *inter alia,* that marginal source should include un-requisitioned power from the interstate generating station, power overdrawn under demand side management and power drawn from the Indian Energy Exchange Limited, and directed both parties to make amendments to the PPA keeping in view the directions given by the OERC *vide* its order ("**OERC Order**"). Aggrieved by the OERC Order, Vedanta Limited filed an appeal before APTEL under Section 111 of the Electricity Act, 2003. GRIDCO also filed a cross appeal before APTEL against the OERC Order on the grounds of short supply of power by Vedanta Limited and incorporation of the penalty clause in the PPA. The matter is currently pending.

Writ petition filed by Vedanta Limited in the Delhi High Court seeking an extension production sharing contract.

The Government of India ("**GoI**") entered into a production sharing contract ("**PSC**") with the Oil and Natural Gas Corporation and Shell India Production Development ("**SIPD**") in relation to, *inter alia,* carrying out petroleum-related operations on the Rajasthan block and subsequently, Vedanta Limited acquired SIPD's interest in the PSC. As per the PSC, in case commercial production of natural gas continued beyond the term of the PSC, the PSC would get extended for a further period of 10 years. In light of this, Vedanta Limited filed a writ petition before the Delhi High Court seeking an extension of the PSC, however, the GoI introduced an extension policy revising the terms of the PSC and insisted on an increase in the share of profit payable to the GoI ("**Extension Policy**"). The GoI also called upon Vedanta Limited to submit a formal application ("**Application**") in accordance with the Extension Policy to seek extension of the PSC. Vedanta Limited submitted the Application but challenged the applicability of the Extension Policy contending that the extension of the PSC was a contractual right under the PSC which could not be altered by the Extension Policy. Pursuant to an order, the Delhi High Court held that the Extension Policy was contrary to the terms of the PSC ("**Order I**"). Aggrieved by the Order I, the GoI filed an appeal ("**Appeal**") before the Division Bench of the Delhi High Court ("**Division Bench**"). The Division Bench *vide* its order ("**Order II**") set aside the Order I and held that the Extension Policy was the "applicable law" and that the Application would be extended under the Extension Policy. Aggrieved by the Order II, Vedanta Limited filed a special leave petition ("**Special Leave Petition**") before the Supreme Court. Pending the Special Leave Petition, PSC has been extended for a period of 10 years with effect from May 15, 2020. The matter is currently pending.

Writ petition filed by Vedanta Limited against Odisha Mining Corporation Limited before Orissa High Court

Vedanta Limited filed a writ petition against Odisha Mining Corporation Limited ("**OMC**") before the High Court of Orissa ("**Orissa High Court**") challenging the unilateral application of Rule 45 of the Minerals (Other than Atomic and Hydro Carbons Energy Minerals) Concession Rules, 2016 ("**MCR Rules**") in fixing the price of bauxite. Vedanta Limited contended that Rule 45 of the MCR Rules is not applicable to the sale of bauxite and accordingly, OMC shall supply the agreed quantity of bauxite in accordance with, *inter alia,* the sales agreements entered into between Vedanta Limited and OMC ("**Agreement**"). During the course of this proceeding, the Orissa High Court passed an order directing OMC to supply the agreed quantity of bauxite until the term of the Agreement, subject to additional payment of ₹ 1,000 per metric tonne by Vedanta Limited, along with an undertaking for the differential amount with the floor price arrived at by OMC in accordance with MCR Rules. The matter is currently pending.

Arbitration proceedings imitated by Vedanta Limited against Gujarat State Petroleum Corporation Limited

Vedanta Limited issued a notice inviting offer ("**NIO**") and a request for proposal ("**RFP**") inviting companies to offtake all or a portion of gas volumes available for sale from the gas block in Barmer, Rajasthan ("**Rajasthan Block**"). Pursuant to the e-auction process, Gujarat State Petroleum Corporation Limited ("**GSPC**") along with four other bidders emerged as the successful bidder. However, GSPC denied its obligation to sign the gas sales agreement ("**GSA**"), abide by the terms of the GSA and offtake the gas at bid price and rather offered to offtake the bid volume of 1,907,543 standard cubic meters per day of gas at the price of 14.1% average brent price of crude oil with effect from April 01, 2023, which was 30.5% lower than the contractual price for sale of gas. Vedanta Limited accepted the offer on an interim arrangement basis to avoid loss of natural gas. Subsequently, Vedanta Limited initiated arbitration proceedings against GSPC, however, GSPC refused to appoint their nominee arbitrator. Thereafter, Vedanta Limited has filed an application under Section 11(6) of the Arbitration Act before the High Court of Delhi. The matter is currently pending.

Arbitration proceedings initiated by Vedanta Limited against Union of India against prohibition from exercising call option on shares held in BALCO.

Vedanta Limited entered into a share purchase agreement ("**SPA**") with the Union of India ("**Respondent**") and BALCO on March 2, 2001 ("**Closing Date**") to purchase 51% of the issued, subscribed and paid-up capital of BALCO. Pursuant to the SPA, Vedanta Limited entered into a shareholders agreement ("**SHA**") with the Respondent and BALCO on the Closing Date. Under Clause 5.8 of the SHA, the Petitioner had a right to issue a call notice ("**Call Notice**") upon the expiry of the third anniversary of the Closing Date or any time thereafter, pursuant to which the Respondent was under an obligation to sell its entire existing shareholding to Vedanta Limited. Upon expiry of the Closing Date, Vedanta Limited issued the Call Notice to the Respondent. At the request of the Respondent, Vedanta Limited agreed to extend the time of sale of the shareholding of the Respondent in BALCO until March 2006. Basis the report prepared by a valuer, the Respondent determined the value of the shares to be sold at ₹101.65 per share. In the interest of an expeditious sale of the Respondent's shares, Vedanta Limited made a payment of ₹10,989.00 million to the Respondent, subject to final determination in arbitration. In view of the defaults and delays by the Respondent, Vedanta Limited issued a notice to the Respondent which entitled the Petitioner to purchase shares at a lower price ("**Demand Notice**"). The Respondent replied to the Demand Notice and argued that Clause 5.8 of the SHA is violative of Section 111A of the Companies Act, 1956 ("**Companies Act**"). Upon the failure of the parties to resolve the dispute through mediation and negotiation, the matter was referred to an arbitral tribunal ("**Arbitral Tribunal**"). The Arbitral Tribunal held, *inter alia*, that Clause 5.8 of the SHA was void, ineffective and inoperative by virtue of being violative of Section 111A of the Companies Act ("**Award**"). Aggrieved by the Award, Vedanta Limited has filed a petition before the High Court of Delhi. The matter is currently pending.

Proceedings initiated by Vedanta Limited before Odisha Electricity Regulatory Commission against Grid Corporation of Odisha Limited.

Vedanta Limited entered into a consolidated power purchase agreement ("**PPA**"), with the Grid Corporation of Odisha Limited ("**GRIDCO**") for supplying 25% of the energy produced from the coal fired power plant ("**Power Plant**") located in Jharsuguda, Odisha at full tariff. Vedanta Limited filed a petition before the Odisha Electricity Regulatory Commission ("**OERC**") to convert its four units of the power plant from independent power plants ("**IPP**") to captive generating plants ("**CGP**"). The OERC passed an order, *inter alia*, allowing the conversions of three units of the Power Plant to CGP but held that the remaining unit ("**Unit-II**") of the Power Plant will continue to remain an IPP and connected to the state grid ("**Impugned Order**"). Aggrieved by the Impugned Order, Vedanta Limited filed a review petition before the OERC for allowing the conversion of Unit-II from IPP to CGP. The OERC passed an order allowing Unit-II to normally operate as CGP subject to certain conditions, including but not limited to operating Unit-II as IPP if GRIDO requires power from Vedanta Limited for state consumption and has given a three month notice for the same ("**Review Order**"). Aggrieved by the Review Order, GRIDCO filed an appeal before the Appellate Tribunal for Electricity, New Delhi ("**APTEL**"). APTEL set aside the Review Order on the sole ground that OERC had not indicated the reasons for reviewing the Impugned Order and ordered OERC to pass a fresh order ("**APTEL Order**"). In compliance with the APTEL Order, the OERC undertook the matter for hearing and held, *inter alia*, that in compliance with the PPA and the Impugned Order, Unit-II of the Power Plant will not convert from IPP to CGP ("**Final Order**"). Aggrieved by the Final Order, Vedanta Limited has filed an appeal before APTEL. The matter is currently pending.

Writ petitions filed by Vedanta Limited challenging the imposition and legal validity of the forest development tax.

Vedanta Limited and others ("**Petitioners**") filed separate writ petitions ("**Writ Petitions**") before the High Court of Karnataka ("**High Court**"), against the State of Karnataka ("**State**"), challenging the imposition and legal validity of the forest development tax ("**FDT**") under the Karnataka Forest (Amendment) Act, 2016 ("**Amendment Act**"). The High Court clubbed the Writ Petitions together and directed the Petitioners to furnish a bank guarantee for 25% of the amount due under the FDT, subject to which, the State was restrained from collecting the FDT during the pendency of the Writ Petitions ("**Impugned Order**"). Aggrieved by the Impugned Order, the State filed a special leave petition before the Supreme Court. The Supreme Court ordered the High Court to dispose off the Writ Petitions within six months with an interim arrangement that the Petitioners will pay 50% of the demanded amount under the FDT and furnish a bond for the remaining amount, in accordance with the provisions of the Amendment Act ("**SC Order**"). Pursuant to the SC Order, the High Court allowed the Writ Petitions and declared the Amendment Act as *ultra vires* of the Constitution of India and directed the State to refund the FDT collected by it ("**Impugned Judgement**"). Aggrieved by the Impugned Judgement, the State filed a special leave petition before the Supreme Court. The matter is currently pending.

Writ petition filed by Vedanta Limited challenging the arbitrary and discriminatory conditions imposed by the National Aluminium Company.

Vedanta Limited filed a writ petition ("**Petition**") before the Supreme Court challenging the arbitrary and discriminatory conditions imposed by the National Aluminium Company ("**NALCO**") in its tender (bid invitation) ("**Tender Document**") for the sale of processed bauxite. The Supreme Court held that there was no reason to entertain the Petition under Article 32 of the Indian Constitution and opined that the Petitioner may avail their legal remedies before the Orissa High Court ("**High Court**") in accordance with the law ("**SC Order**"). Pursuant to the SC Order, the Petitioner filed a writ petition before the High Court challenging the validity of the Tender Document. The matter is currently pending.

Proceedings against TSPL relating to mega power project benefits.

Talwandi Sabo Power Limited *("*"**TSPL**") entered into a long-term power purchase agreement ("**PPA**") with Punjab State Power Corporation Limited ("**PSPCL**"). The PPA provided for an adjustment in tariff on account of any change in law occurring prior to June 16, 2008 ("**Cutoff Date**"). PSPCL filed a petition before the Punjab State Electricity Regulatory Commission ("**PSERC**"), claiming a 'change in law' event in terms of the PPA on the grounds that pursuant to the notification issued by the Government of India ("**GoI**") in October 2009, TSPL was entitled to the mega power project status and thereby was eligible to certain customs and excise exemption. The benefits of these exemptions had to be passed on to PSPCL. TSPL in its reply stated that as of the Cutoff Date, similar benefits were available to it under India's foreign trade policy as a non-mega power project and accordingly, TSPL's economic position was not altered pursuant to the grant of mega power project status to warrant the passing on of such benefits to PSPCL. The PSERC decided the matter in favour of PSPCL and directed TSPL to pass on the benefits to PSPCL ("**Impugned Order**"). Aggrieved by the Impugned Order, TSPL filed an appeal before the Appellate Tribunal for Electricity ("**APTEL**"). APTEL held, *inter alia*, that TSPL's claim that the benefit accrued to them, on account of conferment of mega power status is counterbalanced by the loss of the foreign trade policy benefits of the same value, and hence, they are entitled to a corresponding adjustment is rejected ("**APTEL Order**"). Aggrieved by the APTEL Order, TSPL filed an appeal before the Supreme Court. The matter is currently pending.

Proceedings against TSPL relating to its delay in commissioning various units of the power plant.

TSPL entered into a power purchase agreement ("**PPA**") with Punjab State Power Corporation Limited ("**PSPCL**" or "**Complainant**"), for establishment of a power generation station to sell electricity generated from the station to PSPCL. The Complainant invoked arbitration proceedings against TSPL on the grounds that there was a delay commissioning three units (660 MW each), in terms of the PPA and delay in the availability of coal on account of the fuel supply agreement not being signed and demanded liquidated damages for an amount of ₹ 9,529.00 million ("**Liquidated Damages**"). The arbitral tribunal ("**Tribunal**") observed, *inter alia*, that the Complainant had failed to arrange the double circuit 400 kV transmission lines by the scheduled connection date and was generally in default under the provisions of the PPA. Pursuant to the same, the Tribunal held that TSPL was under no liability to pay Liquidated Damages to PSPCL for the delay in commissioning of the three power generation units ("**Arbitral Award**"). Aggrieved by the Arbitral Award, the Complainant filed an appeal before the Additional District Judge, Patiala ("**Trial Court**") under Section 34 of the Arbitration Act for setting aside the Arbitral Award. The Trial Court dismissed the appeal and observed, *inter alia*, that the reasons for granting the Arbitral Award were proper, intelligible and there was no proof that the Tribunal had not adopted a judicial approach for deciding the Arbitral Award ("**Impugned Order**"). Aggrieved by the Impugned Order, the Complainant filed an appeal before the High Court of Punjab and Haryana. The matter is currently pending.

Proceedings against TSPL alleging failure to achieve average power availability.

Punjab State Power Corporation Limited ("**PSPCL**" or "**Respondent**") issued a preliminary default notice to the Respondent alleging an event of default because the TSPL had failed to achieve average power availability of 65% for a non-consecutive time period of 12 months in a continuous aggregate time period of 36 months ("**Default Notice**"). Aggrieved by the Default Notice, TSPL filed an appeal under Section 86(1)(f) of the Electricity Act, 2003 before the Punjab State Electricity Regulatory Commission ("**PSERC**") for setting aside and quashing the Default Notice. PSERC dismissed the appeal and observed, *inter alia*, that the TSPL's claim of deemed capacity for the months of October and November 2020 and the TSPL's plea to consider its failure to achieve the prescribed average availability of its plant due to a force majeure event were not sustainable ("**PSERC Order**"). Aggrieved by the PSERC Order, PSPCL filed an appeal before the Appellate Tribunal for Electricity, New Delhi ("**APTEL**") under Section 111 of the Electricity Act. The matter is currently pending.

Proceedings initiated by TSPL against Punjab State Power Corporation Limited in relation to the approval and consequent tariff adjustment.

TSPL filed a petition before the Punjab State Electricity Regulatory Commission ("**PSERC**"), under Section 86(1)(b) of the Electricity Act, 2003 and the provisions of the power purchase agreement ("**PPA**") entered into with Punjab State Power Corporation Limited ("**PSPCL**" or "**Respondent**") for the approval and consequent tariff adjustment sought by TSPL Respondent due to a 'change in law' event, namely, the introduction of new environmental norms ("**Amendment Rules**"), resulting in additional capital and operating expenditure under the PPA aggregating up to approximately ₹23.10 million per megawatt. The PSERC observed, *inter alia*, that TSPL did not raise any objection on the receipt of environmental clearance for the project with regard to the direction by the Ministry of Environment, Forest and Climate Change for space provisioning for retrofitting of the flue gas desulphurization ("**FGD**") equipment and selective non catalytic reduction technology system ("**SNCR**") at a later stage and allocating funds for the same. Hence, PSERC ruled that the introduction of the Amendment Rules could not be categorized as a change in law event ("**PSERC Order**"). Aggrieved by the PSERC Judgment, TSPL filed an appeal before the Appellate Tribunal for Electricity, New Delhi ("**APTEL**"). APTEL set aside the PSERC Order and observed, *inter alia*, that the installation and operation of the FGD, SNCR and associated system to comply with emission levels of sulphur dioxide is change in law and additional expenditure for same has to be included as additional capital costs to be incurred by the Respondent ("**APTEL**

Order"). Aggrieved by the APTEL Order, the Respondent filed an appeal before the Supreme Court. The matter is currently pending.

TSPL also filed a separate petition before the Punjab State Electricity Regulatory Commission ("**PSERC**") seeking, *inter alia*, a declaration by the PSERC that the revised policy for biomass utilization for power generation ("**Policy**") implemented by the Ministry of Power qualified as a 'Change in Law' event under Article 13 of the PPA entered into with Punjab State Power Corporation Limited ("**Respondent**"). The PSERC held, *inter alia*, that the Policy qualified as a 'Change in Law' event under the provisions of the PPA and further opined that in order to determine the threshold amount for entitlement of the 'Change in Law' compensation, the value of the letter of credit provided by PSPCL (which is on a fortnightly basis) has to be aggregated for a full contract year ("**PSERC Order**"). Subsequently, the Respondent filed a review petition before the PSERC seeking review of a particular paragraph of the PSERC Order on the limited aspect of interpretation of Article 13.2(b) of the PPA. The PSERC dismissed the review petition and held, *inter alia*, that the please made by the Respondent are in the nature of an appeal in disguise, which is not a permissible ground for the exercise of review jurisdiction ("**Review Order**"). Aggrieved by the Review Order, the Respondent filed an appeal before the APTEL. The matter is currently pending.

Complaint filed by Directorate of Enforcement against TSPL alleging illegal gratification under the Prevention of Money Laundering Act, 2002.

The Directorate of Enforcement ("**ED**") has filed a complaint against TSPL and others under Section 45 read with Section 44 of the Prevention of Money Laundering Act, 2002 ("**PMLA**"), for the offence of money laundering, before the Designated Special Court under the PMLA, New Delhi. The ED alleged, *inter alia*, that illegal gratification of ₹5.00 million was paid by TSPL for getting approval for reuse of visas for Chinese nationals from the Ministry of Home Affairs. The matter is currently pending.

Proceedings relating to demands against HZL by the Mines and Geology Department, State of Rajasthan.

HZL was granted a mining lease ("**Lease")** for lead, zinc and associated minerals over an area of 1,200 hectares situated in Bhilwara district, Rajasthan. The Mining Engineer, Mines and Geology Department, State of Rajasthan ("**Department of Mines**") issued notices to HZL stating that it was not paying the requisite royalty in terms of the Mineral Concession Rules, 1960 ("**Notices**"). HZL challenged the Notices by way of a writ petition before the High Court of Judicature for Rajasthan ("**Rajasthan High Court**"). The Rajasthan High Court *vide* its order held that royalty cannot be charged on lead and zinc ore and directed the amounts recovered in excess of the royalty payable to be adjusted against future demands ("**Order I**"). The Department of Mines and others challenged the Order I by way of an appeal ("**Appeal**") before the Division Bench of the Rajasthan High Court and pursuant to its order, the Rajasthan High Court dismissed the Appeal and directed them to recalculate the royalty payable by HZL ("**Order II**"). Thereafter, both the State of Rajasthan and HZL challenged Order II before the Supreme Court. Subsequently, the Supreme Court dismissed the State of Rajasthan's appeal and held that no royalty is chargeable on tailings and rejects of zinc and lead. Thereafter, the Department of Mines, Rajasthan had issued certain directions for computing royalty. The Mines and Geology Department, Udaipur issued a show cause notice demanding ₹ 19,257.00 million from HZL in relation to, *inter alia,* payment of royalty along with interest for the period from April 2008 to March 2019 ("**SCN**"). HZL filed an appeal before the Rajasthan High Court challenging computation of royalty and the SCN, and subsequently, the Rajasthan High Court granted a stay on the SCN. However, the Department of Mines has raised a revised demand of ₹3,110.00 million ("**Revised Demand**"). HZL has filed a revision application before the Central Government in Revision, Ministry of Mines, New Delhi contending that the Revised Demand is arbitrary, unreasonable and illegal. The Economic Adviser & Revisionary Authority imposed a stay on the Revised Demand directing the State Government not to take any coercive action.

In the matter pertaining to the Revised Demand, the interim stay was vacated by the Economic Adviser & Revisionary Authority. Subsequently, the final order was passed in the said matter dismissing the revision application filed by HZL ("**Order III**"). The Order III was challenged by HZL vide a writ petition before the Rajasthan High Court, Jodhpur Bench. The Rajasthan High Court, Jodhpur Bench has granted a stay in favour of HZL against the Order III and the original demand notice, subject to deposit of ₹1,000.00 million which HZL has deposited under protest in compliance with the said order of the Rajasthan High Court, Jodhpur Bench. The matter is currently pending.

Proceedings related alleged delay in registration of mining equipment and machinery by HZL.

HZL imported certain mining equipment and machinery ("**Equipment**") for an underground mining project in the Rampura Agucha Mines ("**Mine Project**"). The Equipment was sent to the mine site on a piecemeal basis and then assembled by HZL's representatives. Subsequently, the District Transport Officer, Bhilwara ("**DTO Bhilwara**") issued a demand notice ("**Notice**") to HZL imposing a penalty of ₹4.00 million alleging delay in registration of the Equipment. The DTO Bhilwara did not respond to HZL's representation and subsequently demanded HZL to pay the penalty imposed by the Notice. Consequently, HZL challenged the Notice before the High Court of Judicature for Rajasthan ("**High Court**") contending that the registration amount was payable from the date of commissioning of the Equipment and not from the date of entry in the state. The High Court adjourned the proceedings until further notice and granted liberty to the parties to move the appropriate application for listing of the case immediately after disposal of the special leave petition filed before the Supreme Court in the said matter. The matter is currently pending.

Proceedings related to alleged non-payment of stamp duty by HZL on purchase of its mining equipment and machinery.

HZL purchased certain plant and machineries during the course of expansion ("**Machines**"). The Indian Audit & Accounts Department issued a notice ("**Notice**") to HZL demanding payment of ₹48.60 million as stamp duty ("**Stamp Duty**") for the purchase of the Machines. HZL replied to the Notice contending that the Stamp Duty is not payable as the Machines were movable in nature. Meanwhile, a case ("**Case**") had been registered against HZL before the Court of Collector Stamps. HZL was not made aware of the Case until a notice was issued to HZL demanding payment of ₹45.7 million pursuant to an order passed by the Court of Collector Stamps. HZL has filed a writ petition before the High Court of Judicature for Rajasthan on the ground that proceedings had been initiated before in the Court of Collector Stamps for the payment of Stamp Duty, however, HZL had not received any notice or intimation of such proceedings. The matter is currently pending.

Proceedings relating to demands against HZL by the State of Rajasthan.

The State of Rajasthan ("**State**") and others ("**Respondents**") issued a demand notice to HZL for payment of an amount of ₹452.8 million to the District Mineral Foundation ("**DMF**") under the DMF Trust Rules, 2016, with respect to HZL's mines located in Maton and Zawar, Rajasthan ("**Demand Notice**"). HZL filed a writ petition ("**Petition**") challenging the Demand Notice before the High Court of Judicature for Rajasthan ("**High Court**"). The High Court issued a notice and passed an interim order directing the State not to take any coercive action against HZL pursuant to the Demand Notice. The State subsequently passed an order against HZL demanding the payment of the purported DMF amount due and levied interest upon HZL for non-payment of the DMF amount ("**State Order**"). Aggrieved by the State Order, HZL approached the High Court to withdraw the Petition with the liberty to file a fresh writ petition. The High Court allowed HZL to file a fresh petition pursuant to which, HZL has filed a writ petition against the Demand Notice and State Order.

The State issued another demand notice and order to HZL for payment of an amount of ₹01.5 million and levying of interest of ₹298.3 million to the DMF under the DMF Trust Rules, 2016, with respect to HZL's mines located in Kayad, Rajasthan ("**State Notices**"). Aggrieved by the State Notices, HZL filed a writ petition the High Court for, *inter alia*, setting aside and quashing the State Notices.

The State issued another demand notice to HZL for levying of interest and payment of an amount of ₹161.4 million to the DMF under the DMF Trust Rules, 2016, with respect to HZL's mines located in Sindesar Khurd and Dariba, Rajasthan ("**Demand Notice II**"). Aggrieved by the Demand Notice II, HZL filed a writ petition the High Court for, *inter alia*, setting aside and quashing the Demand Notice II. These matters are currently pending.

Proceedings relating to demands against HZL by the District Transport Officer, Chittorgarh.

The District Transport Officer, Chittorgarh, issued multiple demand notices ("**Demand Notices**") to HZL raising a demand of road tax and imposing a penalty on the folk lifter, cranes, pay loaders etc. ("**Equipment**") owned by HZL at its smelter plant, located in Chittorgarh, Rajasthan. Aggrieved by the Demand Notices, the Petitioner filed a writ petition (" **Petition**") before the High Court of Judicature for Rajasthan ("**High Court**"). The High Court dismissed the Petition and held that in view of the judgement passed by the Supreme Court in the matter of State of Rajasthan v. B.C.W., HZL can file an appeal within a period of four weeks from the filing of the Petition. Pursuant to the directions of the High Court, HZL filed an appeal before the High Court and argued, *inter alia*, that the Demand Notices are illegal and void, and the Equipment of the Petitioner cannot be subject to road tax under Section 14 of the Rajasthan Motor Vehicles Taxation Act, 1951. The matter is currently pending.

Proceedings relating to demands against BALCO by the Welfare Commission, Chhattisgarh Labour Welfare Board.

The Office of the Welfare Commission, Chhattisgarh Labour Welfare Board issued a notice ("**Notice**") to BALCO, to *inter alia* deposit the contribution amounting to ₹13.4 million for the contract labour employed through sub-contractors under Section 9 of the Chhattisgarh Labour Welfare Fund Act, 1982. Further, the Officer of the Welfare Commissioner, pursuant to the directions of the High Court of Chhattisgarh, issued a notice to BALCO, *inter alia,* asking them to present their case before the High Court of Chhattisgarh in relation to the recovery of amount. The matter is currently pending adjudication.

BALCO has filed a writ petition ("**Petition**") before the High Court of Chhattisgarh ("**High Court**") challenging the order passed by the Assistant Provident Fund Commissioner (Exemptions) ("**APFC**") ("**Order**"), by way of which the APFC directed BALCO to not bifurcate salaries into various head to curtail the provident fund benefit to the employees, and to calculate the provident fund and allied dues from 2004 onwards on personal allowance as well. In the Petition, BALCO submitted that the APFC had passed the Order basis complaints filed by certain former employees ("**Complainants**") of BALCO before the Regional Provident Fund Commissioner, Region Raipur alleging that BALCO failed to deduct the amount of provident fund as per definition of 'salary' under Rule 3(o) of the 'BALCO Employee Provident Fund Rules'. BALCO has contended in the Petition that *inter alia* the provident fund contributions payable to the Complainants have never been reduced and that in 2003, BALCO had carried out an annual performance appraisal of employees and restructured their salary package by merging the basic allowance and the dearness allowance which resulted in increase of salary of the employees. The matter is currently pending.

Proceedings initiated against BALCO for abatement, cheating and commission of criminal breach of trust in respect of the deposit, commission.

Ajaykumar Padia ("**Complainant**") filed a petition against BALCO, its Directors, Anil Agarwal, Navin Agarwal, and others (collectively, "**Accused**") before the Court of Judicial Magistrate First Class, Pune ("**CJM**") for alleged offences under Sections 420, 34, 406 read with Section 109 of the IPC. The Complainant alleged, *inter alia*, that the Accused have abated, cheated and committed criminal breach of trust in respect of the deposit, commission and discount offered to the Complainant for the defective goods supplied by the

Accused and caused wrongful loss to the Complainant. The CJM, *inter alia,* ordered investigation into the matter under Section 153(3) of the Code of Criminal Procedure, 1973. Pursuant to the investigation, the police investigated the matter and concluded, *inter alia*, that the concerned matter is of a civil nature ("**Report**"). Thereafter, the Complainant approached the CJM, questioning the police report and subsequently, the CJM *vide* an order observed that the Accused acted with dishonest intention and therefore issued process against the Accused under Sections 420, 406 read with Section 34 of the IPC ("**Impugned Order**"). Aggrieved by the Impugned Order, its Directors, Anil Agarwal, Navin Agarwal and others filed a writ petition before the High Court of Judicature for Bombay ("**High Court**"). The High Court observed, *inter alia*, that an alternative remedy is available before the sessions court and disposed the petition. Pursuant to the order of the High Court, its Director, Anil Agarwal and others filed a criminal revision application before the Additional District and Sessions Judge, Pune ("**Sessions Judge**"). The Sessions Judge ruled against the Accused and upheld the Impugned Order. Subsequently, its Director, Anil Agarwal and others filed a criminal application before the High Court. The High Court has imposed a stay. The matter is currently pending.

Proceedings initiated against BALCO for alleged violations of provisions of the Air (Pollution, Prevention and Control) Act, 1981.

R.P. Shinde ("**Complainant**") filed a criminal complaint before the Chief Judicial Magistrate, Korba ("**CJM**") under Section 15 of the Environment (Protection) Act, 1986 ("**Environment Act**") and Sections 22, 22A, 37, 39 and 41 of Air (Pollution, Prevention and Control) Act, 1981 alleging violation of the notification dated November 3, 2009 ("**Notification**"), issued by the Ministry on Environment & Forests under the Environment Act. The Complainant has alleged violation of the Notification on the grounds that the 540 MV thermal power plant of BALCO has utilized only an extent of 46.45% of the fly ash as against 100% utilization for the period from September 2013 to August 2014. R.K. Dhancholiya ("**Petitioner**"), former manager of BALCO contented that there has been no violation of the Notification as the Notification states that the unitized fly ash, if any, can be utilized within the next two years. CJM passed an order of registration of Complaint and issued summons ("**Order**"). Petitioner filed a revision petition before the court of sessions however, the same was dismissed. Petitioner has filed a petition before the High Court of Chhattisgarh under Section 482 of the CrPC to set the Order contending that a prima case was made out by the Complainant. The matter is currently pending.

Proceedings initiated against HZL for alleged commission of cheating and forgery.

Govind Suthar ("**Complainant**") entered into an agreement with HZL and was awarded a work order worth ₹06.0 million for mechanical construction. However, the work order was issued for only ₹04.6 million and work worth only ₹3.2 million was executed by the Complainant for which the Complainant was paid. The balance work was awarded to a third party due to, *inter alia*, non-completion of work on time by the Complainant. Subsequently, the Complainant filed a first information report against HZL, alleging cheating and forgery due to which the Complainant had suffered losses. The police concluded in their investigation that HZL had not committed the offence of cheating or forgery ("**Police Report**"). Aggrieved by the Police Report, the Complainant filed a protest petition ("**Protest Petition**") before the Additional Civil Judge and Judicial Magistrate First Class, Udaipur ("**ACJ Udaipur**"). The ACJ Udaipur dismissed the Protest Petition based on the findings of the Police Report ("**Order**"). Aggrieved by the Order, the Complainant filed an appeal against the Order before the District and Sessions Court, Udaipur. The matter is currently pending.

Proceedings initiated against TSPL for alleged loss of crops due to the ash coming out of its thermal power plant.

The residents of Raipur, District Mansa ("**Complainants**") filed an application against TSPL before the Sub-Divisional Magistrate, Mansa ("**SDM**"). The Complainants have alleged that the ash coming out of a thermal power plant of TSPL fell on the crops and fodder causing financial loss to the Complainant. The SDM passed the order ("**Impugned Order**") directing TSPL to provide compensation amounting to ₹8.4 million to the Complainants. TSPL has filed a petition under Section 482 of the Code of Criminal Procedure, 1973 ("**CrPC**") to quash the Impugned Order on the ground that it does not satisfy the tests of fairness and non-arbitrariness prescribed under Article 14 of the Constitution of India and that it is contrary to the procedure established by law and fails to adhere to the principles of natural justice. The matter is currently pending.

Proceedings against TSPL alleging wrongful forfeiture of security deposits by TSPL under a sale agreement.

TSPL entered into a sale agreement ("**Agreement**") with Govardhan Steel ("**Respondent**") for selling its scrap of quantity 613.7 metric tonne. As per the Agreement, TSPL had the right to forfeit the security deposit in case of a breach of terms and conditions of the Agreement. In terms of the Agreement, an amount of ₹02.4 million was forfeited as security deposit by TSPL due to the failure of the Respondent to perform their contractual obligations of lifting the scrap within the stipulated time period. Thereafter, Respondent filed a first information report ("**FIR**") at the Vishwakarma police station, Jaipur against TSPL alleging offences under Sections 420, 406 and 120B of the IPC. TSPL has filed a petition before the High Court of Judicature for Rajasthan under Section 482 of the Code of Criminal Procedure, 1973 for quashing the FIR contending that the Agreement provided for resolution of dispute be means of arbitration. The matter is currently pending.

Writ petition filed by BALCO in relation to dispute with respect to allotment of a government revenue land to BALCO.

BALCO filed a writ petition before the High Court of Chhattisgarh ("**High Court**") in relation to a dispute with the State of Chhattisgarh ("**State**") with respect to allotment of a government revenue land ("**Forest Land**") by BALCO. The High Court held that, *inter alia* BALCO was not in unauthorized possession of the Forest Land and disposed of the writ petition ("**HC Order**"). Aggrieved by the HC Order, the State filed a writ appeal ("**Writ Appeal**") before the High Court. The High Court observed, *inter alia*, that the removal of the tree growth and its non-forest use had been affected prior to the implementation of the Forest (Conservation) Act, 1980 ("**Forest Act**") and dismissed the Writ Appeal. Thereafter, Sarthak, an NGO ("**Petition I**") and Bhupesh Baghel ("**Petition II**") filed two separate petitions before the Supreme Court alleging *inter alia* encroachment of the land and use of Forest Land by BALCO for non-forest purposes and cutting of trees. The Supreme Court referred the Petition I to a central empowered committee ("**CEC**"), which recommended that BALCO may be directed to seek ex-post facto approval under Section 2 of the Forest Act for the allotment and non-forestry use of the Forest Land. In relation to Petition II, the Supreme Court directed BALCO not to cut trees in the Forest Land ("**Order**"). Thereafter, Bhupesh Baghel filed a contempt petition before the Supreme Court alleging *inter alia* violation of the provisions of the Forest (Conservation) Act, 1980 and that BALCO had cut trees in contempt of the Order ("**Contempt Petition**"). The Contempt Petition was referred to CEC, which in its report recommended the Supreme Court to *inter alia* direct BALCO to pay a penalty of ₹ 100 million for non-compliance with the Order. The Supreme Court issued directions for fresh assessment from the CEC to provide an updated and accurate status of the land under BALCO's possession. A time period of three-months has been granted to the CEC to prepare and submit the report. The matter is currently pending.

Special Leave Petition filed by State of Chhattisgarh in relation to the constitutional validity of Section 3(1)(a) of the Chhattisgarh Upkar (Sanshodhan) Adhiniyam, 2004.

State of Chhattisgarh ("**State**") filed a special leave petition ("**SLP**") before the Supreme Court challenging the order passed by the Chhattisgarh High Court ("**High Court**") ("**Impugned Order**") on the constitutional validity of Section 3(1)(a) ("**Section**") of the Chhattisgarh Upkar (Sanshodhan) Adhiniyam, 2004 ("**Act**"), which imposed an energy development cess ("**EDC**") on captive power plant producers. In the SLP, the State challenged the Impugned Order, by way of which the High Court had struck down the Section and observed, *inter alia*, that the Section was violative of Article 14 of the Constitution of India on the basis that the captive power plants were being charged the EDC at a different rate as compared to the independent power producers. The Supreme Court passed an order allowing, *inter alia*, the State to raise bills for payment of the EDC and simultaneously directed the State to not take any coercive actions for recovery of the EDC dues, until the matter was decided by the Supreme Court ("**SC Order**"). During the pendency of the SLP, the State introduced an amendment ("**Amendment**") to the Act, whereby the distributor's EDC was increased to ten paisa, at par with the captive power plant producers. Pursuant to the Amendment, the State filed an interim application ("**IA**") for modification of the SC Order on the grounds that after the Amendment, the EDC levied from captive power plant producers and the distributors was charged at the same rate and hence, the Section was not discriminatory in nature. The Supreme Court dismissed the IA and opined, *inter alia*, that at the existing stage of the SLP proceedings no ground was made out for modification of the SC Order. The matter is currently pending.

Proceedings filed against BALCO alleging wrongful adjustment of sum by BALCO while supplying the aluminium products.

Pankaj Aluminium Industries Private Limited ("**Complainant**") filed a criminal complaint ("**Complaint**") before the Metropolitan Magistrate of Mumbai ("**Magistrate**") against BALCO and its directors in connection with the payment made by the Complainant for certain aluminium products supplied by BALCO ("**Products**"). The Complainant alleged that BALCO wrongfully adjusted a sum of ₹33.8 million ("**Adjustment Amount**") paid by the Complainant towards the purchase of the Products against the previous dues of the Complainant's sister concern, Anish Metals Private Limited ("**Anish Metals**"). The Complainant further alleged that the Adjustment Amount, made without the Complainant's consent amounted to cheating, breach of trust and misappropriation. Subsequently, the Economic Offences Wing, filed a report ("**Report**") in the matter and opined that the matter was civil in nature because the Adjusted Amount paid by the Complainant against the past dues of Anish Metals did not result in financial cheating or breach of trust. Pursuant to the Report, the Magistrate dismissed the Complaint ("**Order**"). Aggrieved by the Order, the Complainant filed a criminal revision application before the Court of Sessions for Bombay at Greater Bombay.

The Complainant also filed a suit before the High Court Judicature at Bombay ("**High Court**"), seeking, *inter alia*, a declaration that the purported setting off, of the Adjustment Amount by BALCO against alleged debits due to BALCO from Anish Metals is illegal and sought an order of specific performance, directing BALCO to supply the Products as per the Complainant's purchase order. Alternatively, the Complainant sought for an order, directing BALCO to refund the Adjustment Amount.

The Complainant also filed a winding up petition before the High Court of Delhi against BALCO which was dismissed ("**Winding up Order**"). The Complainant has filed an appeal challenging the Winding up Order. The above matters are currently pending.

Writ petition filed by HZL challenging the Mines and Minerals (Contribution to District Mineral Foundation) Rules, 2015 notified by the Ministry of Mines, Government of India.

The Ministry of Mines, Government of India, notified the Mines and Minerals (Contribution to District Mineral Foundation) Rules, 2015 ("**DMF Rules**") under the powers conferred by Section 9B (5) and Section 9B (6) of the Mines and Minerals (Development and Regulation) Act, 1957 ("**MMA**"), which were made effective from January 12, 2015. The Central Government also amended the Mines and Minerals (Development and Regulation) Act, 1957. The amendment provided for the establishment of District Mineral Foundation trust and was made effective retrospectively from January 12, 2015. HZL filed a writ petition before the High Court of Judicature for Rajasthan praying that the DMF Rules be struck down and declared unconstitutional on the grounds that, *inter alia*, the impugned levy of contribution at the rate of 30% of royalty, failing which, ravannas would not be issued, is illegal, arbitrary and unreasonable and the discriminatory rates between mining leases granted before and after January 12, 2015, are inconsistent with Section 9B (1) and Section 9B (2) of the MMA. The matter is currently pending.

Proceedings initiated by ESL challenging demand notices issued by the Deputy Director of Mines

ESL entered into a mine development and production agreement ("**MDPA**") for mining of the Nadidihi iron ore block ("**Iron ore**") located in Odisha. The Deputy Director of Mines issued demand notices ("**Demand Notices**") to ESL demanding an amount of ₹8,567.8 million (Nadidihi Iron Ore Mine) and ₹8793.5 million (Nadidihi Iron and Manganese Mine) towards statutory dues for annual shortfall in minimum dispatch required under Rule 12(A)(1) of the Mineral (Other than Atomic and Hydrocarbon Energy Minerals) Concession Rules, 2016 for the Iron Ore. Aggrieved by the Demand Notices, ESL filed an application for revision before the Ministry of Mines, Government of India ("**Revisional Authority**") under Section 30 of the Mines and Minerals (Development and Regulation) Act, 1957 to keep the Demand Notices in abeyance during the pendency of proceedings before the Revisional Authority. The Revisional Authority passed an order directing the state government to not take any coercive action during the pendency of the proceedings. The state government has filed their reply to ESL's application for revision. ESL has filed its rejoinder to the reply filed by the state government and the matter is currently pending.

Writ petitions filed by ESL before the High Court of Jharkhand in relation to issuance of directions to the Jharkhand State Pollution Control Board for issuance of consent to operate.

The Jharkhand State Pollution Control Board ("**JSPCB**") issued a show cause notice ("**Show Cause Notice**") to ESL in relation to a renewal application ("**Application**") for consent to operate ("**CTO**") filed by ESL, and ESL responded to the same with clarifications. Subsequently, JSPCB wrote a letter to the Director of Ministry of Environment, Forest and Climate Change ("**MoEFCC**") seeking their clarification on the outcome of the Show Cause Notice, and further informing that in the absence of the MoEFCC's reply, JSPCB was not in a position to issue the CTO to ESL. However, since the CTO was not granted, ESL filed a writ petition before the High Court of Jharkhand ("**High Court**") praying for, *inter alia,* a direction to JSPCB to grant CTO to ESL. The High Court allowed ESL to operate under the supervisory regulatory control of JSPCB. Pursuant to the same, JSPCB carried out an inspection of the steel plant and furnished a report showing compliance. Thereafter, JSPCB passed an order denying grant of CTO to ESL, and the Application was disposed ("**Impugned Order**"). Subsequently, it was communicated to ESL *vide* a letter by the MoEFCC, that the matter had been examined by the MoEFCC and that they had decided to revoke ESL's environmental clearance ("**EC**"), with a further direction to ESL to apply for the same afresh after clearing all the issues ("**MoEFCC Letter**"). ESL filed a writ petition before the High Court against the Impugned Order alleging, *inter alia,* that the MoEFCC Letter is bad in law. The High Court stayed the Impugned Order, *inter alia,* for it being against the principles of natural justice ("**High Court Order**"). Subsequently, ESL applied for statutory clearance and after various deliberations, the Expert Appraisal Committee ("**EAC**") directed the JSPCB to take action against the project proponent under the Section 19 of the Environment (Protection) Act, 1986 and further directed that no CTO will be issued to ESL till the project has received EC. Aggrieved by the High Court Order, ESL filed a petition before the Supreme Court. The Supreme Court stayed the High Court Order and granted permission to ESL to operate until further orders. Subsequently, the MoEFCC rejected the grant of EC to ESL due to an interim stay imposed by the Madras High Court on the standard operating procedure for identification and handling of violation cases under the Environmental Impact Assessment, 2006 notification issued by MoEFCC ("**Madras HC Order**"). Aggrieved by the Madras HC Order, ESL filed a special leave petition and interlocutory application before the Supreme Court. The Supreme Court, *inter alia*, admitted the special leave petition and directed MoEFCC to process the EC application of ESL within a period of three months and in accordance with applicable law. Further, pursuant to the letter issued by the MoEFCC to ESL, the stage-I forest clearance of ESL was revoked. Subsequently, the Chief Minister Secretariat, Government of Jharkhand issued a letter to the MoEFCC requesting reconsideration of the revocation. The matter is currently pending.

Arbitration proceedings on issues related to the cost recovery of the Ravva Block.

Vedanta Limited along with Ravva Oil Singapore ("**ROS**") (constituents of the contractor parties) is involved in a dispute against the GoI relating to the recovery of contractual costs in terms of calculation of payments that the Contractor Parties were required to make in connection with the Ravva Block. The Ravva Block production sharing contract ("**PSC**") obliges the Contractor Parties to pay a proportionate share of ONGC's exploration, development, production and contract costs in consideration for ONGC's payment of costs related to construction and other activities it conducted in Ravva prior to the effective date of the Ravva Block PSC ("**ONGC Carry**"). The question as to how the ONGC Carry was to be recovered and calculated, along with other issues, was submitted to an International Arbitration Tribunal which rendered a decision on the ONGC Carry in favour of Vedanta Limited & ROS ("**Claimants**") whereas four other issues were decided in favour of GoI (the "**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 adjudicated the matter and upheld the Partial Award. As per the decision of the International Arbitration Tribunal with regards to Partial Award, the Claimants and the GoI were required to arrive at a quantification of the sums relating to each of the issues under the Partial Award. Also, the International Arbitration Tribunal retained the jurisdiction for determination of any remaining issues in the matter. Pursuant to the decision of the Federal Court of Malaysia, the Claimants approached the Ministry of Petroleum and Natural Gas ("**MoPNG**") to implement the Partial Award while reconciling the statement of accounts as outlined in the Partial Award. The GoI failed to implement the Partial Award by way of reconciling accounts as provided in the Partial Award. However, thereafter, the MoPNG issued a show cause notice alleging that since the Partial Award had not been enforced the profit petroleum share of the GoI had been short paid. MoPNG threatened to recover that amount from the sale proceeds payable by the oil marketing companies to the contractor parties. The Contractor Parties replied to the show cause notice taking various legal contentions.

As the Partial Award did not quantify the sums, the Claimants approached the same International Arbitration Tribunal to pass a final award in the subject matter since the International Arbitration Tribunal had retained the jurisdiction to do so. The International Arbitration Tribunal was reconstituted, and the final award was passed in Vedanta Limited's favour upholding that no further amounts are due from the Claimants. The final award specifies that each party should bear the arbitration costs equally ("**Final Award**"). The GoI had, in parallel, challenged the final award that was dismissed by the High Court of Malaysia. The GoI then appealed before the Malaysian Court of Appeal which was dismissed. The GoI further appealed against the decision of the Malaysian Court of Appeal before the Federal Court of Malaysia which was also dismissed.

Meanwhile, Vedanta Limited filed a petition before the High Court of Delhi for the enforcement of the Partial Award and Final Award. In connection with the arbitration proceedings on issues related to the cost recovery of the Ravva Block, Vedanta Limited received an order from the GoI, directing the oil marketing companies (who are the petroleum off-takers for Ravva) to divert the sale proceeds to the GoI's account. The GoI alleged that the Ravva Joint Operating Partners had short paid profit petroleum of USD 314 million (Vedanta Limited's oil and gas business share being approximately USD 64 million for the ONGC Carry issue). Against an interim application filed before the High Court of Delhi by Vedanta Limited and ROS sought the stay of such action from the GoI, the High Court of Delhi directed the said oil marketing companies to deposit sales proceeds in the High Court of Delhi. However, Vedanta Limited and ROS were given the liberty to seek withdrawal of the proportionate amounts from the High Court of Delhi upon furnishing a bank guarantee of commensurate value. Vedanta Limited deposited the bank guarantees and withdrew the amounts deposited by the oil marketing companies before the High Court of Delhi. The High Court of Delhi also directed that the oil marketing companies directly and unconditionally release to Vedanta Limited the amounts payable as per terms of the

Ravva Block PSC. with effect from June 5, 2020 Vedanta Limited has filed an application for vacation of interim arrangement. The matter is currently pending.

Tax proceedings involving Vedanta

There are certain outstanding tax litigation involving us, our Indian subsidiaries (including their material subsidiaries). There are, however, no tax litigation involving us, our Indian subsidiaries (including their material subsidiaries), which could reasonably be expected to have a material adverse effect on our results of operation and financial condition.

DESCRIPTION OF THE ISSUER

The Issuer is a public company incorporated in England and Wales on March 20, 2019. The registered office of the Issuer is at 13th Floor One Angel Court, London, United Kingdom, EC2R 7HJ and its business address is at 30 Berkeley Square, 4th Floor, London W1J 6EX, and the telephone number is +44 20 7499 5900. The Issuer is a wholly owned subsidiary of Vedanta Resources Holdings Limited, which is a wholly owned subsidiary of our Company.

Business Activity

The Issuer is a finance vehicle for our Group. Other than issuing the Bonds and activities incidental thereto, it has not engaged in any other material business activities.

The issuance of the Original Bonds was approved by the Board of Directors of the Issuer at a meeting of the Board of Directors held on September 1, 2024 and the issuance of the New Bonds was approved by the Board of Directors of the Issuer at a meeting of the Board of Directors held on October 19, 2024.

Management

The directors of the Issuer are:

- Puneet Khurana; and
- Pushpender Singla.

Capitalisation

As of the date of this Offering Circular, the Issuer has an issued and paid up share capital of £50,000, comprising 50,000 shares of £1 per share each.

DESCRIPTION OF THE INITIAL SUBSIDIARY GUARANTORS

Twin Star Holdings Ltd.

Twin Star is a company incorporated in Mauritius on January 12, 1993. The registered office of Twin Star is at c/o IQ EQ Corporate Services (Mauritius) Ltd., 33, Edith Cavell Street, Port Louis 11324, Mauritius, and the telephone number is +230 212 9800. Twin Star is a wholly owned subsidiary Vedanta Resources Holding Ltd, which is a wholly owned subsidiary of our Company.

Business Activity

Twin Star is a finance vehicle for our Group. Other than holding investments and activities incidental thereto, it has not engaged in any other material business activities.

The guarantee of the Original Bonds was approved by the board of directors of Twin Star at a meeting of the Board of Directors held on September 2, 2024 and by the resolution of its shareholders on September 2, 2024. The extension of the guarantee to also guarantee the New Bonds was approved by the board of directors of Twin Star at a meeting of the Board of Directors held on October 18, 2024 and by the resolution of its shareholders on October 18, 2024.

Management

The directors of Twin Star are:

- Bhavana Banymandhub;
- Savinilorna Payandi-pillay Ramen;
- Vegambal Ramassami (as alternate director to Bhavana Banymandhub); and
- Vandana Ramooah Jhupsee (as alternate director to Savinilorna Payandi-pillay Ramen).

Capitalisation

Twin Star has an issued and paid-up share capital of $236,802,800, comprising 236,802,800 shares of $1.00 per share each.

Welter Trading Limited

Welter is a company incorporated in Cyprus on May 11, 2006. The registered office of Welter is at 28th Oktovriou Street, 205 Louloupis Court, 1st Floor P.C. 3035, Limassol, Cyprus, and the telephone number is +357 25873000. Welter is a wholly owned subsidiary of Vedanta Resources Cyprus Limited, which is an indirect subsidiary of our Company.

Business Activity

Welter is a finance vehicle for our Group. Other than holding investments and activities incidental thereto, it has not engaged in any other material business activities.

The guarantee of the Original Bonds and the entry by Welter into, *inter alia*, the Trust Deed was approved by the board of directors of Welter at meetings of the Board of Directors held on August 14, 2024 and on September 16, 2024 and by resolutions of its shareholders on August 14, 2024 and on September 16, 2024. The extension of the guarantee to also guarantee the New Bonds was approved by the board of directors of Welter at a meeting of the Board of Directors held on October 10, 2024 and by the resolution of its shareholders on October 10, 2024.

Management

The directors of Welter are:

- Popi Savva; and
- Alexis Tsielepis.

Capitalisation

Welter has an issued and paid-up share capital of EUR3,420, comprising 2,000 ordinary shares of EUR1.71 per share each.

MANAGEMENT

The following table sets forth certain information regarding our Board of Directors and Executive Committee as of the date of this Offering Circular.

Name	Nationality	Age	Position
Board of Directors			
Anil Agarwal	Indian	71	Executive Chairman
Navin Agarwal.........................	Indian	63	Executive Vice Chairman
A R Narayanaswamy	Indian	72	Non-Executive Director
Executive Committee(1)(2)(3)			
Priya Agarwal Hebbar	Indian	35	Non-Executive Director, Vedanta Limited
Ajay Goel................................	Indian	49	Chief Financial Officer, Vedanta Limited
Madhu Srivastava	Indian	49	Chief Human Resource Officer, Vedanta Limited
Rohit Agarwal	Indian	40	Director – Management Assurance Services
Arun Misra..............................	Indian	58	Executive Director, Vedanta Limited Chief Executive Officer, Zinc
D Srikanth...............................	Indian	54	Director Projects, Vedanta Limited
Ajay Agarwal..........................	Indian	47	President Finance and Strategy, Vedanta Limited
Prerna Halwasiya.....................	Indian	40	Company Secretary Deputy Head Investor Relations, Vedanta Limited
Vibhav Agarwal......................	Indian	47	Chief Executive Officer, Power
Pankaj Kumar Sharma	Indian	46	Chief Executive Officer, FACOR
Puneet Khurana.......................	Indian	41	Chief Executive Officer, Copper and Nickel Operations
Ashish Gupta	Indian	52	Chief Executive Officer, ESL
Ritu Jhingon............................	Indian	58	Director – Communications Chief Executive Officer Nand Ghar
Rajinder Singh Ahuja	Indian	48	Head – Health, Safety, Environment & Sustainability
Sanjeev Gemawat	Indian	54	General Counsel
Shrikant Saboo........................	Indian	59	Director – Commercial and Marketing
Navin Jaju...............................	Indian	41	Chief Executive Officer, Sesa Goa
Dhiraj Nayyar	Indian	46	Director Economics & Policy, Vedanta Limited
Gaurav Sarup	Indian	45	Director ESG, Carbon & Social Performance, Vedanta Limited
Gopal Prasad Choudhary	Indian	60	Group Chief Security Officer
Chris Giffith............................	Foreign nationality	59	Chief Executive Officer, Vedanta Base Metals
Steve Moore............................	Foreign nationality	62	Deputy Chief Executive Officer, Cairn Oil & Gas

Notes:

(1) Mr. Sunil Duggal ceased to be the whole-time director and chief executive officer of Vedanta Limited with effect from close of business hours on July 31, 2023.

(2) Mr. Nick Walker ceased to be the chief executive officer of Cairn and member of executive committee of Vedanta Limited with effect from close of business hours on August 10, 2023. He will continue as a lead advisory board member at Cairn, to provide oversight and advice to Cairn.

(3) Mr. John Slaven ceased to be the chief executive officer of Aluminium with effect from close of business hours on September 30, 2024.

Board of Directors

The role of our Board of Directors is to provide leadership to maximise opportunities to develop our portfolio of businesses profitably while assessing and managing the associated risks. Our Board of Directors assesses the strategic objectives of each business, monitors performance, ensures the availability of financial, management and other resources required to meet the objectives, sets our standards of conduct and ensures that effective controls are in place to manage risk and that the interests of shareholders and other investors are observed. Our code of conduct and ethics provides overarching standards for our individual businesses.

Our Board of Directors adopted a schedule of matters reserved for its consideration to ensure that it is in a position to assess strategy, monitor performance and maintain effective controls while delegating operational management to the Executive Committee and our subsidiaries. Such matters reserved to our Board of Directors include, amongst other things, approving our overall strategy and annual budgets, major capital expenditures, acquisitions, appointments, disposals and changes to capital structure and dividend policy. As part of its decision-making processes our Board of Directors considers the long-term consequences of its decisions, the interests of various stakeholders including employees, the impact of our operations on the environment and the need to maintain high standards of business. Our corporate governance framework involves coordination and cooperation amongst shareholders, our Board of Directors and the Executive Committee.

As of March 31, 2024, our Board of Directors comprises the following members:

Mr. Anil Agarwal..	Executive Chairman
Mr. Navin Agarwal..	Executive Vice Chairman
Mr. AR Narayanaswamy	Non-Executive Director

We regard the above as an appropriate board structure. We consider our Non-Executive Director as an independent Non-Executive Director within the meaning of "independent" and free from any business or other relationship which could materially interfere with the exercise of his independent judgement.

Our Board of Directors met on a regular basis throughout Fiscal Year 2022, 2023 and 2024.

Executive Directors

Mr. Anil Agarwal was appointed to our Board of Directors in May 2003 and became the Executive Chairman in March 2005. He founded our Group in 1976 and under his stewardship, our Group has grown from an Indian domestic miner into a global natural resources group with a world-class portfolio of large, diversified and structurally low-cost assets. With over four decades of strategic experience, Mr. Anil Agarwal has led our expansive and profitable growth. Mr. Anil Agarwal is committed to eradication of poverty through development initiatives within the communities in which our Group operates. He is passionate about safety and sustainable development and nurturing talent within the organisation. Mr. Agarwal created the Vedanta Foundation, the philanthropic arm of our Group, with a deep-seated belief that businesses must give back to the society and help them prosper. Mr. Anil Agarwal is also the Chairman of Vedanta Limited, non-executive chairman of Sterlite Technologies Limited, chairman of Black Mountain Mining Limited and director of Conclave PTC Limited.

Mr. Navin Agarwal joined our Board of Directors in November 2004 and became Vice Chairman in June 2005. With more than 35 years of strategic executive experience, Mr. Navin Agarwal leads our growth strategy through a mix of organic projects and acquisitions. He has led our commitment to the highest standards of corporate governance and enhanced engagement with key stakeholders. Mr. Navin Agarwal is passionate about mentoring talent and has created a culture of excellence through use of advanced technologies and global best practices. He plays a pivotal role in providing direction for development of the top leadership talent at our Group. Mr. Navin Agarwal has been an advocate of sustainable development and is committed to women empowerment and promotion of sports at all levels. Mr. Navin Agarwal was formerly the Chairman of Vedanta Limited and chairman of Cairn India Limited until its merger with Vedanta Limited.

Non-Executive Director

Mr. A R Narayanaswamy was appointed to our Board of Directors in June 2021. He is also an advisor to the Vedanta Foundation. Mr. A.R Narayanaswamy has over four decades of experience as a chartered accountant in management consulting, operational audit and information technology practices and is the promoter director of IBIS Systems, a boutique software practice. He has a Bachelor of Commerce (Honours) from Sydenham College, Mumbai and is a Fellow Chartered Accountant and a member of the Institute of Charters Accountants of India.

Executive Committee

Our Executive Committee, comprising of the senior management team within our Group who head the principal businesses and corporate functions, meets on a monthly basis to consider the operating performance of each of the principal subsidiaries.

Our Executive Committee supports our Board of Directors in fulfilling this role, and is essentially responsible for operational performance including: implementing and delivering the strategic plans formulated by our Board of Directors, monitoring operational and financial performance, prioritising and allocating resources and developing and reviewing objectives and budgets with subsidiary company boards to ensure that these fall within agreed targets and parameters set by our Board of Directors. In addition, our Executive Committee approves capital expenditure (within pre-defined limits) and reviews our human resources policy and treasury policy.

Members

Mr. Arun Misra has been appointed as an Executive Director of Vedanta Limited from August 1, 2023. Mr. Arun is also the chief executive officer of our Zinc, Lead and Silver Business and has also been leading HZL. Mr. Arun has also been overseeing the operations and growth of our Zinc International Business which have their mines and concentrator in South Africa. Mr. Arun was appointed as deputy chief executive officer of HZL on November 20, 2019 and was elevated to chief executive officer and whole time director, HZL with effect from August 1, 2020. Mr. Arun is the first Indian Chairperson of the International Zinc Association. He brings with him 35 years of rich and diverse experience in Tata Steel, where he headed various strategic positions.

Ms. Priya Agarwal Hebbar is a Non-Executive Director at Vedanta Limited and the chairperson of HZL. She is also the Director of the Anil Agarwal Foundation. Under her leadership, we have modernized over 4,000 *anganwadis* across the country through our 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. In 2010, Ms. Priya founded Youth Organisation in Defence of Animals, a Mumbai based non-governmental organisation. She is also leading India's first state-of-the-art animal welfare project The Animal Care Organisation under the 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. Ajay Goel was appointed as the Chief Financial Officer of Vedanta Limited on October 30, 2023. He joined the Company in March 2021 as deputy chief financial officer and assumed charge as acting chief financial officer in October 2021. Mr. Ajay Goel brings rich multinational experience with global companies in Fast-Moving-Consumer-Goods ("**FMCG**") and industrial sectors. As the Chief Financial Officer, Mr. Ajay Goel is responsible for all aspects of finance, including corporate governance, treasury and funding, investor relations, financial planning and analysis, accounting and consolidation, secretarial, and risk management. He also drives business performance monitoring and reporting with a focus on benchmarking and analytics. He is a national rank holder both as chartered accountant and company secretary and a commerce graduate from St. Xavier's College, Calcutta University.

Ms. Madhu Srivastava was appointed as the Chief Human Resources Officer of Vedanta Limited in December 2018. She has been associated with our Group since the past 12 years and in her earlier role, she was the Chief Human Resources Officer for the Cairn Oil & Gas business and was additionally leading the Talent Acquisition and Diversity & Inclusion functions for our Group. Ms. Madhu has an overall experience of 20 years across human resources as well as sales, marketing and operations, spanning the FMCG, telecom, information technology enabled services, banking, financial services, insurance and natural resources industries. She has completed her Post Graduate Diploma in Management in marketing and sales, from India Institute of Management, Ahmedabad.

Mr. Ajay Agarwal is the President – Finance and Strategy of Vedanta Limited. He has more than two decades of leadership experience across various finance verticals like financial planning and analysis, corporate finance, treasury, investor relations, taxation and commercial functions. He is a Chartered Accountant and a lawyer by profession. He joined our Group in January 2021 and has successfully led and contributed to various transformational strategic projects in areas of business finance, strategic mergers and acquisitions, corporate structures, tax optimization, tax digital transformation, and tax litigation. Further, Mr. Ajay is a National Committee Member at the Confederation of Indian Industry and recently has been named as a Chairman at ASSOCHAM for its International Tax Council.

Mr. D. Srikanth commenced his role as Director – Projects at Vedanta Limited, effective October 4, 2023. With 31 years of experience in strategic roles across the engineering, procurement and construction industry, he brings industry leading practices and technology to ensure projects are delivered within budget and on schedule. Previously, Mr. D. Srikanth made significant contributions at Reliance Industries Ltd, Thyssen Krupp UHDE India Pvt Ltd, Tecnimont ICB, J Ray McDermott Middle East Inc, and Saipem. Before joining our Group, he was associated with Mundra Petrochem Ltd (Adani Petrochemicals).

Mr. 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 and data analytics and enhance internal controls, compliance and governance framework. Mr. Rohit is a qualified chartered accountant and has been with our Group for over 19 years with a brief stint outside our Group.

Ms. Prerna Halwasiya was appointed as the Company Secretary and Compliance Officer of Vedanta Limited in July 2018. She drives Vedanta's unwavering commitment to upholding the highest standards of Corporate Governance. She took up the additional role of Deputy Head, Investor Relations in April 2023. In this role, she works with the finance leadership to enhance the quality, depth and diversity of our investor base. Her experience of over 15 years in shareholder engagement and multidisciplinary areas of secretarial function is of immense value as we strives to optimise value for its shareholders.

Mr. Chris Griffith was appointed as the CEO of Base Metals to head the proposed Base Metals vertical effective October 2023. He leads the Group's international zinc business in South Africa and Namibia and the entire copper portfolio including KCM, Zambia, Fujairah, UAE, and Sterlite Copper in India. Mr. Chris was the former CEO of Gold Fields, one of the largest gold players globally. Before Gold Fields, he served as the CEO of two major businesses at global mining major, Anglo American-Anglo American Platinum and Kumba Iron Ore.

Mr. Steve Moore was appointed as Deputy CEO of Cairn Oil & Gas in July 2023. He is steering Cairn's growth strategy towards producing 50% of India's domestic oil and gas and adding reserves and resources to achieve energy *aatmanirbharta*, whilst maintaining the highest level of safety, sustainability and governance standards. He has over 35 years of experience in technical and leadership roles across the UK, Middle East, and Southeast and Central Asia in global majors like Shell, Maersk Oil, Energean and Mubadala Oil. Mr. Steve Moore holds a PhD in Chemical Engineering from Newcastle University.

Mr. Navin Jaju is the CEO of Sesa Goa, Vedanta Limited, and is a seasoned executive with diversified experience of over 19 years in the metal and mining sector. Before he was appointed as the CEO of Sesa Goa on December 9, 2022, Mr. Navin was the Chief Financial Officer of Vedanta's Iron and Steel sector and was instrumental in effectively driving business growth and expansions. He is also well known for his vital contribution to cross-functional and leadership roles across our Group including HZL, BALCO and Sesa Goa. He is a qualified chartered accountant from The Institute of Chartered Accountants of India and holds a bachelor's degree in commerce from St. Xavier's College, Kolkata.

Mr. Pankaj Kumar Sharma was appointed the CEO of FACOR in June 2023. He joined our Group in 2018 and has made notable contributions to the field of metal operations and functions and has also held significant leadership roles in BALCO and HZL. With a professional journey spanning 24 years, Mr. Sharma has worked with esteemed companies such as JSW Cement, Century Textile Industry Limited, Lafarge Holcim, and ACC Ltd. He holds a degree in Mechanical Engineering and has completed various leadership development programmes from globally renowned institutions and is a certified Total Quality Management professional from the Association for Overseas Technical Cooperation and Sustainable Partnerships Japan.

Mr. Ashish Gupta is the Chief Executive Officer of ESL and joined Vedanta in September 2022. He holds a bachelor's degree in electrical engineering from Indian Institute of Technology Roorkee and general management from XLRI, Jamshedpur and CEDEP, INSEAD, France. Previously, he worked with the Tata Steel group for 27 years and was the Managing Director of TMILL (a Tata Steel joint venture company) and later with Texmaco Rail and Engineering as the managing director. He brings over 30 years of experience in leading various strategic positions within the Tata Group. He has also been a board member of Tata NYK, Singapore, TKM Global and ISL, Dubai. He has proven proficiency in the areas of capacity exploitation and de-bottlenecking, cost management, business growth and operational efficiency, new business development and management of large workforce and organisation.

Mr. Puneet Khurana has been associated with our Group since 2006 and presently serves as the CEO of Copper and Nickel Operations. Prior to this, he has been in various cross-functional and cross-business leadership roles in our Group where he was instrumental in driving the top line and bottom line by using important levers, for example, increase in volumes, reduction in cost, improvement in sales realisation and free cash flow through benchmarking and business partnering. Mr. Puneet currently plays a pivotal role in unlocking the full potential of Vedanta's Copper's and Nickel operations in India and the Middle East. Mr. Puneet holds a Bachelor of Technology degree from AKG Engineering College, Ghaziabad, and a Master of Business Administration from ICFAI Business School, Hyderabad.

Mr. Vibhav Agarwal joined our Group in June 2022 and has been appointed as the Chief Executive Officer of Power. With over two and half decades of experience across India's leading infrastructure and power companies, he is a name to reckon with in the Indian business landscape. Mr. Vibhav is an Electrical Engineer from National Institute of Technology Warangal, and an alumnus of Indian Institute of Management Mumbai with a stronghold in projects, business development, and finance. Having led the construction of over 6,000 MW of power projects from bidding to commercial operations, he has proven expertise in managing large, complex contracts, effectively leveraging corporate affairs, driving policy advocacy, turning-around loss making entities, and leading transformations resulting in agile and responsive organisations.

Ms. Ritu Jhingon was appointed as the Director of Communications in 2021 in addition to CEO of Vedanta's flagship CSR programme – *Nand Ghar*. She plays a vital role in positioning Vedanta's vision, commitment, and achievements as well as continuous engagement with key stakeholders. She is instrumental in driving internal and external campaigns and communication for the organisation and leadership messaging across multiple platforms, cultivating positive brand image and establishing Vedanta as a prominent philanthropic Group. Ms. Ritu brings a rich experience of over 30 years and has worked with Hindustan Times and Ogilvy in the past. She has been associated with the Group since 2010 and has made significant contributions by institutionalising Vedanta's flagship Nand Ghar programme from conceptualisation to a national movement and enhancing Vedanta's brand perception both in India and globally. She holds a Master of Business Administration Degree in Marketing and Advertising.

Mr. Rajinder Singh Ahuja assumed the role of Chief Health, Safety, Environment & Sustainability at Vedanta Limited in July 2021. With an impressive 25 years of rich and diverse leadership experience spanning the metal and mining, cement, and power industries, he brings a wealth of expertise to the organisation. Mr. Rajinder Singh Ahuja holds a bachelor's degree in electrical engineering from Radharaman Engineering College Bhopal. His commitment to continuous learning led him to participate in a year-long leadership development programme by Aon Hewitt and, more recently, the SUSTAINABILITY 101 Course on ESG by McKinsey. He is also a Dupont-trained resource in Safety management systems, including safety interaction, contractor safety management, incident management, fatality and serious injury prevention, and standard rules and procedure.

Mr. Sanjeev Gemawat was appointed as the General Counsel of our Group in June 2022. He brings with him three decades of rich experience in wide ranging industries like manufacturing, automobile, real estate, and hospitality. Dr. Sanjeev 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 GCAl and has been inducted into the 'Global Hall of Fame' for his contribution to the legal ecosystem in India and the world. Dr. Sanjeev Gemawat is a postgraduate and doctorate in law, a qualified Chartered Accountant, a Cost Accountant and a Chartered Secretary from India and the UK.

Mr. Dhiraj Nayyar was appointed as the Director, Economics & Policy of Vedanta Limited in October 2019. Before that, he was the Chief Economist of Vedanta Limited since October 2018. Between 2015 and 2018, Dhiraj was Officer on Special Duty and Head of the Economics, Finance & Commerce vertical at National Institution for Transforming India ("**NITI**") Aayog, Government of India. At NITI Aayog, he was responsible for all policy matters related to the Ministry of Finance and Department of Commerce. Before joining the Government, he did several stints in senior positions in the media; as Opinion Editor of Financial Express, Deputy Editor of India Today, Editor-at-large of Firstpost.com, Managing Editor of The Quint and India Columnist for Bloomberg View, New York. Mr. Nayyar was trained as an economist at St. Stephen's College, Delhi, Merton College, Oxford (where he was a Radhakrishnan Chevening Scholar) and Trinity College, Cambridge (where he was a Gates Cambridge Scholar).

Mr. Shrikant Saboo was appointed as the Director, Group Commercial, Marketing & Risk of Vedanta Limited in August 2022. His key priorities include designing and driving the commercial, marketing, e-commerce and risk strategies in line with global best practices and unlock value for the organisation. He is a Chartered Accountant and holds a Master of Business Administration from Emory University, Goizueta Business School, Atlanta. He brings 30 years of rich and diverse experience across procurement and supply chain, corporate finance, treasury, commodity and forex risk management, mergers and acquisitions and business strategy. He held global leadership roles with Hindalco Industries Ltd in India and with Novelis Inc in the US.

Mr. Gaurav Sarup was appointed as the Director – ESG, Carbon, & Social Performance of Vedanta Limited in October 2020. He plays a vital role in setting the Group's ESG strategy, which includes commitment to becoming a Net Zero Carbon business. He also oversees the progress on the Group's nine ESG targets and progress on disclosing ESG performance in the annual Sustainability, TCFD, BRSR and Integrated Reports. With nearly 20 years of work experience across multiple sectors, Mr. Gaurav Sarup brings rich experience as a sustainability and ESG professional. He joined Vedanta in 2013 in the Oil & Gas business and has been part of the Group sustainability function since 2017. He holds a Master of Business Administration in Sustainability from Boston College's Carroll School of Management.

Mr. Gopal Prasad Choudhary was appointed as the Chief Security Officer of our Group in June 2022. He has been associated with the Governing Body of Rashtriya Raksha University, a Central University and an Institute of National Importance mandated to provide security and strategic education in contemporary and futuristic security and strategic studies. He has also served Tata Steel as chief security and brand protection and Wipro as vice president and global security head. He is a law graduate and served the GoI and the state government for more than 19 years as an army and police officer.

Compensation

The aggregate compensation paid to our Executive Directors for Fiscal Year 2024 was $9.5 million, which includes $9.4 million paid towards short term benefits comprising salary, bonuses and allowances and $78,000 paid towards post-employment benefits. The total compensation paid to our most highly compensated executive during Fiscal Year 2024 was $5.4 million. The aggregate compensation paid to our Non-Executive Directors in Fiscal Year 2024 was $31,000.

The following table sets forth the pre-tax remuneration for Fiscal Year 2024 for individual Directors who held office in our Company during this period. Payment is generally made in UK pounds sterling although payments in India under service contracts with Vedanta Limited are paid in Indian Rupee.

	Base Compensation	Taxable benefits	Pensions	Annual Performance Bonus(7)	Long Term incentives	Total for Fiscal Year 2022(8)(9)	Total for Fiscal Year 2023(8)(9)	Total for Fiscal Year 2024(8)(9)
				($000)				
Executive Directors								
Anil Agarwal(1)(6)	2,186	16	—	1,508	1,703	4,532	5,397	5,413
Navin Agarwal(2)(4)(6)	1,450	167	78	1,208	1,179	3,043	4,160	4,082
Non-Executive Director(4)								
Mr A R Narayanaswamy(3)	31	—	—	—	—	27	30	31
Total	**3,668**	**184**	**78**	**2,716**	**2,882**	**7,602**	**9,587**	**9,526**

Notes:

(1) Mr Anil Agarwal's taxable benefits in kind include provision of medical benefits;

(2) Mr Navin Agarwal is based out of India and is drawing the majority of his remuneration in Indian Rupee. For Fiscal Year 2024, Mr Navin Agarwal received a Vedanta Limited salary of ₹227,072,124, Vedanta Resources Limited fees of £85,000 and employee share option plan related payment of £937,605, Hindustan Zinc Limited fees of ₹675,000 and commission of ₹2,992,000.

(3) Mr Narayanaswamy received an additional remuneration of $34,047 in aggregate from other entities within our Group. The applicable exchange rate used was ₹80.27 to $1.

(4) Mr Navin Agarwal's taxable benefits in kind include housing and related benefits and use of a car and driver.

(5) Non-Executive Directors are reimbursed for expenses incurred while on Company business. No other benefits are provided to Non-Executive Directors.

(6) All of the Group's pension schemes are based on cash contribution and do not confirm an entitlement to a defined benefit. Pension contributions are made into the Executive Vice Chairman's personal pension schemes (or local provident fund) and will become payable on the retirement. The Executive Chairman does not receive pension benefits.

(7) The annual performance bonus shown in the table relate to the payment of the annual bonus made to the Executive Directors for Fiscal Year 2024, which is the bonus for the performance in Fiscal Year 2023.

(8) NIC Contribution as per the statutory requirement is made for all Executive and Non-Executive Directors.

(9) The exchange rate applicable as at March 31, 2022 was ₹96.8653 to £1 and $1.3071 to £1, at March 31, 2023 was ₹96.7289 to £1 to £1 and $1.2050 to £1, at March 31, 2024 was ₹104.0529 to £1 to £1 and $1.2569 to £1.

Conflicts of Interest

From time to time, conflicts of interest have in the past and will in the future arise between our Company and our affiliates. See "*Risk Factors — Risks Relating to Business — Our Directors, key managerial personnel and senior management have interests other than normal remuneration or benefits. They may enter into ventures that may lead to conflicts of interest with our business.*" Other than those interests and relationships disclosed in "*Principal Shareholders*" and "*Related Party Transactions*", no conflicts of interest exist between the private interests of the management team and the interests of our Company. See "*Risk Factors — Risks Relating to Business — The equity shares of the Issuer and our Company are not listed and therefore the Issuer and our Company are not subject to the disclosure and corporate governance requirements that listed companies are required to comply with*" for more information.

Additionally, under the listing agreements that our listed Indian subsidiaries have entered into with the Indian stock exchanges, our listed Indian subsidiaries are required to ensure that their disclosures in relation to material and significant related party transactions in their annual reports are in compliance with Ind AS. Specifically, these subsidiaries are required to place before their audit committee and publish in their annual reports a statement in summary form of the related party transactions entered into by them during the previous Fiscal Year, providing details of whether such transactions were undertaken in the ordinary course of business and details of material individual transactions with related parties or others which were not on an arm's length basis, together with their management's justification for such transactions. Under the listing agreements, their audit committee is required to review and discuss with the management the disclosures of any related party transactions, as defined under Ind AS, in their annual financial statements.

PRINCIPAL SHAREHOLDERS

Vedanta Incorporated (formerly known as Volcan Investments Limited) and Volcan Investments Cyprus Limited have beneficial ownership of 100.0% of our Company's Ordinary Shares as of March 31, 2024. The following table sets forth information regarding beneficial ownership of our Company's Ordinary Shares as of March 31, 2024.

Each Ordinary Share is entitled to one vote on all matters that require a vote of shareholders, and none of our Company shareholders have any contractual or other special voting rights.

As used in this table, beneficial ownership means the sole or shared power to vote or direct the voting or to dispose of or direct the sale of any security. A person is deemed to be the beneficial owner of securities that can be acquired within 60 days upon the exercise of any option, warrant or right. Ordinary Shares subject to options, warrants or rights that are currently exercisable or exercisable within 60 days are deemed outstanding for computing the ownership percentage of the person holding the options, warrants or rights, but are not deemed outstanding for computing the ownership percentage of any other person. The amounts and percentages as of March 31, 2024 are based upon 285,246,698 voting Ordinary Shares.

Shareholders	**Number of Ordinary Shares**	**Percentage of Issued Voting Share Capital as at March 31 2024**
Vedanta Incorporated[1] Loyalist Plaza, Don Mackay Boulevard, P.O. Box AB-20377, Marsh Harbour, Abaco, Bahamas	187,488,092	65.7%
Volcan Investments Cyprus Limited[1] (wholly owned subsidiary of Vedanta Inc), 221 Christodoulou Chatzipavlou, Helios Court, 3rd Floor, 3036 Limassol, Cyprus	97,758,606	34.3%
Total	285,246,698	100.0%

Note:

(1) Vedanta Inc and its wholly owned subsidiary, Volcan Investments Cyprus Limited own 285,246,698 Ordinary Shares, or 100.0% of the issued voting share capital, of our Company as of March 31, 2024. Vedanta Inc is owned and controlled by the Anil Agarwal Discretionary Trust (the "**Trust**"). Conclave PTC Limited ("**Conclave**") is the trustee of the Trust and controls all voting and investment decisions of the Trust. As a result, shares beneficially owned by Vedanta Inc may be deemed to be beneficially owned by the Trust and, in turn, by Conclave. Mr. Anil Agarwal, the Executive Chairman of our Company, may be deemed to have beneficial ownership of shares that may be owned or deemed to be beneficially owned by Conclave.

RELATED PARTY TRANSACTIONS

The information below sets out transactions and balances between us and various related parties in the normal course of business for Fiscal Years 2022, 2023 and 2024.

Holding Company

- Vedanta Incorporated (formerly known as Volcan Investments Limited)*
- Volcan Investments Cyprus Limited

Fellow Subsidiary (with whom transactions have taken place)

- Sterlite Technologies Limited
- Sterlite Power Transmission limited
- Sterlite Iron and Steel Company Limited
- Twin Star Technologies Limited
- Sterlite Power Grid Ventures Limited
- Sterlite Grid 16 Limited
- STL Digital Limited

Associates 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 5 Private Limited**
- Serentica Renewables India 6 Private Limited**
- Serentica Renewables India 7 Private Limited**
- Serentica Renewables India 8 Private Limited**
- Serentica Renewables India 9 Private Limited**

Associates/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

Post-retirement benefit plan

- Sesa Group Employees Provident Fund Trust
- Sesa Group Employees Gratuity Fund and Sesa Group Executives Gratuity Fund

- Sesa Group Executives Superannuation Scheme Fund
- Sesa Resources Limited Employees Provident Fund Trust
- Sesa Resources Limited Employees Gratuity Fund
- Sesa Mining Corporation Limited Employees Provident Fund Trust
- Sesa Mining Corporation Limited Employees Gratuity Fund
- Sesa Resources Limited and Sesa Mining Corporation Limited Employees Superannuation Fund
- Hindustan Zinc Limited Employees Contributory Provident Fund Trust
- HZL Employee Group Gratuity Trust
- HZL Superannuation Trust
- Balco Employees Provident Fund Trust
- FACOR Superannuation Trust
- FACOR Employees Gratuity Scheme

Enterprises over which key management personnel/their relatives have control or significant influence

- Anil Agarwal Foundation
- Cairn Foundation
- Caitlyn India Private Limited
- Fujairah Metals LLC
- Janhit Electoral Trust
- Minova Runaya Private Limited
- Runaya Refining LLP
- Runaya Green Tech Limited
- Sesa Community Development Foundation
- Vedanta Foundation
- Vedanta Limited ESOS Trust
- Radha Madhav Investments Private Limited
- Vedanta Medical Research Foundation
- Voorspoed Trust

Note:

* The name of our ultimate holding company, "Volcan Investments Limited", has been changed to "Vedanta Incorporated" effective October 13, 2023.

** During Fiscal Year 2023, due to change in shareholding of the intermediate holding company of Serentica group companies, our relationship with these companies has changed from fellow subsidiaries to associates of Vedanta Inc.

Fiscal Year 2022

Details of transactions for Fiscal Year 2022 are as follows:

Particulars		Holding Company/ Fellow Subsidiaries	Associates/ Joint Ventures	Others	Total
			(in $ million)		
Income:					
(i)	Revenue from operations	187	—	8	195
(ii)	Dividend Income	0	—	—	0
(iii)	Net interest received	1	—	—	1
(iv)	Guarantee commission income	0	—	—	0
Expenditure:					
(i)	Purchases of goods/services	—	—	22	22
(ii)	Management fees paid	1	—	—	1
(iii)	Reimbursement for other expenses (net of recovery)	2	—	0	2
(iv)	Donation	—	—	6	6
(v)	Interest paid	1	—	—	1
(vi)	Dividend paid	131	—	—	131
(vii)	Contribution to post retirement employee benefit trust/fund	—	—	15	15
Other Transactions during the year:					
(i)	Loans given/(repayment thereof	0	—	—	0
(ii)	Guarantees given during the period (net of relinquishment)	(0)	—	(1)	(1)
(iii)	Bond redeemed during the year	6	—	—	6
(iv)	Investments made during the year	—	0	—	0

Details of balances as at March 31, 2022 are as follows:

Particulars	Holding Company/ Fellow Subsidiaries	Associates/ Joint Ventures	Others	Total
		(in $ million)		
Net amounts receivable at year end	3	0	1	4
Net amounts payable at year end	0	—	10	10

Particulars	Holding Company/ Fellow Subsidiaries	Associates/ Joint Ventures	Others	Total
		(in $ million)		
Investment in equity Share	16	0	—	16
Value of bonds held by Volcan	7	—	—	7
Interest payable	0	—	—	0
Dividend Payable	0	—	—	0
Net advance given at year end	—	1	0	1
Financial guarantee given[(1)]	15	—	0	15
Loans given[(2)]	—	1	—	1

Notes:

(1) We provided bank guarantee on behalf of Volcan in favour of the Income Tax Department of India as collateral in respect of certain tax disputes of Volcan. The guarantee amount is $15 million.

(2) During Fiscal Year 2021, we renewed the loan provided to Sterlite Iron and Steel Company Limited (fellow subsidiary) to finance project in earlier years. The loan balance as at March 31, 2022 was $1 million. The loan is unsecured in nature and carries an interest rate of 7.15% per annum. The loan was due in March 2022 and the agreement was renewed for a further period of 12 months.

Fiscal Year 2023

Details of transactions for Fiscal Year 2023 are as follows:

Particulars	Holding Company/ Fellow Subsidiaries	Associates/ Joint Ventures	Others	Total
		(in $ million)		
Income:				
(i) Revenue from operations	228	—	6	234
(ii) Dividend income	0	—	—	0
(iii) Net interest received	4	—	—	4
(iv) Miscellaneous income	—	—	0	0
Expenditure:				
(i) Purchases of goods/services	1	0	35	36
(ii) Purchase/(sale) of fixed assets	2	—	—	2
(iii) Management fees paid	1	—	—	1
(iv) Reimbursement for other expenses (net of recovery)	0	—	(0)	(0)
(v) Donation	—	—	10	10
(vi) Interest paid	1	—	—	1
(vii) Dividend paid	19	—	0	19

Particulars	Holding Company/ Fellow Subsidiaries	Associates/ Joint Ventures	Others	Total
		(in $ million)		
(viii) Contribution to post retirement employees benefit trust/fund	—	—	10	10
Other transactions during the year:				
(i) Loans given/(repayment thereof)	—	1	—	1
(ii) Guarantees given during the year (net of relinquishment)	—	—	(0)	(0)
(iii) Bond redeemed during the year......	2	—	—	2
(iv) Investments made during the year..	—	—	30	30

Details of balances as at March 31, 2023 are as follows:

Particulars	Holding Company/ Fellow Subsidiaries	Associates/ Joint Ventures	Others	Total
		(in $ million)		
Net amounts receivable at year end	2	—	0	2
Net amounts payable at year end	2	—	9	11
Investment in equity shares.........................	10	—	30	40
Value of bonds held by Vedanta Inc...........	9	—	—	9
Interest payable...	0	—	—	0
Dividend payable..	2	—	—	2
Net advance given at year end	—	1	4	5
Financial guarantee given(1).........................	14	—	—	14
Loans given(2)	—	1	—	1

Notes:

(1) We provided bank guarantee on behalf of Vedanta Inc in favour of Income tax department, India as collateral in respect of certain tax disputes of Vedanta Inc. The guarantee amount is $14 million (March 31, 2022: $15 million).

(2) During Fiscal Year 2023, we renewed the loan provided to Sterlite Iron and Steel Company Limited for a further period of 12 months. The loan balance as at March 31, 2023 is $1 million (March 31, 2022: $1 million). The loan is unsecured in nature and carries an interest rate of 11.13% per annum. The said loan including accrued interest thereon have been fully provided for in the books of accounts.

Fiscal Year 2024

Details of transactions for Fiscal Year 2024 are as follows:

Particulars		Holding Company/ Fellow Subsidiaries	Associates/ Joint Ventures	Others	Total
		(in $ million)			
Income:					
(i)	Revenue from operations................	207	—	13	220
(ii)	Dividend Income...........................	0	—	—	0
(iii)	Net Interest Received	3	—	0	3
(iv)	Miscellaneous income	—	—	0	0
Expenditure:					
(i)	Purchases of goods/services	14	0	47	61
(ii)	Purchase/(sale) of fixed assets........	0	—	(5)	(5)
(iii)	Management fees paid....................	1	—	—	1
(iv)	Reimbursement for other expenses (net of recovery)............................	0	—	(1)	(1)
(v)	Donation..	—	—	18	18
(vi)	Interest paid...................................	1	—	—	1
(vii)	Contribution to post retirement employee benefit trust/fund...........	—	—	12	12
Other Transactions during the year:					
(i)	Loans given/(repayment thereof) ...	0	—	—	0
(ii)	Guarantees given during the period (net of relinquishment)..................	1	—	—	1
(iii)	Bond redeemed during the year	2	—	—	2
(iv)	Investments made during the year..	—	—	58	58

Details of balances as at March 31, 2024 are as follows:

Particulars	Holding Company/ Fellow Subsidiaries	Associates/ Joint Ventures	Others	Total
	(in $ million)			
Net amounts receivable at year end	2	1	4	7
Net amounts payable at year end	1	—	12	13
Investment in equity share and optionally convertible preference shares......................	8	—	88	96
Value of bonds held by Vedanta Inc...........	7	—	—	7
Interest payable...	0	—	—	0

Particulars	Holding Company/ Fellow Subsidiaries	Associates/ Joint Ventures	Others	Total
		(in $ million)		
Dividend payable	2	—	—	2
Net advance given at year end	1	1	7	9
Financial guarantee given[(1)]	14	—	—	14
Loans given[(2)]	0	1	—	1
Loan taken	1	—	—	1

Notes:

(1) We provided bank guarantee on behalf of Vedanta Inc in favour of Income tax department, India as collateral in respect of certain tax disputes of Vedanta Inc. The guarantee amount is $14 million (March 31, 2023: $14 million).

(2) During Fiscal Year 2024, 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 March 31, 2024 is $1 million (March 31, 2023: $1 million). The loan is unsecured in nature and carries an interest rate of 12.8% per annum. The said loan including accrued interest thereon have been fully provided for in the books of accounts.

Remuneration of Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of our Group, directly or indirectly, including any director (whether executive or otherwise).

	Fiscal Year		
	2022	2023	2024
		(in $ million)	
Short-term employee benefits	22	8	12
Post-employment benefits[(1)]	1	1	0
Share-based payments	2	4	0
Total	25	13	12
Compensation for Non-Executive Directors	0	0	0
Commission/Sitting Fees to key management personnels	0	0	0

Note:

(1) Does not include the provision made for gratuity and leave benefits, as they are determined on an actuarial basis for all the employees together.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of our Group, directly or indirectly, including any director (whether executive or otherwise).

Other related party[1]

	Fiscal Year		
	2022	2023	2024
		(in $ million)	
Remuneration to relatives	3	3	3
Commission/sitting fees to relatives of key management personnels	0	0	0

Note:

(1) Close relatives of the Executive Chairman.

MATERIAL CONTRACTS

The following is a summary of our material contracts (other than those in respect of its material indebtedness, which are discussed in the section entitled "*Description of Material Indebtedness*").

HZL Call Options

On April 11, 2002, We, through Vedanta Limited, acquired a 26.0% interest in HZL from the GoI. Upon such acquisition, the GoI and Vedanta Limited entered into a shareholders' agreement to regulate, among other things, the management of HZL and dealings in HZL's shares.

Under the shareholders' agreement, the GoI granted Vedanta Limited two call options to acquire all the shares in HZL held by the GoI at the time of exercise. Vedanta Limited exercised the first call option on August 29, 2003 and acquired an additional 18.9% on November 12, 2003, taking Vedanta Limited's interest in HZL to 64.9% The second call option provides Vedanta Limited a right to acquire the GoI's remaining 29.5% shareholding in HZL, subject to the right of the GoI to transfer up to 3.5% of the issued share capital of HZL to employees of HZL, in which case the number of shares that we may purchase under the second call option will be reduced accordingly. The exercise price for the second call option will be equal to the fair market value of the shares as determined by an independent appraiser. The shareholders' agreement also provides that prior to selling shares in HZL to a third party, either party must first issue a sale notice offering those shares to the other party at the price it intends to sell them to the third party. However, a transfer of shares, representing not more than 5% of the equity share capital of HZL, by the GoI to the employees of HZL is not subject to such right of first refusal by Vedanta Limited. The GoI has transferred shares representing 1.5% of HZL's share capital to the employees of HZL. The shareholders' agreement also provides that if the GoI proposes to make a sale of its shares in HZL by a public offer prior to the exercise of Vedanta Limited's second call option, then Vedanta Limited shall have no right of first refusal.

We exercised our second call option by a letter dated July 21, 2009, which was disputed by the GoI. See the section entitled "*Our Business — Litigation*" for more information.

BALCO Call Option

On March 2, 2001, We, through Vedanta Limited, acquired a 51% interest in BALCO from the GoI. On the same day, Vedanta Limited entered into a shareholders' agreement with the GoI and BALCO to regulate, among other things, the management of BALCO and dealings in BALCO's shares.

The shareholders' agreement provides that as long as Vedanta Limited holds at least 51% of the share capital of BALCO, it is entitled to appoint one more director to the board of BALCO than the GoI and is also entitled to appoint the managing director. Under the shareholders' agreement, if either the GoI or Vedanta Limited wishes to sell its shares in BALCO to a third party, the selling party must first offer the shares to the other party at the same price at which it is proposing to sell the shares to the third party. The other party shall then have the right to purchase all, but not less than all, of the shares so offered. If a shareholder does not exercise its right of first refusal, it shall have a tag along right to participate in the sale pro rata and on the same terms as the selling party, except that if the sale is by the GoI by way of a public offer, the tag along right will not apply. However, a transfer of shares representing not more than 5.0% of the equity share capital of BALCO by the GoI to the employees of BALCO is not subject to such right of first refusal by Vedanta Limited. The GoI also granted to Vedanta Limited an option to acquire the remaining shares in BALCO held by the GoI at the time of exercise.

We exercised our option to acquire the GoI's remaining 49% ownership interest which was disputed by the GoI and the matter is currently pending before the High Court of Delhi. See the section entitled "*Our Business — Litigation*" for more information.

Western Cluster MDA

On August 3, 2011, we, through WCL, entered into a mineral development agreement (the "**Western Cluster MDA**") relating to the exploration and development of the Western Cluster iron ore deposits. The Western Cluster MDA became effective on August 22, 2011 with an initial term of 25 years from such date, and will automatically be extended to match any extensions of the term of any mining licence granted by the Government of Liberia to WCL. The Western Cluster MDA provides that exploration licences are to be granted to WCL for the exclusive exploration of iron ore deposits in the Bomi, Mano River and Bea Mountain exploration areas. The Western Cluster MDA provides that WCL be granted land use rights in relation to the land subject to any exploration licence or mining licence, provided that WCL pays reasonable compensation to landowners and occupants of the land for loss of or diminution in value of the land. These land use rights terminate at the end of the term of the Western Cluster MDA.

WCL must pay the Government of Liberia a royalty of 4.50% of the value of commercially shipped mineral, regardless of whether the shipment is a sale or other disposition, multiplied by the fair market value determined in accordance with the Liberian revenue code. WCL must also pay the Government of Liberia an upfront fee of $25 million. In addition, WCL is required to develop programmes for the development and maintenance of the communities that have formed and that may form as a result of its operations in the exploration areas and to also make annual contributions ranging from $2 million to $3.1 million to a specially managed fund for the benefit of communities in affected counties. WCL also agreed to indemnify the Government of Liberia and its officers and agents from all losses and liabilities incurred as a direct consequence of death or injury to persons or damage to property directly resulting from the conduct of WCL.

In the event of a transfer of an interest in WCL, WCL or the transferor of such interest must pay a withholding tax to the Government of Liberia of 15.0% of the value of all cash and other consideration received by the transferor or any other entity with respect to the transfer. No change of control of WCL is permitted by the Western Cluster MDA unless the prior written consent of the Government of Liberia is obtained or is otherwise permitted under the Western Cluster MDA. The Western Cluster MDA provides that a change of control of a shareholder of WCL will constitute a change of control of WCL.

Due to outbreak of Ebola virus, the entire project came to a halt. Efforts to restart of operations began in Fiscal Year 2022. We obtained a Class A Mining Licence in February 2022 and operations resumed from July 2022. WCL also entered into a memorandum of understanding with the Government of Liberia on April 12, 2022 for settlement of past dues and other approvals for operations.

Rajasthan Block PSC

The Rajasthan Block PSC was originally signed on May 15, 1995. As of March 31, 2024, our Oil and Gas Business, through Vedanta Limited and CEHL, held a 70.0% participating interest in the Rajasthan Block and our joint operation partner held the remaining 30.0% participating interest. The Rajasthan Block PSC was originally valid until May 2020 but has since been extended to May 2030.

The Rajasthan Block PSC established a management committee for the Rajasthan Block, which consists of four members, two of whom are nominated by and represent the GoI and our joint operation partner (taken together), and two of whom are nominated by and represent us. The management committee must unanimously approve annual work programmes, budgets, proposals for the declaration of a discovery as commercial, field development plans, and the delineation of or additions to a development area as provided in the Rajasthan Block PSC.

As per the terms of the Rajasthan Block PSC and permissions from the GoI, the crude oil and condensate produced at Rajasthan Block is being sold to both public sector undertakings and private refineries. As of March 31, 2024, commercial sales arrangements were in place with public sector undertakings and private refineries, in-line with the production. Under the Rajasthan Block PSC, all crude oil sales made to the GoI or GoI companies as well as private buyers are valued at a weighted average free-on-board ("**FOB**") selling price per barrel of a basket of international crude oil as agreed by all parties which is quoted in Platts, a provider of energy information. For any delivery period in which sales take place, the price is set at an average price per barrel determined by calculating the average for the month of such delivery period of the mean of the high and low FOB prices. The crude oil produced at the Rajasthan Block is benchmarked to Dated Brent, an international low sulphur crude oil published in Platts Crude Oil Market wire on a daily basis. The pricing formula also adjusts for differences in yield and quality.

In the event of any dispute, difference or claim between the parties to the Rajasthan Block PSC arising out of or in connection with any of the terms and conditions of the said PSC or concerning any interpretation or performance thereof which cannot be settled amicably may be referred a sole expert, to be appointed by the parties to the dispute jointly, who is to be an independent and impartial person of international standing with relevant qualifications and experience. Under the provisions of the Rajasthan Block PSC, the decision of the sole expert is final and binding on the parties and not subject to arbitration. The Rajasthan Block PSC also provides for settlement of any dispute, difference or claim between the parties through arbitration. See "*Our Business — Litigation*".

Ravva Block PSC

The Ravva Block PSC was originally signed on October 28,1994. In 1996, our Oil and Gas Business acquired interest in the Ravva Block, and subsequently became the operator of the Ravva Block. As of March 31, 2024, we held a 22.5% working interest in the Ravva Block with the remaining interests currently held by three other oil and gas companies, holding 40.0%, 25.0% and 12.5%, respectively. The Ravva Block PSC was originally valid until October 27, 2019 but has since been extended for 10 years by the GoI.

The extension policy, amongst others, provides for an increased share of profit petroleum of 10.0% for the GoI during the extended term of the Ravva Block PSC and payment of royalty and cess as per prevailing rate in accordance with Petroleum and Natural Gas Rules 1959 and Oilfields Industry Development Act, as amended from time to time. Under the Ravva Block PSC, our Oil and Gas business is entitled to recover 100% of development and production costs from crude oil and natural gas sales before any profit is allocated among the parties.

As per the terms of the Ravva Block PSC, the crude oil and condensate produced from the Ravva Block is being sold to the public sector undertakings refineries. As of March 31, 2024, commercial sales arrangements are in place with public sector. All sales to the GoI nominees are to be valued at a FOB selling price per barrel in US dollars based on a pricing formula based on Dated Brent ascertained on Platts.

We and our joint operating partners are in a dispute with the GoI regarding the recovery of contractual costs related to the Ravva Block. The dispute revolves around how the ONGC Carry (costs incurred by ONGC) should be calculated and recovered, among other issues. See "*Our Business — Litigation*".

Cambay Block PSC

The Cambay Block PSC was signed on June 30, 1998. The Cambay Block PSC was originally valid until 2023, but whilst waiting for this extension to be granted, the GoI allowed petroleum operations in Cambay Block until the earlier of the execution of the Cambay PSC addendum or September 29, 2024, whichever is earlier. As of March 31, 2024, our Oil and Gas Business's participating interest in the Cambay Basin joint operation consisted of a 40.0% interest in the Lakshmi, Gauri and CB-X development areas. The remaining interests in these development areas are held by two other participants, holding 50.0% and 10.0%, respectively.

Gujarat Gas Limited has initiated arbitration proceedings against Vedanta Limited and certain others in relation to certain agreements for the offtake of gas produced from the Cambay Block. See "*Our Business — Litigation*".

DESCRIPTION OF MATERIAL INDEBTEDNESS

Set forth below is a summary of the terms and conditions of certain of our debt instruments that we consider to be above the materiality threshold and in view of our Company is material as of June 30, 2024. The summary may not contain all of the information that is important to you. You should read the notes to the financial statements for additional information about our indebtedness.

Based on our preliminary assessment, as of June 30, 2024, our total borrowings were $14,460 million, representing an increase of $130 million from $14,330 million as of March 31, 2024. Set forth below is information regarding our material debt outstanding as of June 30, 2024.

Our Company

The following table sets out our Company's and our offshore intermediate subsidiaries' (including, among others, the Subsidiary Guarantors) long-term and short-term external borrowings (adjusted for debt amortization costs) as of the following dates.

	As at March 31,						As at June 30,	
	2022		2023		2024		2024	
	Short-term	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term	Long-term
	(in $ million)							
Our Company (standalone)	1,830	2,008	774	1,883	683	1,473	414	1,258
Offshore intermediate subsidiaries	907	4,312	2,272	2,374	160	3,403	499	2,932
Total	**2,737**	**6,320**	**3,046**	**4,257**	**843**	**4,876**	**913**	**4,190**

The financial information mentioned above ("**Vedanta's Preliminary Financial Information**") are based on our Company's preliminary assessment as the financial closing procedures for our Company as of and for the period ended June 30, 2024 are not yet complete. Estimates of results are inherently uncertain and subject to change, and our Company does not undertake any obligation to update or revise the estimates described in this Offering Circular as a result of new information, future events or otherwise, except as otherwise required by law. These estimates may differ from actual results. Actual results remain subject to the completion of our Company's closing process as of and for the period ended June 30, 2024 which includes a final review by our management and our audit committee and to which additional items requiring material adjustments to Vedanta's Preliminary Financial Information may be identified. In addition, Vedanta's Preliminary Financial Information has not been audited or reviewed by any independent auditor, and consequently, should not be relied upon to provide the same type or quality of information associated with information that has been subject to an audit or a review by an independent auditor. There can be no assurance that, had an audit or review been conducted in respect of such information, the information presented therein would not have been materially different. Potential investors should therefore not place undue reliance on the abovementioned information and should exercise caution when using such data to evaluate our financial condition and results of operations. See also the sections entitled "*Risk factors*" and "*Special note regarding forward-looking statements*" for additional information regarding factors that could result in differences between Vedanta's Preliminary Financial Information and the actual financial results of our Company in respect of period ended June 30, 2024.

The following table sets out the repayment amounts of our Company (on a standalone basis) and our offshore intermediate subsidiaries' (including, among others, the Subsidiary Guarantors) due from and between Fiscal Years 2025 to 2029 as of June 30, 2024.

	Fiscal Year[(1)]				
	2025	2026	2027	2028	2029
			(in $ million)		
Bonds payable	—	—	1,070	630	1,270
Loan repayments[(2)]	1,000	820	680	150	—
Total	**1,000**	**820**	**1,750**	**780**	**1,270**

Notes:

(1) The debt repayment amount presented in this table are derived from the financial accounts of our Company. The table is based on actual repayment schedule and do not take into accounting considerations such as effective interest.

(2) Includes intercompany loans.

$1,000 million 6.125% bonds due 2024 (the "2024 Bonds I")

On August 9, 2017, our Company issued $1,000.0 million 6.125% bonds due 2024. The interest on the bonds is payable semi-annually in arrear on February 9, and August 9, each year, at a rate of 6.125% per annum. The bonds will mature on August 9, 2024.

Under the terms and conditions of the bonds, our Company is subject to certain covenants restricting it from creating or permitting to subsist any mortgage, charge, pledge, lien or other form of encumbrance or security interest upon any assets directly held by it, present or future, to secure any indebtedness (as defined in the terms and conditions of the bonds), or any guarantee or indemnity in respect of any indebtedness (as defined in the terms and conditions of the bonds) of its material subsidiaries, unless the bonds are secured equally and rateably therewith or otherwise benefit identically or not materially less beneficial to the bondholders.

On December 13, 2023, our Company, the Issuer and the Subsidiary Guarantors commenced a consent solicitation in respect of the 2024 Bonds I relating to: (i) certain amendments to its terms and conditions; and (ii) waivers to comply with certain covenants of the 2024 Bonds I for the purposes of any transaction relating to the Proposed Demerger. The extraordinary resolution was passed on January 4, 2024, and the amendments were effective on January 11, 2024. Following the above-mentioned amendments, the interest rate on the 2024 Bonds I was increased to 13.875% per annum and the maturity of the 2024 Bonds I was extended to December 9, 2028. The amended terms also contained a special mandatory redemption provision, where if we do not fully redeem the 2026 Bonds by December 31, 2025, the 2024 I Bonds shall also be redeemed on April 20, 2026. As at June 30, 2024, the principal amount outstanding under the 2024 Bonds I was $894 million.

$600 million 9.25% bonds due 2026 (the "2026 Bonds")

In April 2019, the Issuer issued $600.0 million 9.25% bonds. The 2026 Bonds is guaranteed by our Company. The bonds will mature in April 2026. The interest is payable semi-annually in arrear on April 23 and October 23 of each year.

Under the terms and conditions of the bonds, subject to certain exceptions therein, our Company is subject to certain covenants restricting it and the Issuer from creating or permitting to subsist any mortgage, charge, pledge, lien or other form of encumbrance or security interest upon any part of their respective undertaking, assets directly held by our Company or the Issuer, present or future, to secure any indebtedness (as defined in the terms and conditions of the bonds) or any guarantee or indemnity in respect of any indebtedness (as defined in the terms and conditions of the bonds), unless the bonds are secured equally and rateably therewith or otherwise benefit identically or not materially less beneficial to the bondholders.

On December 13, 2023, our Company and the Issuer commenced a consent solicitation in respect of the 2026 Bonds relating to: (i) certain amendments to its terms and conditions and (to the extent applicable) the trust deed and the agency agreement; and (ii) waivers to comply with certain covenants of the 2026 Bonds for the purposes of any transaction relating to the Proposed Demerger. On January 11, 2024, the payment of the consent fee and the settlement of the consent solicitation took place. As at June 30, 2024, the principal amount outstanding under the 2026 Bonds was $600 million.

$1,200 million 8.95% bonds due 2025 (the "2025 Bonds")

On March 11, 2021, VRF II issued $1,200.0 million 8.95% bonds due 2025. The bonds are guaranteed by our Company, Twin Star and Welter. The interest on the bonds is payable semi-annually in arrear on March 11, and September 11 of each year, commencing on 11 September 2021, at a rate of 8.95% per annum. The bonds will mature on March 11, 2025.

Under the terms and conditions of the bonds, subject to certain exceptions therein, our Company is subject to certain covenants restricting it, VRF II, Twin Star and Welter from creating or permitting to subsist any mortgage, charge, pledge, lien or other form of encumbrance or security interest upon any assets directly held by them, present or future, to secure any indebtedness (as defined in the terms and conditions of the bonds), or any guarantee or indemnity in respect of any indebtedness (as defined in the terms and conditions of the bonds), unless the bonds are secured equally and rateably therewith or otherwise benefit identically or not materially less beneficial to the bondholders.

On December 13, 2023, our Company, the Issuer and the Subsidiary Guarantors commenced a consent solicitation in respect of the 2025 Bonds relating to: (i) certain amendments to its terms and conditions; and (ii) waivers to comply with certain covenants of the 2025 Bonds for the purposes of any transaction relating to the Proposed Demerger. The extraordinary resolution was passed on January 4, 2024, and the amendments were effective on January 11, 2024. Following the completion of the consent solicitation, the interest rate on the 2025 Bonds was increased to 13.875% per annum and the maturity of the 2025 Bonds was extended to December 9, 2028. The amended terms also contained a special mandatory redemption provision, where if we do not fully redeem the 2026 Bonds by December 31, 2025, the 2025 Bonds shall also be redeemed on April 20, 2026. As at 30 June 2024, the principal amount outstanding under the 2025 Bonds was $1,008 million.

$200 million term loan facility from SBI (London Branch)

In January 2018, our Company entered into a $200.0 million facility with State Bank of India (London Branch). The facility bears an interest rate of Term SOFR plus 431.397 basis points. The facility was fully drawn in March 2018 and is repayable in January 2025. As at June 30, 2024, the principal amount outstanding under this facility was $200 million.

$200 million term loan facility from Syndicate Bank (London Branch)

In December 2019, our Company entered into a $200.0 million facility with Syndicate Bank. The facility bears an interest rate of Term SOFR plus 417.83 basis points with an average maturity of 4.5 years. As at June 30, 2024, the principal amount outstanding under this facility was $120 million.

$500 million term loan facility arranged by State Bank of India

In May 2022, our Company entered into a $500.0 million facility arranged by State Bank of India. The facility is guaranteed by Vedanta Holdings Jersey Limited and Vedanta Holdings Mauritius Limited, each a wholly owned indirect subsidiary of our Company and is secured by charge over the shares and bank accounts of

Vedanta Holdings Jersey Limited and Vedanta Holdings Mauritius Limited, respectively. The facility bears an interest rate of Term SOFR plus 506.448 basis points. The facility was fully drawn in June 2022 and is repayable in five yearly instalments starting from June 2023. As at June 30, 2024, the principal amount outstanding under this facility was $375 million.

$200 million term loan facility arranged by Canara Bank, London Branch

In June 2022, Twin Star entered into a $200.0 million facility arranged by Canara Bank, London Branch. The facility is guaranteed by our Company and Welter and is secured by a charge over the Twin Star's debt service reserve account. The facility bears an interest rate of Term SOFR plus 400 basis points. The facility was fully drawn in June 2022 and is repayable in full on its maturity date, which is the date falling three years from initial utilisation. As at June 30, 2024, the principal amount outstanding under this facility was $200 million.

$100 million term loan facility arranged by Canara Bank, London Branch

In September 2022, our Company entered into a $100.0 million facility arranged by Canara Bank, London Branch. The facility is secured by a charge over our Company's debt service reserve account The facility bears an interest rate per annum of Term SOFR plus 350 basis points. The facility was fully drawn in September 2022 and is repayable in full on its maturity date, which is the date falling three years from initial utilisation. As at June 30, 2024, the principal amount outstanding under this facility was $100 million.

$150 million term loan facility arranged by Union Bank of India, DIFC Branch

In September 2022, Twin Star entered into a $150.0 million facility arranged by Union Bank of India, DIFC Branch. The facility is guaranteed by our Company and Welter. The facility bears an interest rate of Term SOFR plus 420 basis points. The facility was fully drawn in September 2022 and is repayable in three yearly instalments starting the date falling one year after the initial utilisation. As at June 30, 2024, the principal amount outstanding under this facility was $135 million.

$200 million term loan facility from Trafigura Pte Ltd

On May 15, 2023, our Company entered into a $200.0 million facility with Trafigura Pte Ltd. The facility is guaranteed by Welter and Twin Star and is secured by a share pledge over the shares of Richter. The facility bears an interest rate of 12% per annum. The facility was fully drawn in May 2023 and is repayable on its maturity date, which is the date falling six months from initial utilisation, subject to an extension option. As at June 30, 2024, this loan facility has been fully repaid.

$250 million term loan facility from Glencore International AG

On May 25, 2023, our Company entered into a $250.0 million facility with Glencore International AG. The facility is secured by a shares charge over the shares of Finsider International Company Limited ("**Finsider**") and a charge over Finsider's bank account, receivable and agreements. The facility bears an interest rate of Term SOFR plus 550 basis points. The facility was fully drawn in May 2023 and is repayable in eight instalments starting from August 25, 2024 up to its maturity date on May 25, 2026. As at June 30, 2024, this loan facility has been fully repaid.

$1,250 million loan facility arranged by Standard Chartered Bank

On December 13, 2023, our Company entered into a $1,250 million private credit facility with Standard Chartered Bank as the arranger. The facility is guaranteed by our Company, Vedanta UK Holdings Limited, Twin Star Holdings Ltd. and Welter Trading Limited. As at June 30, 2024, the principal amount outstanding under this facility was $1,100 million.

Vedanta Limited

$345 million term loan facility with CIHL as borrower with a greenshoe/accordion option of $100 million

In February 2023, CIHL entered into a $345 million facility (with a greenshoe/accordion option of $100.0 million) with Axis Bank Limited (IFSC Unit), Citigroup Global Markets Asia Limited and ICICI Bank Limited (IFSC Unit) as arrangers. The facility currently bears an interest rate of Term SOFR plus 310.5 basis points with an average maturity of 3.8 years from the date of first drawdown. As at June 30, 2024, the principle amount outstanding was $260 million (₹21.67 billion).

Axis Bank Limited's Rupee corporate loan of ₹50 billion

In November 2015, Vedanta Limited entered into a common Rupee loan agreement with Axis Bank Limited to avail a Rupee term loan of ₹50 billion at an interest rate of Axis bank's base rate plus 30 basis points. The facility is secured by a first ranking *pari passu* mortgage and hypothecation over the fixed assets of Vedanta Limited in respect of the specific aluminium business assets in Odisha. The facility is repayable in 60 quarterly instalments up to December 31, 2030. As at June 30, 2024, the principal amount outstanding was ₹13.94 billion ($167.20 million) (including the amount outstanding on the portion of the loan novated to other banks). The interest rate was reset at Axis Bank's 1-year MCLR plus 115 basis points in May 2020.

Axis Bank Limited novated a part of facility to the following banks:

(i) Loan amount of ₹3.0 billion was novated to Canara Bank. The interest rate was reset at the bank's 1-year MCLR plus 125 basis points in March 2024. As at June 30, 2024, the principal amount outstanding was ₹1.85 billion ($22.19 million).

(ii) Loan amount of ₹5.0 billion was novated to State Bank of India (erstwhile known as State Bank of Hyderabad) and State Bank of Patiala. The interest rate was reset at the bank's 6-month MCLR plus 130 basis points in July 2023. As at June 30, 2024, the principal amount outstanding was ₹3.08 billion ($36.94 million).

(iii) Loan amount of ₹5.0 billion was novated to Bank of Baroda (erstwhile known as Vijaya Bank). The interest rate was reset at the bank's 1-year MCLR plus 15 basis points in August 2023. As at June 30, 2024, the principal amount outstanding was ₹2.89 billion ($34.66 million).

(iv) Loan amount of ₹1.25 billion was novated to Bajaj Finance Limited. The interest rate was reset at the Axis Bank's 1-year MCLR plus spread in November 2021. As at June 30, 2024, the principal amount outstanding was ₹0.94 billion ($11.27 million).

(v) Loan amount of ₹4 billion was novated to Bank of India. The interest rate was reset at the bank's 1-year MCLR plus 15 basis points in May 2024. As at June 30, 2024, the principal amount outstanding was ₹2.28 billion ($27.35 million).

(vi) Loan amount of ₹0.80 billion was novated to Karur Vysya Bank. The interest rate was reset at the bank's 1-year MCLR plus 30 basis points in September 2021. As at June 30, 2024, the principal amount outstanding was ₹0.60 billion ($7.20 million).

(vii) Loan amount of ₹0.60 billion was novated to SBM Bank India Limited. The interest rate was reset at the bank's overnight MCLR plus 45 basis points in July 2021. As at June 30, 2024, the principal amount outstanding was ₹0.44 billion ($5.28 million).

Axis Bank Limited's Rupee corporate loan of ₹12.5 billion

In April 2022, Vedanta Limited entered into a common Rupee loan agreement with Axis Bank Limited to avail a Rupee term loan of ₹12.50 billion at an interest rate of Axis bank's 6-month MCLR plus 10 basis points. The facility is secured by a first ranking *pari passu* mortgage and hypothecation over the fixed assets of Vedanta Limited in respect of the specific aluminium business assets in Odisha along with the insurance contracts in relation to these movable assets and all insurance proceeds arising or in relation thereto. The facility is repayable in 19 quarterly instalments up to December 31, 2027. As at June 30, 2024, the principal amount outstanding was ₹8.94 billion ($107.23 million) (including the amount outstanding on the portion of the loan novated to other banks).

Axis Bank Limited novated a part of facility to the following banks:

(i) Loan amount of ₹5.0 billion was novated to Bank of Maharashtra. As at June 30, 2024, the principal amount outstanding was ₹3.58 billion ($42.94 million).

(ii) Loan amount of ₹2.0 billion was novated to Bajaj Finance Limited. As at June 30, 2024, the principal amount outstanding was ₹1.43 billion ($17.15 million).

(iii) Loan amount of ₹0.45 billion was novated to Catholic Syrian Bank. As at June 30, 2024, the principal amount outstanding was ₹0.34 billion ($4.08 million).

State Bank of India's Rupee corporate loan of ₹12.5 billion

In December 2015, Vedanta Limited entered into a corporate loan agreement with State Bank of India to avail a corporate loan of ₹12.5 billion. The interest rate was reset at the bank's 6-month MCLR plus 130 basis points in July 2023. The facility is secured by a first *pari passu* mortgage and hypothecation over the fixed assets of our Aluminium Business in Odisha. The facility is repayable in 29 quarterly instalments up to March 31, 2025. As at June 30, 2024, the principal amount outstanding was ₹3.91 billion ($46.90 million).

Bank of Baroda Rupee term loan of ₹30 billion

In July 2018, Vedanta Limited entered into a corporate loan agreement with Bank of Baroda to avail a corporate loan of ₹30 billion. The facility was fully drawn in August 2018. The interest rate was reset at the bank's 1-year MCLR plus 75 basis points in August 2023. The facility is secured by a first *pari passu* mortgage and hypothecation on fixed assets pertaining to our Aluminium Business at Jharsuguda, Odisha. The facility is repayable in 32 consecutive structured quarterly instalments starting from June 2020 (post a two-year moratorium). As at June 30, 2024, the principal amount outstanding was ₹21.56 billion ($258.60 million).

Bank of Baroda term loan facility of ₹20 billion

In August 2021, Vedanta Limited entered into a common Rupee loan agreement with Bank of Baroda for a ₹20 billion term loan. The interest was reset at an interest rate of 1-year MCLR plus 100 basis points in August 2023. The facility is secured by a first ranking *pari passu* mortgage and hypothecation over the fixed assets of Vedanta Limited in respect of specific aluminium business assets in Odisha. The facility is repayable in 20 quarterly instalments up to 30 September 2026. As at June 30, 2024, the principal amount outstanding was ₹11.00 billion ($131.94 million).

Bank of Baroda term loan facility of ₹13 billion

In June 2022, Vedanta Limited entered into a common Rupee loan agreement with Bank of Baroda for a ₹13 billion term loan. The interest was reset at an interest rate of 1-year MCLR plus 20 basis points in August 2023. The facility is secured by a first ranking *pari passu* hypothecation over the fixed assets of Vedanta Limited in respect of specific aluminium business assets in Odisha. The facility is repayable in 20 quarterly instalments up to March 31, 2027. As at June 30, 2024, the principal amount outstanding was ₹9.23 billion ($110.71 million).

Union Bank term loan facility of ₹80 billion

In December 2021, Vedanta Limited entered into a common Rupee loan agreement with Union Bank for a ₹80 billion term loan. The interest was reset at an interest rate of 1-year MCLR plus 70 basis points in March 2024. The facility is secured by a first ranking *pari passu* mortgage and hypothecation over the fixed assets of Vedanta Limited in respect of specific aluminium business assets in Odisha, copper plant assets in Silvassa, certain iron ore business assets in Goa and Karnataka, negative lien over assets of the oil and gas business and pledge over 5.77% shares of HZL held by Vedanta Limited. Further, the common Rupee loan agreement was amended in June 2023 to update the security package to (i) include non-disposal undertaking on the 50.1% shares of HZL (i.e. 'NDU Shares'), (ii) amend the definition of 'Pledged Shares' to include such shares of HZL held by Vedanta Limited amounting to 1.1x of the outstanding principal amount of the facility and (iii) create first and exclusive charge on dividends receivable from HZL in relation to the 'Pledged Shares' and 'NDU Shares' and release charge on dividend receivable from HZL in relation to the shares that are neither 'Pledged Shares' nor 'NDU Shares'. The facility is repayable in 24 quarterly instalments up to September 30, 2028. As at June 30, 2024, the principal amount outstanding was ₹60.80 billion ($729.26 million).

Barclays Bank PLC's Rupee term loan of ₹15 billion

In April 2023, Vedanta Limited entered into a Rupee term loan agreement with Barclays Bank PLC to avail a Rupee term loan of ₹15 billion at an interest rate of 9.25% per annum. The facility is secured by a first and exclusive charge over the by way of (i) hypothecation over the movable fixed assets of Vedanta Limited in respect of 400 KTPA Copper Smelter Plant along with 246 KTPA Refinery and Ancillary Plants including 96 KTPA Copper Rod Plant, 1300 KTPA Sulphuric Acid plant and 230 KT Phosphoric Acid Plant at Tuticorin and 160 MW Thermal Power Plant (TPP) at Tuticorin and (ii) pledge over 10,32,37,916 shares of HZL held by Vedanta Limited. The facility is repayable at the end of 15 months from the initial drawdown date. In June 2023, the parties entered into an amendment agreement to amend the Rupee term loan agreement to include certain more favourable clauses basis a new facility availed from another lender. As at 30 June 2024, the principal amount outstanding was ₹15 billion ($179.92 million) (including the amount outstanding on the portion of the loan novated to other banks).

Barclays Bank PLC novated a part of facility to the following banks:

(i) Loan amount of ₹3.0 billion was novated to Axis Finance Limited. As at June 30, 2024, the principal amount outstanding was ₹3.0 billion ($35.98 million).

(ii) Loan amount of ₹1.5 billion was novated to Profitex Shares & Securities Private Limited. As at June 30, 2024, the principal amount outstanding was ₹1.5 billion ($17.99 million).

(iii) Loan amount of ₹0.5 billion was novated to Enam Holdings Private Limited. As at June 30, 2024, the principal amount outstanding was ₹0.5 billion ($6.00 million).

Mashreq Bank external commercial borrowing of $200 million

In March 2022, Vedanta Limited entered into a facility agreement for external commercial borrowing with Mashreq Bank for a $150 million at an interest rate of 3 months SOFR plus 285 basis points. In August 2022 the facility was upsized to $200 million. The facility is secured by a first ranking *pari passu* hypothecation over the fixed assets of Vedanta Limited in respect of specific aluminium and power business assets. The facility is repayable in five equal half yearly instalments up to March 31, 2026. As at June 30, 2024, the principal amount outstanding was $170 million.

Indian Bank external commercial borrowing of $150 million

In January 2023, Vedanta Limited entered into a facilities agreement for external commercial borrowing with Indian Bank for a $150 million at an interest rate of 3 months SOFR plus 275 basis points. The facilities are secured by a first ranking *pari passu* hypothecation over the fixed assets of Vedanta Limited in respect of specific aluminium and power business assets and oil and gas business assets. The facilities were drawn in two tranches of $75 million in February 2023 and $75 million in March 2023 and are repayable in 10 equal half yearly instalments up to January 31, 2028 and January 28, 2028, respectively. As at June 30, 2024, the principal amount outstanding was $132 million.

Non-Convertible Debentures

Vedanta Limited had non-convertible debentures ("**NCDs**") aggregating to ₹130 billion ($156 million) principal outstanding as at June 30, 2024. The details of the material NCDs are as follows:

Issuer	Principal Outstanding as at June 30, 2024	Interest Rate	Maturity Date
Vedanta Limited	₹20.00 billion ($239.89 million)	9.20%	February 25, 2030
Vedanta Limited	₹40.89 billion ($490.44 million)	9.24%	June 29, 2032
Vedanta Limited	₹10.00 billion ($119.94 million)	7.68%	December 31, 2024
Vedanta Limited	₹25.00 billion ($299.86 million)	12.00%	March 15, 2025
Vedanta Limited	₹34.00 billion ($407.80 million)	12.00%	June 11, 2025

In addition to the above indebtedness, Vedanta Limited has entered into various arrangements with lenders in relation to its long-term and short-term borrowings (which includes commercial paper and credit lines) to fund its working capital requirements. Certain of these financing arrangements are secured by movable and immovable assets of Vedanta Limited, including the capital stock of its subsidiaries and, in certain instances, guarantees by Vedanta Limited.

Bharat Aluminium Company Limited

Axis Bank's Rupee term loan facility of ₹15 billion

In September 2019, Bharat Aluminium Company Limited entered into a term loan agreement with Axis Bank Limited for a ₹ 15 billion term loan at an interest rate of Axis Bank's one year MCLR. The facility is secured by a first *pari passu* charge on all present and future moveable fixed assets including but not limited to plant and machinery, spares, tools and accessories (excluding the coal block assets). The facility is repayable in 32 quarterly instalments starting in December 2018. As at June 30, 2024, the principal amount outstanding was ₹99.8 million ($1.19 million).

Canara Bank's Rupee term loan facility of ₹30 billion

In May 2022, Bharat Aluminium Company Limited entered into a Rupee loan agreement with Canara Bank for a ₹ 30 billion term loan at an interest rate of EBLR 2 plus spread, i.e., 220 basis points). This facility is secured by an exclusive first ranking charge by way of hypothecation of Bharat Aluminium Company Limited's entire moveable plants and machinery in relation to the aluminium smelter plant with capacity of 414,000 TPA at Korba, Chhattisgarh (excluding land and civil and structure work thereon). This facility is repayable in 14 quarterly instalments starting from December 2023 after the end of a moratorium period of 18 months. As at June 30, 2024, the principal amount outstanding was ₹14.34 billion ($171.99 million).

Hindustan Zinc Limited

Axis Bank's Rupee term loan facility of ₹15 billion

In March 2023, HZL entered into unsecured Rupee term loan agreement with Axis Bank for a ₹15 billion term loan at an interest rate of repo rate plus 175 basis points per annum. This facility is payable at monthly intervals at a door to door tenure of 24 months with repayment into two tranches: (i) ₹5 billion at the end of 18 months from disbursement; and (ii) ₹10 billion at the end 24 months from disbursement. As at June 30, 2024, the principal amount outstanding was ₹15 billion ($179.91 million).

Axis Bank's Rupee term loan facility of ₹12.5 billion

In September 2023, HZL entered into unsecured Rupee term loan agreement with Axis Bank for a ₹12.5 billion term loan at an interest rate of repo rate plus 190 basis points per annum. This facility is payable at yearly intervals at a door-to-door tenure of 36 months with repayment into 3 tranches: (i) 15% at the end of 12 months from disbursement; (ii) 15% at the end 24 months from disbursement and (iii) 70% at the end of 36 months from disbursement. As at June 30, 2024, the principal amount outstanding was ₹10 billion ($119.94 million).

Bank of Baroda's Rupee term loan facility of ₹20 billion

In September 2023, HZL entered into an unsecured term loan agreement with Bank of Baroda for a ₹20 billion term loan at an interest rate of 6 months. MCLR (reset as per RBI guidelines) plus 20 basis points. This facility is repayable in 3 yearly instalments. As at June 30, 2024, the principal amount outstanding was ₹20 billion ($239.89 million).

HDFC Bank's Rupee term loan facility of ₹ 20 billion

In June 2024, HZL entered into unsecured term loan agreement with HDFC Bank limited for a ₹ 20 billion term loan at interest rate of: (i) 8.15% per annum linked to one month T-Bill for the first disbursement of not less than Rs. 1 billion; and (ii) spread plus 1 month T-Bill prevailing on the previous date of respective tranche disbursement. This facility is payable in yearly instalments with a door-to-door tenor of 3 years.

Talwandi Sabo Power Limited

Power Finance Corporation's term loan facility of 74 billion

In June 2020, TSPL entered into a term loan agreement with Power Finance Corporation to avail a term loan of ₹50 billion consisting of a rupee term loan of ₹40 billion (Term Loan A) and ₹10 billion (Term Loan B). The term loan agreement was amended and restated in September 2023 to include the term loan facility of ₹24 billion (Term Loan C). The term loan bears an interest rate of 9.45% per annum. Term loan A and Term loan B are payable in 177 instalments starting from March 2022 and Term loan C is payable in 156 monthly instalments staring from March 2024. The facility was secured by first ranking mortgage and hypothecation on the assets of TSPL pertaining to the project envisaging development of 1,980 MW coal based thermal power plant, both present and future, assignment by way of security of all rights, titles, interest of TSPL in material project documents, insurance policies, etc along with an unconditional and irrevocable corporate guarantee by Vedanta Limited. As at June 30, 2024, the principal amount outstanding was ₹54.51 billion ($653.81 million).

ESL Steel Limited

Standard Chartered Bank term loan facility of ₹34 billion

In June 2018, Vedanta Star Limited entered into an Indian Rupee loan agreement with Standard Chartered Bank to avail an Indian Rupee term loan of ₹34.0 billion for acquiring shares of ESL in furtherance of the approval of a resolution plan submitted to the NCLT under Section 31 of the Insolvency and Bankruptcy Code, 2016. On January 31, 2020, the NCLT approved the merger scheme between Vedanta Star Limited and ESL. The facility is secured by a hypothecation on all fixed assets of ESL, a corporate guarantee provided by Vedanta Limited in favour of the security trustee and a mortgage on all the immovable properties of ESL. The initial interest rate was set at the aggregate of Standard Chartered Bank's six-month MCLR plus 15 basis points per annum. The facility is repayable from 24 months from the date of utilisation in 33 instalments. In June 2018, loan amount of ₹15 billion was novated to ICICI Bank Limited with an interest rate of ICICI Bank Limited's 1-year MCLR plus 160 basis points per annum. As at June 30, 2024, the principal amount outstanding under this facility was ₹2.87 billion ($34.24 million) (including the amount outstanding on the portion of the loan novated to other banks).

Standard Chartered Bank and ICICI Bank Limited further novated a part of the facility to the following banks and as of June 30, 2024, their principal amount outstanding was nil and ₹14.54 billion ($174.40 million) respectively:

(i) Loan amount of ₹7.36 billion has been novated to Bank of Baroda. As of June 30, 2024, the principal amount outstanding was ₹3.66 billion ($43.90 million) with an interest rate of Bank of Baroda's 1-year MCLR plus 25 basis points per annum.

(ii) Loan amount of ₹5 billion has been novated to Punjab National Bank. As of June 30, 2024, the principal amount outstanding was ₹2.56 billion ($30.70 million) with an interest rate of Punjab National Bank's 1-year MCLR plus 85 basis points per annum.

(iii) Loan amount of ₹4.48 billion has been novated to Bank of India. As of June 30, 2024, the principal amount outstanding was ₹2.57 billion ($30.83 million) with an interest rate of Bank of India's 1-year MCLR 85 basis points per annum.

(iv) Loan amount of ₹5 billion has been novated to Andhra Bank (Union Bank of India). As of June 30, 2024, the principal amount outstanding was ₹2.56 billion ($30.70 million) with an interest rate of Andhra Bank's 1-year MCLR plus 80 basis points per annum.

(v) Loan amount of ₹1 billion has been novated to Karnataka Bank. As of June 30, 2024, the principal amount outstanding was ₹0.51 billion ($6.12 million) with an interest rate of Karnataka Bank's three-month treasury bill plus 123 basis points per annum.

(vi) Loan amount of ₹1.20 billion has been novated to Indian Bank. As of June 30, 2024, the principal amount outstanding was ₹0.61 billion ($7.27 million) with an interest rate of Indian Bank's 1-year MCLR plus 100 basis points per annum.

(vii) Loan amount of ₹0.96 billion has been novated to RBL Bank. As of June 30, 2024, the principal amount outstanding was ₹0.61 billion ($7.27 million) with an interest rate of Indian Bank's 6-month treasury bill plus 333 basis points per annum.

(viii) Loan amount of ₹2 billion has been novated to UCO Bank. As of June 30, 2024, the principal amount outstanding was ₹1.45 billion ($17.39 million) with an interest rate of 1-year MCLR plus 20 basis points per annum.

TERMS AND CONDITIONS OF THE BONDS

The U.S.$300,000,000 10.875 per cent. guaranteed bonds due 2029 (the "New Bonds") will be consolidated and form a single series with the $900,000,000 10.875 per cent. guaranteed senior bonds due 2029 issued by the Issuer on September 17, 2024 (the "Original Bonds" and together with the New Bonds, the "Bonds"). The New Bonds will have the same terms and conditions as the Original Bonds in all respects, except for the issue date, and the New Bonds and the Original Bonds will vote together as a single series on all matters with respect to the Bonds provided that the New Bonds sold will be fungible with the Original Bonds currently held through the Unrestricted Global Certificates after the 40th day following the date of delivery of such New Bonds. Upon the issue of the New Bonds, the aggregate principal amount of outstanding Bonds will be $1,200,000,000.

The following, other than the paragraphs in italics, is the text of the terms and conditions of the Bonds which will be endorsed on the individual certificates ("Individual Certificates") issued in respect of the Bonds.

The issue of the U.S.$900,000,000 10.875 per cent. guaranteed bonds due 2029 (the "Bonds"), which expression shall, unless the context requires, include any bonds issued pursuant to Condition 15 and forming a single series with the Bonds, issued on 17 September 2024 (the "Closing Date"), was authorised by resolutions of the board of directors of Vedanta Resources Finance II PLC (the "Issuer") on 1 September 2024. The Bonds are guaranteed jointly and severally by Vedanta Resources Limited (the "Parent Guarantor") and the Subsidiary Guarantors (as defined in Condition 1(c)) (collectively, the "Guarantors"). The Bonds are constituted by a Trust Deed (as amended and supplemented from time to time, the "Trust Deed") to be dated on or about the Closing Date among the Issuer, the Guarantors and Citicorp International Limited as trustee for the Bondholders (as defined in Condition 1(b)) (the "Trustee", which expression shall include all persons for the time being acting as trustee or trustees under the Trust Deed). These terms and conditions (the "Conditions") include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bonds. The Issuer and the Guarantors will enter into an agency agreement to be dated on or about the Closing Date (the "Agency Agreement") among the Issuer, the Guarantors, the Trustee, Citibank, N.A., London Branch, a banking corporation organized and existing under the laws of the State of New York with limited liability, as paying agent (the "Paying Agent") and transfer agent (the "Transfer Agent"), Citicorp International Limited as registrar (the "Registrar"), and any other paying agents, transfer agents and registrars appointed under it. The Paying Agent, the Transfer Agent, the Registrar and any other paying agents, transfer agents and registrars, each of which expressions shall include the successors and assigns from time to time of the relevant persons, in such capacities, under the Agency Agreement, and are collectively referred to herein as the "Agents". Copies of the Trust Deed and the Agency Agreement are available for inspection during usual business hours at the specified office of the Paying Agent. The Bondholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed, and are deemed to have notice of the provisions of the Agency Agreement applicable to them. Except where the context otherwise requires, all references herein to the Trust Deed and the Agency Agreement shall be deemed to refer to such documents as amended, restated, novated and/or supplemented from time to time (to the extent such amendment, restatement, novation and/or supplement is permitted by these Conditions and the Trust Deed).

1 Form, Denomination, Title, Status and Guarantees

(a) Form and denomination

The Bonds are in registered form in the minimum denomination of U.S.$200,000 each and in integral multiples of U.S.$1,000 in excess thereof, without coupons attached. A bond certificate (each, a "Certificate") will be issued to each Bondholder in respect of its registered holding of Bonds. Each Bond and each Certificate will have an identifying number which will be recorded on the relevant Certificate and in the Register (as defined in Condition 2(a)).

Certificates issued with respect to Rule 144A Bonds will bear the Securities Act Legend (as defined in the Trust Deed), unless determined otherwise in accordance with the provisions of the Agency Agreement by reference to applicable law. Certificates issued with respect to the Regulation S Bonds will not bear the Securities Act Legend. Upon issue, the Rule 144A Bonds will be represented by the Restricted Global Certificate and the Regulation S Bonds will be represented by the Unrestricted Global Certificate. The Restricted Global Certificate will be deposited with a custodian for, and registered in the name of Cede & Co. as nominee of, The Depository Trust Company ("DTC") and the Unrestricted Global Certificate will be deposited with a custodian for, and registered in the name of Cede & Co. as nominee of, DTC for the accounts of Euroclear Bank SA/NV and Clearstream Banking S.A. The Conditions are modified by certain provisions contained in the Global Certificates. See "Summary of Provisions relating to the Bonds while in Global Form."

Except in the limited circumstances described in the Global Certificates and "Summary of Provisions relating to the Bonds while in Global Form," owners of interests in Bonds represented by the Global Certificates will not be entitled to receive Individual Certificates in respect of their individual holdings of Bonds. The Bonds are not issuable in bearer form.

(b) **Title**

Title to the Bonds passes only by transfer and registration in the Register (as defined in Condition 2(a)). The holder of any Bond will (except as otherwise required by law or as ordered by a court of competent jurisdiction) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or the theft or loss of, the Certificate (if any) issued in respect of it or anything written on it or on the relevant Certificate) and no person will be liable for so treating the holder. In these Conditions, "Bondholder" and (in relation to a Bond) "holder" mean the person in whose name a Bond is registered in the Register from time to time.

(c) **Guarantees**

The Parent Guarantor and each initial Subsidiary Guarantor has unconditionally and irrevocably guaranteed, on a joint and several basis, the due payment of all sums expressed to be payable by the Issuer under the Trust Deed and the Bonds. The obligations of each Guarantor in that respect (each a "Guarantee" and collectively the "Guarantees") are contained in the Trust Deed. The obligations of each Guarantor under its Guarantee shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 3(a), at all times rank at least equally with all of its other present and future unsecured and unsubordinated obligations.

The initial Subsidiary Guarantors on the Closing Date are Twin Star Holdings Ltd. ("Twin Star") and Welter Trading Limited ("Welter").

The Parent Guarantor may, in its sole discretion, from time to time, cause any of its Subsidiaries to execute and deliver to the Trustee a supplemental trust deed to the Trust Deed (a "Supplemental Trust Deed") pursuant to which such Subsidiary will guarantee, on a joint and several basis with the then existing Subsidiary Guarantors, the payment of amounts payable under the Bonds or the Trust Deed, *provided* that (other than with respect to VRIL) on the date of such execution and delivery after giving pro forma effect thereto, either (i) such Subsidiary would be permitted to Incur at least U.S.$1.00 of additional Borrowings pursuant to the Subsidiary Guarantor Attributable Leverage Ratio test set forth in the first paragraph of Condition 3(f) or (ii) the Subsidiary Guarantor Attributable Leverage Ratio would be no greater than the actual Subsidiary Guarantor Attributable Leverage Ratio on such date. Each such Subsidiary that guarantees the Bonds after the Closing Date, upon execution of the applicable Supplemental Trust Deed, will be a "Subsidiary Guarantor".

(d) **Status**

The Bonds constitute senior, unsubordinated, direct, unconditional and (subject to Condition 3(a)) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 3(a), at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

2 Transfer of Bonds

(a) **The Register**

The Issuer will cause to be kept at the specified office of the Registrar and in accordance with the terms of the Agency Agreement a register (the "Register") on which shall be entered, on behalf of the Issuer, the names and addresses of the Bondholders from time to time and the particulars of the Bonds held by them and of all transfers and redemptions of Bonds. Each Bondholder shall be entitled to receive only one Certificate in respect of its entire holding.

(b) **Transfers**

Subject to the terms of the Agency Agreement and to Conditions 2(e) and 2(f), a Bond may be transferred by delivering the Certificate issued in respect of it, with the form of transfer on the back duly completed and signed, to the specified office of the Registrar or any of the Transfer Agents. No transfer of a Bond will be valid unless and until entered on the Register.

Transfers of interests in the Bonds evidenced by the Global Certificates will be effected in accordance with the rules of the relevant clearing systems.

Upon the transfer, exchange or replacement of a Rule 144A Bond, a Transfer Agent will only deliver Certificates with respect to Rule 144A Bonds that bear the Securities Act Legend unless there is delivered to such Transfer Agent such satisfactory evidence, which may include an opinion of legal counsel, as may be reasonably required by the Issuer and the Transfer Agent, that neither the Securities Act Legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the US Securities Act of 1933, as amended (the "Securities Act").

Interests in Bonds represented by the Restricted Global Certificate may be transferred to a person who wishes to take delivery of any such interest in the form of an interest in Bonds represented by the Unrestricted Global Certificate only if a Transfer Agent receives a written certificate from the transferor (in the form provided in the Agency Agreement) to the effect that such transfer is being made in accordance with Rule 903 or 904 of Regulation S under the Securities Act ("Regulation S") or Rule 144 under the Securities Act ("Rule 144A") (if available).

Prior to the 40th day after the day of issue of the Bonds (the "Restricted Period"), an interest in Bonds represented by the Unrestricted Global Certificate may be exchanged for an interest in Bonds represented by the Restricted Global Certificate only if a Transfer Agent receives a written certificate from the transferee of the interest in Bonds represented by the Unrestricted Global Certificate (in the form provided in the Agency Agreement) to the effect that the transferee is a qualified institutional buyer (as defined in Rule 144A) and is obtaining such interest in a transaction meeting the requirements of Rule 144A and any applicable securities laws of any state of the United States or any other jurisdiction. After the expiration of the Restricted Period, this certification requirement will no longer apply to such transfers.

Transfers of Bonds are also subject to the restrictions described under "Plan of Distribution" and "Transfer Restrictions".

(c) **Delivery of new Certificates**

Each new Certificate to be issued on transfer of a Bond or Bonds will, within five Business Days of receipt by the relevant Transfer Agent of the duly completed and signed form of transfer, be made available for collection at the specified office of the relevant Transfer Agent or, if so requested in the form of transfer, be mailed by uninsured mail at the risk of the holder entitled to the Bonds transferred (free of charge to the holder), to the address specified in the form of transfer.

Except in the limited circumstances described in "Summary of Provisions relating to the Bonds while in Global Form – Registration of Title", owners of interests in Bonds represented by the Global Certificates will not be entitled to receive physical delivery of Individual Certificates. Issues of Certificates upon transfers of Bonds are subject to compliance by the transferor and transferee with the certification procedures described above and in the Agency Agreement and, in the case of Rule 144A Bonds, compliance with the Securities Act Legend.

Where some but not all of the Bonds in respect of which a Certificate is issued are to be transferred or redeemed, a new Certificate in respect of the Bonds not so transferred or redeemed, will, within five Business Days of delivery or surrender of the original Certificate to the relevant Transfer Agent or Registrar, be made available for collection at the specified office of the Registrar or, if so requested by the holder, be mailed by uninsured mail at the risk of the holder of the Bonds not so transferred or redeemed (free of charge to the holder), to the address of such holder appearing on the Register.

In this Condition 2, "Business Day" means a day (other than a Saturday or a Sunday) on which banks are open for business in the city in which the specified office of the Registrar and the relevant Transfer Agent to which the Certificate in respect of the Bonds to be transferred or relevant form of transfer is delivered is situated.

(d) **Formalities free of charge**

Registration of transfer of Bonds will be effected without charge by or on behalf of the Issuer or any of the Transfer Agents, but only upon the person making such application for transfer, paying or procuring the payment (or the giving of such indemnity as the Issuer or any of the Transfer Agents may require) of any tax, duty or other governmental charges which may be imposed in relation to such transfer.

(e) **Closed periods**

No Bondholder may require the transfer of a Bond to be registered during the period of 15 days ending on (and including) the due date for any payment of principal of that Bond or seven days ending on (and including) any Interest Record Date (as defined in Condition 6(a)).

(f) **Regulations**

All transfers of Bonds and entries on the Register will be made subject to the detailed regulations concerning transfer of Bonds scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Trustee and the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Bondholder upon written request.

3 Covenants

(a) **Negative pledge**

So long as any Bond remains outstanding (as defined in the Trust Deed), neither the Issuer nor any Guarantor will create or permit to subsist any Security upon any (i) assets directly held by the Issuer or any Guarantor or (ii) Specified Assets, present or future, to secure any Indebtedness or any guarantee or indemnity in respect of any Indebtedness, unless, at the same time or prior thereto, the Issuer's obligations under the Bonds and the Trust Deed (x) are secured equally and rateably therewith in substantially identical terms thereto, in each case to the satisfaction of the Trustee; or (y) have the benefit of such other security or other arrangement as the Trustee in its absolute discretion shall deem to be not materially less beneficial to the Bondholders or as shall be approved by an Extraordinary Resolution of the Bondholders; *provided* that this clause (a) shall not apply to Security (x) arising by operation of law, (y) with respect solely to clause (a)(i), created in respect of Indebtedness (which for this purpose shall exclude (i) Relevant Debt, (ii) the Amended 2025 Bonds, (iii) any Indebtedness secured over any debt service reserve account(s) and (iv) any Indebtedness secured over any inter-group loans) in an aggregate principal amount, taken together (and without double counting) with (A) the aggregate principal amount of any Borrowings Incurred in compliance with the proviso in Condition 3(i) and (B) any outstanding Specified Secured Borrowings (as defined in Condition 3(i)), not exceeding 10 per cent. of Total Assets (or the Dollar Equivalent thereof); or (z) over the Specified Assets created in respect of (a) the Private Credit Facility, (b) any Permitted PCF Refinancing Borrowings, (c) the Amended 2024 Bonds II and (d) the Amended 2025 Bonds. For the avoidance of doubt, the foregoing restriction with respect solely to clause (a)(i) shall not apply to Security upon assets held by any Subsidiary (other than the Issuer or any Subsidiary Guarantor) (other than assets that are jointly held with the Issuer or any Guarantor).

The Guarantors shall make such disclosures as may be required in connection with negative pledge and other encumbrances created over the shares of any Listed Indian Subsidiary, in accordance with and within the timelines prescribed under the Indian Takeover Regulations.

As used in these Conditions:

"Excluded Indebtedness" means any Indebtedness to finance or refinance the ownership, acquisition, development and/or operation of projects, assets or installations (the "Relevant Property") in respect of which the person or persons (in this definition the "Lender") to whom any Indebtedness is or may be owed by the relevant borrower (whether or not a member of the Group) has or have no recourse whatsoever to any member of the Group for the repayment of all or any portion of such Indebtedness other than recourse to:

(i) such borrower for amounts limited to the present and future cash flow or net cash flow from the Relevant Property; and/or

(ii) the proceeds of enforcement of any Security given by such borrower over the Relevant Property or the income, cash flow or other proceeds deriving therefrom (or given by any shareholder or the like in the borrower over its shares or the like in the capital of the borrower) to secure such Indebtedness, *provided* that:

    (A) the extent of such recourse to such borrower is limited solely to the amount of any recoveries made on any such enforcement; and

    (B) such Lender is not entitled, by virtue of any right or claim arising out of or in connection with such Indebtedness, to commence proceedings for the winding-up or dissolution of such borrower or to appoint or procure the appointment of any receiver, trustee or similar person or officer in respect of such borrower generally or any of its projects, assets or installations (save for the Relevant Property the subject of such security); and/or

(C) such borrower generally, or directly or indirectly to a member of the Group, under any form of assurance, undertaking or support, which recourse is limited to a claim for damages (other than liquidated damages and damages required to be calculated in a specified way) for breach of an obligation (not being a payment obligation or an obligation to procure payment by another person or an indemnity in respect thereof or an obligation to comply or to procure compliance by another person with any financial ratios or other tests of financial condition) by the person against whom such recourse is available; and/or

(D) any Subsidiary of the Parent Guarantor by way of guarantee of such Indebtedness (but not benefiting from any security or quasi-security from that Subsidiary of the Parent Guarantor);

"Group" means the Parent Guarantor and its Subsidiaries;

"Indebtedness" means any obligation (whether present or future, actual or contingent, secured or unsecured, as principal, surety or otherwise) for the payment or repayment of money;

"Indian Takeover Regulations" means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and all circulars, notifications and clarifications issued thereunder, each as amended and replaced, from time to time.

"Relevant Debt" means any present or future indebtedness (other than Excluded Indebtedness) of the Issuer, any Guarantor or any other person in the form of, or represented by, bonds, notes, debentures, loan stock or other securities, which are for the time being, or are capable of being, quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other securities market, have an original maturity of more than one year from their date of issue and are denominated, payable or optionally payable in a currency other than Rupees or are denominated in Rupees and more than 50 per cent. of the aggregate principal amount of which is initially distributed outside India by or with the authority of the Parent Guarantor;

"Subsidiary" means (a) any corporation or other entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions are at the time directly or indirectly owned by the Parent Guarantor or (b) any subsidiary subject to consolidation with the Parent Guarantor's financial statements prepared in accordance with Applicable Accounting Principles or applicable law; and

"Total Assets" means the aggregate of consolidated total current assets and consolidated total non-current assets of:

(i) the Parent Guarantor as shown in the balance sheet of the latest available audited consolidated financial statements of the Parent Guarantor; and

(ii) any Subsidiary of the Parent Guarantor acquired by the Parent Guarantor or any Subsidiary of the Parent Guarantor since the date of the latest available audited consolidated financial statements of the Parent Guarantor as shown in the balance sheet of the latest available audited consolidated financial statements of such Subsidiary.

(b) **Dividend restriction**

The Issuer shall not, each Guarantor shall not, and the Parent Guarantor shall procure that each of the Material Subsidiaries shall not, create or otherwise cause or permit to exist or become effective any consensual encumbrance or restriction on the ability of the Issuer, any Subsidiary Guarantor or any Material Subsidiary to pay dividends or make any other distribution with respect to its Share Capital or to make or repay loans to the Issuer, any Guarantor or any Material Subsidiary, other than:

(a) the subordination of any Indebtedness made to the Issuer, any Guarantor or any of the Material Subsidiaries to any other Indebtedness of the Issuer, any Guarantor or any of the Material Subsidiaries; *provided* that:

(i) such other Indebtedness is permitted under these Conditions; and

(ii) such subordination would not singly or in the aggregate have a materially adverse effect on the ability of the Issuer or any Guarantor to meet its obligations under the Bonds and the Guarantees;

(b) such encumbrance or restriction in relation to any Indebtedness of the Issuer, any Subsidiary Guarantor or any Material Subsidiary or other assurance against financial loss where such encumbrance or restriction relates to payment of dividends or other distributions during the continuance of an event of default (howsoever described) which has occurred pursuant to the terms of that Indebtedness;

(c) such encumbrance or restriction arising by operation of law;

(d) such encumbrance or restriction as is in existence on the Closing Date; or

(e) in respect of any Person (including any existing Subsidiary of the Parent Guarantor) which becomes a Material Subsidiary after the Closing Date, any encumbrance or restrictions on such Person as may be in existence on the date such Person becomes a Material Subsidiary, provided such restrictions were not imposed in contemplation of such Person becoming a Material Subsidiary;

provided that this Condition 3(b) shall not restrict any Material Subsidiary from issuing Preferred Stock otherwise in accordance with these terms of the Conditions.

(c) **Limitation on Borrowings**

(i) The Parent Guarantor shall not, and shall procure that each of its Subsidiaries shall not, Incur directly or indirectly any Borrowings, and the Parent Guarantor shall procure that each of its Subsidiaries shall not issue any Preferred Stock; *provided* that the Parent Guarantor may Incur Borrowings and any Subsidiary of the Parent Guarantor may Incur Borrowings or issue Preferred Stock if, after giving pro forma effect to the Incurrence of such Borrowings or issuance of Preferred Stock and the application of the proceeds thereof, the Fixed Charge Coverage Ratio would be not less than:

(w) 1.75 to 1.0 if such Incurrence occurs prior to the date when the Parent Guarantor's consolidated financial statements as of, and for the fiscal year ending, 31 March 2025, become available (prepared in accordance with Applicable Accounting Principles and which the Parent Guarantor shall use its best efforts to compile in a timely manner and which may be internal management accounts);

(x) 2.00 to 1.0 if such Incurrence occurs thereafter but prior to the date when the Parent Guarantor's consolidated financial statements as of, and for the fiscal year ending, 31 March 2026, become available (prepared in accordance with Applicable Accounting Principles and which the Parent Guarantor shall use its best efforts to compile in a timely manner and which may be internal management accounts);

(y) 2.25 to 1.0 if such Incurrence occurs thereafter but prior to the date when the Parent Guarantor's consolidated financial statements as of, and for the fiscal year ending, 31 March 2027, become available (prepared in accordance with Applicable Accounting

Principles and which the Parent Guarantor shall use its best efforts to compile in a timely manner and which may be internal management accounts); and

(z) 2.50 to 1.0 if such Incurrence occurs thereafter.

(ii) Notwithstanding the foregoing, the Parent Guarantor and any Subsidiary of the Parent Guarantor may Incur, to the extent provided below, each and all of the following ("Permitted Borrowings"):

(a) Borrowings represented by the Bonds issued on the Closing Date and the Guarantees;

(b) Borrowings of the Parent Guarantor or any Subsidiary of the Parent Guarantor outstanding on the Closing Date;

(c) Borrowings Incurred (w) by the Parent Guarantor or any Subsidiary of the Parent Guarantor which is issued in exchange for, or the net proceeds of which are used to refinance or refund, replace, exchange, renew, repay, defease, discharge or extend (collectively, "refinance", and "refinancing", "refinances" and "refinanced" shall have correlative meanings) ("Permitted Refinancing Borrowings") then outstanding Borrowings (or Borrowings that are no longer outstanding, but that were refinanced substantially concurrently with the Incurrence of such Permitted Refinancing Borrowings) Incurred under clause (c)(i) or sub-clauses (c)(ii)(a), (c)(ii)(b), (c)(ii)(c) or (c)(ii)(e) and any refinancing thereof in an amount not to exceed the amount so refinanced (plus premiums, accrued interest, fees and expenses), *provided that*, such Borrowings to be refinanced are fully and irrevocably repaid no later than 90 days after the Incurrence of such Permitted Refinancing Borrowings; (x) by the Parent Guarantor or any Subsidiary of the Parent Guarantor used to pay any accrued interest on then outstanding Borrowings; and (y) by Hindustan Zinc Limited (or any of its successors or assigns) ("HZL") in an aggregate principal amount at any one time outstanding (together with refinancings thereof) not exceeding the product of (I) the amount of any Borrowings of Vedanta Limited (or any of its successors or assigns) which have been refinanced (together with any accrued interest and premium, if any, paid thereon) from dividends received directly or indirectly from HZL no earlier than 90 days before and no later than 90 days after the Incurrence of such Borrowings by HZL and (II) the quotient of (A) 100% *divided by* (B) the percentage ownership of Capital Stock in HZL held directly by Vedanta Limited (or any of its successors or assigns) or any of its wholly-owned Subsidiaries at the time such dividends were paid by HZL (or the Dollar Equivalent thereof);

(d) Borrowings incurred by the Parent Guarantor or any Subsidiary of the Parent Guarantor with a maturity of one (1) year or less used by the Parent Guarantor or any Subsidiary of the Parent Guarantor for working capital purposes (or any guarantee or indemnity given by the Parent Guarantor or any Subsidiary of the Parent Guarantor in relation thereto) (together with refinancings thereof);

(e) Borrowings Incurred by the Parent Guarantor or any Subsidiary of the Parent Guarantor represented by Capitalized Lease Obligations or purchase money obligations in the ordinary course of business to finance all or any part of the Incurred or to be Incurred purchase price or cost of construction, installation or improvement of property (real or personal) (including the lease purchase price of land use rights), plant or equipment (including through the acquisition of Capital Stock of any Person that owns property, plant or equipment which has or will, upon such acquisition, become a Subsidiary of the Parent Guarantor) to be used in the Permitted Business; *provided that* on the date of Incurrence of such Borrowings and after giving effect thereto, the aggregate principal amount of such

Borrowings at any time outstanding (together with refinancings thereof) shall not exceed an amount equal to 5.0% of Total Assets (or the Dollar Equivalent thereof); and

(f) guarantees by the Parent Guarantor or any Subsidiary of the Parent Guarantor of Borrowings of the Parent Guarantor or any Subsidiary of the Parent Guarantor that was permitted to be Incurred by another provision of this covenant.

For purposes of determining compliance with this Condition (3)(c), if an item of Borrowings meets the criteria of more than one of the types of Permitted Borrowings or is permitted to be Incurred pursuant to paragraph (c)(i) of this covenant, the Parent Guarantor may, in its sole discretion, classify such item of Borrowings and only be required to include the amount of such Borrowings as one of such types.

Notwithstanding any other provision of this covenant, the maximum amount of Borrowings that the Parent Guarantor or any Subsidiary of the Parent Guarantor may Incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in the exchange rate of currencies. For purposes of determining compliance with any U.S. dollar-denominated restriction on the incurrence of Borrowings, the Dollar Equivalent principal amount of Borrowings denominated in a foreign currency shall be calculated based on the relevant currency exchange rate in effect on the date such Borrowings was incurred (or first committed, in the case of revolving credit debt); *provided,* that if such Borrowings is incurred to refinance other Borrowings denominated in a foreign currency, and such refinancing would cause the applicable U.S. dollar denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such U.S. dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing Borrowings does not exceed the principal amount of such Borrowings being refinanced. The principal amount of any Borrowings Incurred to refinance other Borrowings, if Incurred in a different currency from the Borrowings being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such respective Borrowings is denominated that is in effect on the date of such refinancing.

(d) **Accounts**

The Parent Guarantor agrees that:

(i) as soon as reasonably practicable after the issue or publication thereof and in any event within 180 days after the end of each financial year (beginning with 31 March 2025) it will deliver to the Trustee and the specified office of each of the Paying Agents a copy of its annual report and audited Accounts (in the English language) as of the end of and for such financial year, and will establish, announce and conduct one conference call with all the holders of Bonds (including the beneficial owners thereof), the contents of which will be limited to such annual report and audited Accounts and any other publicly available information regarding the Parent Guarantor and its Subsidiaries;

(ii) as soon as reasonably practicable after the issue or publication thereof (and in any event within 90 days after the end of each six-month period ending on 30 September of each financial year if the Common Stock of Vedanta Limited is not listed on an internationally recognized stock exchange), it will deliver to the Trustee and the specified office of each of the Paying Agents a copy of its unaudited interim Accounts (in the English language) as of the end of and for each six-month period ending on 30 September (beginning with 30 September 2024), *provided* that if and to the extent that the financial statements are not prepared or adjusted on a basis consistent with that used for the preceding relevant semi-annual or annual fiscal period, that fact shall be stated, and will establish, announce and conduct one conference call with all the holders of Bonds (including the beneficial owners thereof), the contents of which will be limited to such unaudited interim Accounts and any other publicly available information regarding the Parent Guarantor and its Subsidiaries;

(iii) if the Common Stock of Vedanta Limited or any Material Demerged Entity is not listed on an internationally recognized stock exchange, as soon as reasonably practicable after the issue or publication thereof:

(A) and in any event within 180 days after the end of each financial year, it will deliver to the Trustee and the specified office of each of the Paying Agents, a copy of the annual report and audited accounts for (as applicable) Vedanta Limited and/or any such Material Demerged Entity as of the end of and for such financial year, along with key production data for such financial year;

(B) and in any event within 90 days after the end of each six-month period ending on 30 September of each financial year, it will deliver to the Trustee and the specified office of each of the Paying Agents, a copy of the unaudited interim accounts for (as applicable) Vedanta Limited and/or any such Material Demerged Entity as of the end of and for each six-month period ending on 30 September, along with key production data for such six-month period; and

(C) and in any event within 90 days after the end of each quarterly period ending 30 June and 31 December of each financial year, it will deliver to the Trustee and the specified office of each of the Paying Agents, a copy of the unaudited interim accounts for (as applicable) Vedanta Limited and/or any such Material Demerged Entity as of and for each quarterly period ending on 30 June and 31 December, along with key production data for each such quarterly period;

(iv) with each set of Accounts delivered by it under Conditions 3(d)(i) and 3(d)(ii), it will deliver to the Trustee and the specified office of each of the Paying Agents the Compliance Certificate.

(e) **Limitation on Issuer's activities**

The Issuer shall not, and the Parent Guarantor will procure that the Issuer will not, carry on any business activity whatsoever other than in connection with the issue of debt (including the Bonds) and any other activities reasonably incidental thereto (such activities shall, for the avoidance of doubt, include (i) the entry into currency and interest rate swap transactions and the on-lending of the proceeds of the issue of such debt and/or such swap transactions to the Parent Guarantor or any other Subsidiaries of the Parent Guarantor, (ii) activities undertaken to fulfill its obligations under such debt including under the Bonds, the Trust Deed and the Agency Agreement, and such swap transactions, (iii) redemptions, purchases, consent solicitations and tender and exchange offers in respect of such debt and (iv) activities directly related to the establishment and maintenance of the Issuer's corporate existence).

(f) **Additional limitations relating to Subsidiary Guarantors**

In addition to the limitations in Condition 3(c), the Subsidiary Guarantors (other than VRIL) shall not, directly or indirectly, Incur any Borrowings (other than (i) Permitted Refinancing Borrowings that refinances outstanding Borrowings of such Subsidiary Guarantor and (ii) Borrowings Incurred by such Subsidiary Guarantor where the obligee is the Parent Guarantor or another Subsidiary Guarantor); *provided* that the Subsidiary Guarantors may Incur Borrowings (other than Borrowings to refinance any Short-Term Acquisition Financing or refinancing thereof) if, (x) such Incurrence (other than the Incurrence of (a) Borrowings existing on the Closing Date and (b) any Permitted Borrowings) does not take place within ten (10) Indian Business Days of any Demerger and (y) after giving *pro forma* effect to such Incurrence and the application of the proceeds thereof:

(i) the Subsidiary Guarantor Attributable Leverage Ratio would not exceed:

(A) 6.0 to 1.0 if such Incurrence occurs prior to the date when the Parent Guarantor's consolidated financial statements become available as of, and for the semi-annual period ending, September 30, 2025 (prepared in accordance with Applicable Accounting Principles which the Parent Guarantor shall use its best efforts to compile in a timely manner and which may be internal management accounts); or

(B) 5.5 to 1.0 if such Incurrence occurs thereafter; and

(ii) either

(A) (I) the aggregate amount of Borrowings of the Subsidiary Guarantors as of the applicable date of determination would not exceed the amount equal to the product of:

(x) U.S.$4.45 billion, *multiplied by*:

(y) either:

(1) prior to the First Demerger Date, the quotient of (a)(i) the percentage of Capital Stock of Vedanta Limited directly held by the Subsidiary Guarantors as of such date *plus* (ii) the Vedanta Primary Dilution Adjustment *divided by* (b) 40.99%; or

(2) on or after the First Demerger Date, the aggregate of:

(u) the aggregate of:

(I) the product of (i) the applicable Weighted Percentage of the/a particular First Demerged Entity *multiplied by* (ii) the quotient of (a)(1) the percentage of Capital Stock of such First Demerged Entity directly held by the Subsidiary Guarantors as of such date *plus* (2) the applicable Demerged Entity Primary Dilution Adjustment *divided by* (b) 40.99%; *plus*

(II) if applicable, the product of (i) the applicable Weighted Percentage of any other First Demerged Entity(ies) *multiplied by* (ii) the quotient of (a)(1) the applicable percentage of Capital Stock of such other applicable First Demerged Entity(ies) directly held by the Subsidiary Guarantors as of such date *plus* (2) the applicable Demerged Entity Primary Dilution Adjustment, in each case, *divided by* (b) 40.99%; *plus*

(v) if applicable, the aggregate of:

(I) the product of (i) the applicable Weighted Percentage of the/a particular Second Demerged Entity *multiplied by* (ii) the quotient of (a)(1) the percentage of Capital Stock of such Second Demerged Entity directly held by the Subsidiary Guarantors as of such date *plus* (2) the applicable Demerged Entity Primary Dilution Adjustment, *divided by* (b) 40.99%; *plus*

(II) if applicable, the product of (i) the applicable Weighted Percentage of any other Second Demerged Entity(ies) *multiplied by* (ii) the quotient of (a)(1) the applicable percentage of Capital Stock of such other applicable Second Demerged Entity(ies) directly held by the Subsidiary Guarantors as of such date *plus* (2) the applicable Demerged Entity Primary Dilution Adjustment, in each case, *divided by* (b) 40.99%; *plus*

(w) if applicable, the aggregate of:

(I) the product of (i) the applicable Weighted Percentage of the/a particular Third Demerged Entity *multiplied by* (ii) the quotient of (a)(1) the percentage of Capital Stock of such Third Demerged Entity directly held by the Subsidiary Guarantors as of such date *plus* (2) the applicable Demerged Entity Primary Dilution Adjustment, *divided by* (b) 40.99%; *plus*

(II) if applicable, the product of (i) the applicable Weighted Percentage of any other Third Demerged Entity(ies) *multiplied by* (ii) the quotient of (a)(1) the applicable percentage of Capital Stock of such other applicable Third Demerged Entity(ies) directly held by the Subsidiary Guarantors as of such date *plus* (2) the applicable Demerged Entity Primary Dilution Adjustment, in each case, *divided by* (b) 40.99%; *plus*

(x) if applicable, the aggregate of:

(I) the product of (i) the applicable Weighted Percentage of the/a particular Fourth Demerged Entity *multiplied by* (ii) the quotient of (a)(1) the percentage of Capital Stock of such Fourth Demerged Entity directly held by the Subsidiary Guarantors as of such date *plus* (2) the applicable Demerged Entity Primary Dilution Adjustment, *divided by* (b) 40.99%; *plus*

(II) if applicable, the product of (i) the applicable Weighted Percentage of any other Fourth Demerged Entity(ies) *multiplied by* (ii) the quotient of (a)(1) the applicable percentage of Capital Stock of such other applicable Fourth Demerged Entity(ies) directly held by the Subsidiary Guarantors as of such date *plus* (2) the applicable Demerged Entity Primary Dilution Adjustment, in each case *divided by* (b) 40.99%; *plus*

(y) if applicable, the aggregate of the product of (i) the applicable Weighted Percentage of the Fifth Demerged Entity *multiplied by* (ii) the quotient of (a)(1) the percentage of Capital Stock of such Fifth Demerged Entity directly held by the Subsidiary Guarantors as of such date *plus* (2) the applicable Demerged Entity Primary Dilution Adjustment, *divided by* (b) 40.99%; *plus*

(z) the product of (i) the difference between (X) 100% and (Y) the sum of all applicable Weighted Percentages of all Demerged Entities (other than Vedanta Limited) (expressed as a percentage) *multiplied by* (ii) the quotient of (a)(1) the percentage of Capital Stock of Vedanta Limited directly held by the Subsidiary Guarantors as of such date *plus* (2) the Vedanta Primary Dilution Adjustment, *divided by* (b) 40.99%; and

(II) the aggregate amount of Borrowings of the Subsidiary Guarantors as of the applicable date of determination (excluding Borrowings owed by Twin Star to Cairn India Holdings Limited outstanding on the Closing Date) would not exceed the amount equal to the product of:

(x) U.S.$4.0 billion, *multiplied by*:

(y) either:

(1) prior to the First Demerger Date, the quotient of (a)(i) the percentage of Capital Stock of Vedanta Limited directly held by the Subsidiary Guarantors as of such date *plus* (ii) the Vedanta Primary Dilution Adjustment, *divided by* (b) 40.99%; or

(2) on or after the First Demerger Date, the aggregate of:

(u) the aggregate of:

(I) the product of (i) the applicable Weighted Percentage of the/a particular First Demerged Entity *multiplied by* (ii) the quotient of (a)(1) the percentage of Capital Stock of such First Demerged Entity directly held by the Subsidiary Guarantors as of such date *plus* (2) the applicable Demerged Entity Primary Dilution Adjustment, *divided by* (b) 40.99%; *plus*

(II) if applicable, the product of (i) the applicable Weighted Percentage of any other First Demerged Entity(ies) *multiplied by* (ii) the quotient of (a)(1) the applicable percentage of Capital Stock of such other applicable First Demerged Entity(ies) directly held by the Subsidiary Guarantors as of such date *plus* (2) the applicable Demerged Entity Primary Dilution Adjustment, in each case, *divided by* (b) 40.99%; *plus*

(v) if applicable, the aggregate of:

(I) the product of (i) the applicable Weighted Percentage of the/a particular Second Demerged Entity *multiplied by* (ii) the quotient of (a)(1) the percentage of Capital Stock of such Second Demerged Entity directly held by the Subsidiary Guarantors as of such date *plus* (2) the applicable Demerged Entity Primary Dilution Adjustment, *divided by* (b) 40.99%; *plus*

(II) if applicable, the product of (i) the applicable Weighted Percentage of any other Second Demerged Entity(ies) *multiplied by* (ii) the quotient of (a)(1) the applicable percentage of Capital Stock of such other applicable Second Demerged Entity(ies) directly held by the Subsidiary Guarantors as of such date *plus* (2) the applicable Demerged Entity Primary Dilution Adjustment, in each case, *divided by* (b) 40.99%; *plus*

(w) if applicable, the aggregate of:

(I) the product of (i) the applicable Weighted Percentage of the/a particular Third Demerged Entity *multiplied by* (ii) the quotient of (a)(1) the percentage of Capital Stock of such Third Demerged Entity directly held by the Subsidiary Guarantors as of such date *plus* (2) the applicable Demerged Entity Primary Dilution Adjustment, *divided by* (b) 40.99%; *plus*

(II) if applicable, the product of (i) the applicable Weighted Percentage of any other Third Demerged Entity(ies) *multiplied by* (ii) the quotient of (a)(1) the applicable percentage of Capital Stock of such other applicable Third Demerged Entity(ies) directly held by the Subsidiary Guarantors as of such date *plus* (2) the applicable Demerged Entity Primary Dilution Adjustment, in each case, *divided by* (b) 40.99%; *plus*

(x) if applicable, the aggregate of:

(I) the product of (i) the applicable Weighted Percentage of the/a particular Fourth Demerged Entity *multiplied by* (ii) the quotient of (a)(1) the percentage of Capital Stock of such Fourth Demerged Entity directly held by the Subsidiary Guarantors as of such date *plus* (2) the applicable Demerged Entity Primary Dilution Adjustment, *divided by* (b) 40.99%; *plus*

(II) if applicable, the product of (i) the applicable Weighted Percentage of any other Fourth Demerged Entity(ies) *multiplied by* (ii) the quotient of (a)(1) the applicable percentage of Capital Stock of such other applicable Fourth Demerged Entity(ies) directly held by the Subsidiary Guarantors as of such date *plus* (2) the applicable Demerged Entity Primary Dilution Adjustment *divided by* (b) 40.99%; *plus*

(y) if applicable, the aggregate of the product of (i) the applicable Weighted Percentage of the Fifth Demerged Entity *multiplied by* (ii) the quotient of (a)(1) the percentage of Capital Stock of such Fifth Demerged Entity directly held by the Subsidiary Guarantors as of such date *plus* (2) the applicable Demerged Entity Primary Dilution Adjustment, *divided by* (b) 40.99%; *plus*

(z) the product of (i) the difference between (X) 100% and (Y) the sum of all applicable Weighted Percentages of all Demerged Entities (other than Vedanta Limited) (expressed as a percentage) *multiplied by* (ii) the quotient of (a)(1) the percentage of Capital Stock of Vedanta Limited directly held by the Subsidiary Guarantors as of such date *plus* (2) the Vedanta Primary Dilution Adjustment, *divided by* (b) 40.99%; or

(B) the Fixed Charge Coverage Ratio would be not less than 3.5 to 1.0.

In addition to the limitations in Condition 3(c), any Subsidiary any Capital Stock of which is owned, directly or indirectly, by any Subsidiary Guarantor shall not, and the Parent Guarantor shall procure that any such Subsidiary shall not, directly or indirectly, Incur any Borrowings; provided, however, that any such Subsidiary may Incur Borrowings if the Subsidiary Guarantor Attributable Leverage Ratio, as of the last date of the most recent four quarter period for which consolidated financial statements of the Parent Guarantor prepared in accordance with Applicable Accounting Principles (which the Parent Guarantor shall use its best efforts to compile in a timely manner and which may be internal management accounts) are available, after giving pro forma effect to such Incurrence and the Incurrence of all other Borrowings Incurred by such Subsidiary after such four quarter period and the application of the proceeds thereof would not exceed (i) 6.0 to 1.0 if such Incurrence occurs prior to the date when the Parent Guarantor's consolidated financial statements are available as of, and for the six months ending, September 30, 2025 (prepared in accordance with Applicable Accounting Principles which the Parent Guarantor shall use its best efforts to compile in a timely manner and which may be internal management accounts) or (ii) 5.5 to 1.0 if such Incurrence occurs thereafter. Notwithstanding the foregoing, any such Subsidiary may Incur Permitted Borrowings and Short-Term Acquisition Financing.

The Subsidiary Guarantors and any Subsidiary any Capital Stock of which is owned, directly or indirectly, by any Subsidiary Guarantor shall not, and the Parent Guarantor shall procure that such Persons shall not, directly or indirectly, issue, sell, transfer or otherwise dispose of, or purchase or otherwise acquire any Capital Stock; provided, however, that any such Person may issue, sell, transfer or dispose of, or purchase or otherwise acquire, any Capital Stock if, after giving pro forma effect to such transaction and the application of the proceeds thereof, (i) the Subsidiary Guarantor Attributable Leverage Ratio would not exceed (A) 6.0 to 1.0 if such Incurrence occurs prior to the date when the Parent Guarantor's consolidated financial statements are available as of, and for the six months ending, September 30, 2025 (prepared in accordance with Applicable Accounting Principles which the Parent Guarantor shall use its best efforts to compile in a timely manner and which may be internal management accounts) or (B) 5.5 to 1.0 if such Incurrence occurs thereafter or (ii) (A) in the case of any such transaction in respect of Capital Stock of a Subsidiary Guarantor, the percentage ownership of Capital Stock of such Subsidiary Guarantor owned, directly or indirectly, by the Parent Guarantor would be the same as such percentage ownership immediately prior to such transaction or (B) in the case of any such transaction in respect of Capital Stock of a Subsidiary any Capital Stock of which is owned, directly or indirectly, by any Subsidiary Guarantor, the percentage ownership of Capital Stock of such Subsidiary owned, directly or indirectly, by such Subsidiary Guarantor would be the same as such percentage ownership immediately prior to such transaction.

So long as any Bond remains outstanding (as defined in the Trust Deed), no Subsidiary Guarantor will create or permit to subsist any Security upon any Capital Stock directly held by such Subsidiary Guarantor, present or future; *provided* that this paragraph shall not apply to (i) Security arising by operation of law and (ii) Security upon Capital Stock of any borrower of Short-Term Acquisition Financing to secure such Short-Term Acquisition Financing.

For the avoidance of doubt, nothing in this Condition 3(f) shall be construed (and is not intended to be construed) as creating any encumbrance as defined under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 on the assets of Vedanta Limited and any subsidiary of Vedanta Limited listed in India.

As used in these Conditions:

"Applicable VWAP" means, as of a particular date of determination, the ten (10) Indian Business Day volume weighted average price of the applicable Capital Stock of the applicable Demerged Entity determined as of such date.

"Demerged Entity" means Vedanta Limited or any other person to whom any assets of Vedanta Limited are directly or indirectly transferred as part of a demerger or equivalent corporate reorganisation of Vedanta Limited or of any other Demerged Entity (pursuant to a Demerger or otherwise) and, in each case, shares in whom are issued to shareholders of Vedanta Limited or, as applicable, such other Demerged Entity, as consideration for such transfer, and shall include each Resulting Company which has undergone a Demerger.

"Demerged Entity Primary Dilution Adjustment" means with respect to a particular Demerged Entity, for any applicable date of determination, the net decrease, if any, in the percentage of Capital Stock of such Demerged Entity directly held by the Subsidiary Guarantors during the period (x) commencing on the date on which the applicable Demerger is made effective in respect of such Demerged Entity and (y) ending on such date of determination, solely as a result of the dilutive effect from any primary issuance of Capital Stock by such Demerged Entity during such period.

"Demerger" means each transfer of a business undertaking of Vedanta Limited into a Demerged Entity (other than Vedanta Limited) and the listing of equity shares of such Demerged Entity on either the BSE Limited, the National Stock Exchange of India Limited and/or any other internationally recognized stock exchange, pursuant to the implementation of the Scheme.

"EBITDA" for any Person means, for any period, the amount equal to:

(i) "operating profit"; plus

(ii) "depreciation"; plus

(iii) "special items" reducing "operating profit"; minus

(iv) "special items" increasing "operating profit,"

for such Person, in each case as it is presented on the standalone financial statements of such Person prepared in accordance with Applicable Accounting Principles for such period.

"Fifth Demerged Entity" means such Demerged Entity, if any, which has undergone a Demerger on the Fifth Demerger Date.

"Fifth Demerger Date" means the last date on which the Demerger, as envisaged in the Scheme, is made effective in respect of the Fifth Demerged Entity, if any.

"First Demerged Entity" means such Demerged Entity/Entities which has undergone a Demerger on the First Demerger Date, and if more than one, collectively the "First Demerged Entities".

"First Demerger Date" means the first of the dates on which any of the Demergers, as envisaged in the Scheme, is made effective in respect of one or more First Demerged Entities.

"Fourth Demerged Entity" means such Demerged Entity/Entities, if any, which has undergone a Demerger on the Fourth Demerger Date, and if more than one, collectively the "Fourth Demerged Entities".

"Fourth Demerger Date" means the fourth of the dates on which any of the Demergers, as envisaged in the Scheme, is made effective in respect of one or more Fourth Demerged Entities, if any.

"Second Demerged Entity" means such Demerged Entity/Entities, if any, which has undergone a Demerger on the Second Demerger Date, and if more than one, collectively the "Second Demerged Entities".

"Second Demerger Date" means the second of the dates on which any of the Demergers, as envisaged in the Scheme, is made effective in respect of one or more Second Demerged Entities, if any.

"Third Demerged Entity" means such Demerged Entity/Entities, if any, which has undergone a Demerger on the Third Demerger Date, and if more than one, collectively the "Third Demerged Entities".

"Third Demerger Date" means the third of the dates on which any of the Demergers, as envisaged in the Scheme, is made effective in respect of one or more Third Demerged Entities, if any.

"Scheme" means the Composite Scheme of Arrangement between Vedanta Limited and Vedanta Aluminium Metal Limited and Talwandi Sabo Power Limited and Malco Energy Limited and Vedanta Base Metals Limited and Vedanta Iron and Steel Limited and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the (Indian) Companies Act, 2013, approved by the board of directors of Vedanta Limited on 29 September 2023, uploaded on BSE Limited on 20 October 2023 and on National Stock Exchange of India Limited on 20 October 2023.

"Short-Term Acquisition Financing" means Borrowings Incurred by any Subsidiary (other than any Subsidiary Guarantor) any Capital Stock of which is owned, directly or indirectly, by any Subsidiary Guarantor, the net cash proceeds of which are used by such Subsidiary to acquire Capital Stock of any Subsidiary that is listed in India and to pay costs, fees and expenses in connection therewith, provided that such Borrowings have a final stated maturity not exceeding four months from the date of such Incurrence.

"Subsidiary Guarantor Attributable Borrowings" means, as of any Transaction Date, the amount equal to the aggregate amount of (i) the Borrowings of each Subsidiary Guarantor (calculated on a standalone basis) outstanding as of such Transaction Date and (ii) the product of (x) the Borrowings of any Person (calculated on a standalone basis) any Capital Stock of which is owned, directly or indirectly, by any Subsidiary Guarantor outstanding as of such Transaction Date multiplied by (y) the percentage ownership of Capital Stock of such Person owned, directly or indirectly, by the Subsidiary Guarantors as of such Transaction Date; *provided*, however, that (i) any Borrowing Incurred by a Subsidiary that is not a Subsidiary Guarantor and owed to another Subsidiary that is not a Subsidiary Guarantor or owed to a Subsidiary Guarantor and (ii) any Borrowing Incurred by a Subsidiary Guarantor and owed to another Subsidiary Guarantor, shall be excluded from the foregoing calculation; *provided* further that if on any date (a) any Subsidiary to which such Borrowing is owed ceases to be a Subsidiary or (b) such Borrowing is transferred to any Person (other than to another Subsidiary that is not a Subsidiary Guarantor or to a Subsidiary Guarantor), then such Borrowing shall be included in the foregoing calculation and shall be deemed to have been Incurred on such date.

“Subsidiary Guarantor Attributable EBITDA” means, for any period, the amount equal to the aggregate of (i) the EBITDA for each Subsidiary Guarantor (calculated on a standalone basis) and (ii) the product of (x) the EBITDA of any Person (calculated on a standalone basis) any Capital Stock of which is owned, directly or indirectly, by any Subsidiary Guarantor as of the Transaction Date multiplied by (y) the percentage ownership of Capital Stock of such Person owned, directly or indirectly, by the Subsidiary Guarantors as of such Transaction Date.

“Subsidiary Guarantor Attributable Leverage Ratio” means, on any Transaction Date, the ratio of:

(i) Subsidiary Guarantor Attributable Borrowings as of such Transaction Date; to

(ii) the aggregate amount of Subsidiary Guarantor Attributable EBITDA for the most recent four quarterly periods prior to such Transaction Date for which consolidated financial statements of the Parent Guarantor prepared in accordance with Applicable Accounting Principles (which the Parent Guarantor shall use its best efforts to compile in a timely manner and which may be internal management accounts) are available.

"Vedanta Primary Dilution Adjustment" means for any applicable date of determination, the net decrease, if any, in the percentage of Capital Stock of Vedanta Limited directly held by the Subsidiary Guarantors during the period (x) commencing on the Closing Date and (y) ending on such date of determination, solely as a result of the dilutive effect from any primary issuance of Capital Stock by Vedanta Limited during such period.

“Weighted Percentage” means:

(i) in relation to any First Demerged Entity, as of the date which is ten (10) Indian Business Days after the First Demerger Date, the product of:

  (A) the quotient of:

    (1) the Applicable VWAP of such First Demerged Entity as of such date, *divided by*:

    (2) the sum of:

      (x) the Applicable VWAP of such First Demerged Entity as of such date;

      (y) if applicable, the Applicable VWAP of any other First Demerged Entity(ies) as of such date; and

      (z) the Applicable VWAP of Vedanta Limited as of such date;

  multiplied by:

  (B) 100%;

(ii) in relation to any Second Demerged Entity, as of the date which is ten (10) Indian Business Days after the Second Demerger Date, the product of:

  (A) the quotient of:

    (1) the Applicable VWAP of such Second Demerged Entity as of such date, divided by:

    (2) the sum of:

      (x) the Applicable VWAP of such Second Demerged Entity as of such date;

(y) if applicable, the Applicable VWAP of any other Second Demerged Entity(ies) as of such date; and

(z) the Applicable VWAP of Vedanta Limited as of such date;

multiplied by:

(B) the difference between (i) 100% and (ii) the sum of all applicable Weighted Percentages of all Demerged Entities (other than Vedanta Limited) as of such date;

(iii) in relation to any Third Demerged Entity, as of the date which is ten (10) Indian Business Days after the Third Demerger Date, the product of:

(A) the quotient of:

(1) the Applicable VWAP of such Third Demerged Entity as of such date, divided by:

(2) the sum of:

(x) the Applicable VWAP of such Third Demerged Entity as of such date;

(y) if applicable, the Applicable VWAP of any other Third Demerged Entity(ies) as of such date; and

(z) the Applicable VWAP of Vedanta Limited as of such date;

multiplied by:

(B) the difference between (i) 100% and (ii) the sum of all applicable Weighted Percentages of all Demerged Entities (other than Vedanta Limited) as of such date;

(iv) in relation to any Fourth Demerged Entity, as of the date which is ten (10) Indian Business Days after the Fourth Demerger Date, the product of:

(A) the quotient of:

(1) the Applicable VWAP of such Fourth Demerged Entity as of such date, divided by:

(2) the sum of:

(x) the Applicable VWAP of such Fourth Demerged Entity as of such date;

(y) if applicable, the Applicable VWAP of any other Fourth Demerged Entity(ies) as of such date; and

(z) the Applicable VWAP of Vedanta Limited as of such date;

multiplied by:

(B) the difference between (i) 100% and (ii) the sum of all applicable Weighted Percentages of all Demerged Entities (other than Vedanta Limited) as of such date; and

(v) in relation to any Fifth Demerged Entity, as of the date which is ten (10) Indian Business Days after the Fifth Demerger Date, the product of:

(A) the quotient of:

(1) the Applicable VWAP of such Fifth Demerged Entity as of such date, divided by:

(2) the sum of:

(x) the Applicable VWAP of such Fifth Demerged Entity as of such date; and

(y) the Applicable VWAP of Vedanta Limited as of such date;

multiplied by:

(B) the difference between (i) 100% and (ii) the sum of all applicable Weighted Percentages of all Demerged Entities (other than Vedanta Limited) as of such date.

(g) **Limitation on Restricted Affiliate Payments**: The Parent Guarantor will not, and will not permit any of its Subsidiaries to, directly or indirectly (the payments or any other actions described in clauses (1) through (4) below being collectively referred to as "Restricted Affiliate Payments"):

(1) declare or pay any dividend or make any distribution on or with respect to the Parent Guarantor's or any of its Subsidiaries' (other than any Listed Indian Subsidiary) Capital Stock (other than dividends or distributions payable solely in shares of the Parent Guarantor's Capital Stock or by a Subsidiary in its Capital Stock or in options, warrants or other rights to acquire shares of any such Capital Stock) held by any shareholder of the Parent Guarantor or by any of the Parent Guarantor's Affiliates (other than any of the Parent Guarantor's Subsidiaries);

(2) purchase, call for redemption or redeem, retire or otherwise acquire for value any shares of Capital Stock (or options, warrants or other rights to acquire such shares of Capital Stock) of the Parent Guarantor or any of its Subsidiaries held by any shareholders of the Parent Guarantor or any of the Parent Guarantor's Affiliates (other than any of the Parent Guarantor's Subsidiaries);

(3) make any voluntary or optional principal payment, or voluntary or optional redemption, repurchase, defeasance, or other acquisition or retirement for value, of Borrowings that is subordinated or junior in right of payment to the Bonds or any Subsidiary Guarantee ("Subordinated Borrowings") (excluding any intercompany Borrowings between or among the Parent Guarantor and any of its Subsidiaries or between or among any such Subsidiaries) where the obligee thereunder is a shareholder of the Parent Guarantor or an Affiliate or the Parent Guarantor (other than any of the Parent Guarantor's Subsidiaries); or

(4) make, on or after the Closing Date, any Investment in any shareholders of the Parent Guarantor or any of the Parent Guarantor's Affiliates (other than any of the Parent Guarantor's Subsidiaries);

if, at the time of, and after giving effect to, the proposed Restricted Affiliate Payment, such Restricted Affiliate Payment, together with the aggregate amount of all Restricted Affiliate Payments made by the Parent Guarantor and its Subsidiaries after the Closing Date, shall exceed 50% (or 100%, if at the time of, and after giving effect to, the proposed Restricted Affiliate Payment, the Parent Guarantor could Incur at least US$1.00 of Borrowings, if after giving pro forma effect to the Incurrence of such US$1.00 and the application of the proceeds thereof, the Fixed Charge Coverage Ratio would be not less than 3.5 to 1.0) of Net Income accrued on a cumulative basis during the period (taken as one accounting period) beginning on 1 April 2024 and ending on the last day of the Parent Guarantor's most recently ended semi-annual period for which consolidated financial statements of the Parent Guarantor prepared in accordance with Applicable Accounting Principles (which the Parent Guarantor shall use its best efforts to compile in a timely manner) are available.

The foregoing provision shall not be violated by reason of:

(1) the redemption, repurchase, defeasance or other acquisition or retirement for value of Subordinated Borrowings of the Parent Guarantor or any Subsidiary Guarantor with the net cash proceeds of, or in exchange for, a substantially concurrent Incurrence of Permitted Refinancing Borrowings;

(2) any Restricted Affiliate Payment made in exchange for, or out of the net cash proceeds of a substantially concurrent capital contribution to or sale (other than to a Subsidiary of the Parent Guarantor) of, shares of Capital Stock of the Parent Guarantor (or options, warrants or other rights to acquire such Capital Stock);

(3) (x) the payment of any dividends or distributions declared, paid or made by a Subsidiary or (y) the redemption, repurchase, defeasance or other acquisition by a Subsidiary of any shares of its Capital Stock, in each case payable, on a *pro rata* basis or on a basis more favorable to the Parent Guarantor, to all holders of any class of Capital Stock of such Subsidiary, a majority of which is held, directly or indirectly through Subsidiaries, by the Parent Guarantor;

(4) repurchases of Capital Stock deemed to occur upon the exercise of stock options, warrants or other rights to acquire Capital Stock to the extent such Capital Stock represents a portion of the exercise price thereof; and

(5) cash payments in lieu of the issuance of fractional shares in connection with the exercise of warrants, options or other securities convertible or exchangeable for Capital Stock of the Parent Guarantor; *provided* that any such cash payment shall not be for the purpose of evading the limitations of this covenant.

The Parent Guarantor shall and shall procure that the Subsidiaries make relevant filings and disclosures, as may be applicable, under the applicable laws including the Indian Listing Regulations.

"Indian Listing Regulations" means the Securities and Exchange Board of India Act, 1992, the Securities Contracts Regulation Act, 1956 and the rules, regulations, notifications, directions and FAQs issued thereunder (including without limitation, the Indian Takeover Regulations, the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018) and the rules, regulations and bye-laws of any relevant stock exchange in India, and all circulars, notifications and clarifications issued thereunder, each as amended and replaced, from time to time.

(h) **Limitation on distribution of Net Proceeds of Asset Sales**

The Parent Guarantor shall not, and shall procure that each of its Subsidiaries shall not pay any dividend in respect of or otherwise distribute the Net Proceeds from any Asset Sale to any Person (other than to the Parent Guarantor or any of its Subsidiaries) unless, after giving pro forma effect to such Asset Sale and the application of the Net Proceeds thereof:

(A) (i) the Subsidiary Guarantor Attributable Leverage Ratio would not exceed (I) 6.0 to 1.0 if such Incurrence occurs prior to the date when the Parent Guarantor's consolidated financial statements are available as of, and for the six months ending, September 30, 2025 (prepared in accordance with Applicable Accounting Principles which the Parent Guarantor shall use its best efforts to compile in a timely manner and which may be internal management accounts) or (II) 5.5 to 1.0 if such Incurrence occurs thereafter; and

(B) the Parent Guarantor LTV Ratio is greater than 2.0 to 1.0.

(i) **VRL Offshore Entities Secured Borrowings**: The Parent Guarantor shall ensure that the Parent Guarantor and any of the Parent Guarantor's Subsidiaries which are incorporated outside of India (other than (a) Konkola Copper Mines plc and (b) any Subsidiaries of Vedanta Limited) (the Parent Guarantor, together with such Subsidiaries, the "VRL Offshore Entities"), shall not Incur any Borrowings (other than (a) Borrowings existing on the Closing Date and (b) any Permitted Refinancing Borrowings of such Borrowings, ((a) and (b) collectively, "Specified Borrowings")) which are secured over any assets (other than Capital Stock of Konkola Copper Mines plc) of the VRL Offshore Entities; *provided that* the Parent Guarantor and any of the VRL Offshore Entities may Incur such Borrowings in an aggregate principal amount, when taken together with (and without double counting) (i) the aggregate principal amount of any outstanding Indebtedness in respect of which Security was created under clause (y) of the proviso in the first paragraph of Condition 3(a) and (ii) any outstanding Specified Borrowings to the extent secured ("Specified Secured Borrowings") (net of (i) the Amended 2025 Bonds, (ii) any Indebtedness secured over any debt service reserve account(s) and (iii) any Indebtedness secured over any inter-group loans), not exceeding 10 per cent. of Total Assets (or the Dollar Equivalent thereof).

(j) **Anti-layering**: The Parent Guarantor shall ensure that (x) any Subsidiary of either Welter or Twin Star which directly or indirectly holds Capital Stock in any of the Demerged Entities must be a Wholly Owned Subsidiary of Welter and/or Twin Star (as applicable) and (y) any such Wholly Owned Subsidiary does not Incur any Borrowings.

(k) **Sale of Brand**: (x) The Parent Guarantor shall not sell, transfer or otherwise dispose of the Brand unless the net proceeds from any such sale, transfer or other disposition will be enough to repay in full each of (i) the Private Credit Facility, (ii) any Permitted PCF Refinancing Borrowings, (iii) the Amended 2024 Bonds II, (iv) the Amended 2025 Bonds and (v) the Bonds and (y) to the extent that any such sale, transfer or other disposition takes place, the Parent Guarantor shall ensure that each of (i) the Private Credit Facility, (ii) any Permitted PCF Refinancing Borrowings, (iii) the Amended 2024 Bonds II, (iv) the Amended 2025 Bonds and (v) the Bonds are repaid in full within 60 days of such sale, transfer or other disposition.

(l) **Limitation on dividends and other restricted payments and on asset sales**

If an Event of Default has occurred and is continuing, the Issuer and the Guarantors shall not:

(i) declare or pay any dividend or make any other payment or distribution on account of Capital Stock of the Issuer or any Guarantor, or to the direct or indirect holders of any such Capital Stock in their capacity as such;

(ii) purchase, redeem or otherwise acquire or retire for value any Capital Stock of the Issuer or any Guarantor or any direct or indirect parent of the Issuer or any Guarantor;

(iii) make any payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value any Borrowings of the Issuer or any Guarantor that is contractually subordinated to the Bonds or the Guarantees, except a payment of interest, principal or premium at the stated maturity thereof;

(iv) make any Investment; or

(v) sell, lease, lend, convey, transfer or otherwise dispose of any asset unless the Issuer or such Guarantor, as applicable, receives consideration, in the form of cash or cash equivalents, at the time of such transaction at least equal to such asset's fair market value (determined in good faith by the board of directors of the Parent Guarantor) (for the avoidance of doubt, the issuance of Capital Stock by the Issuer or any Guarantor shall not be subject to this clause (v)).

For the avoidance of doubt, nothing in this Condition 3(l) shall be construed (and is not intended to be construed) as creating any encumbrance as defined under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 on the assets of any subsidiary of Vedanta Limited listed in India.

(m) **Covenant suspension**

If, on any date following the date of the Trust Deed, the Bonds have an Investment Grade rating, (i) if the Bonds are rated by no more than two (2) Rating Agencies, from any Rating Agency or (ii) if the Bonds are rated by more than two (2) Rating Agencies, from two (2) Rating Agencies, and no Event of Default or Potential Event of Default (as defined in the Trust Deed) has occurred and is continuing (a "Suspension Event"), then, beginning on that day and continuing until such time, if any, at which the Bonds cease to have an Investment Grade rating from such Rating Agency(ies), the provisions of the Trust Deed summarised under the following captions will not apply to the Bonds:

(a) Condition 3(c) "Limitation on Borrowings";

(b) Condition 3(f) "Additional limitations relating to Subsidiary Guarantors;"

(c) Condition 3(h) "Limitation on distribution of Net Proceeds of Asset Sales";

(d) Condition 3(i) "VRL Offshore Entities Secured Borrowings"

(e) Condition 3(j) "Anti-layering"

(f) Condition 3(k) "Sale of Brand"; and

(g) Condition 3(l) "Limitation on dividends and other restricted payments and on asset sales".

Such covenants will be reinstituted and apply according to their terms as at and from the first day on which a Suspension Event ceases to be in effect. Such covenants will not, however, be of any effect with regard to actions of the Issuer properly taken in compliance with the provisions of the Trust Deed during the continuance of the Suspension Event.

(n) **Definitions**

As used in these Conditions:

"Accounts" means:

(i) as of each 31 March and for the twelve-month period then ending, the audited consolidated profit and loss account and balance sheet of the Parent Guarantor prepared in accordance with Applicable Accounting Principles; and

(ii) as of each 30 September and for the six-month period then ending, the unaudited consolidated profit and loss account and balance sheet of the Parent Guarantor prepared in accordance with Applicable Accounting Principles.

"Adjusted Treasury Rate" means, with respect to any redemption date:

(1) the average of the yields in each statistical release for the immediately preceding week (from the calculation date) designated "H.15" or any successor release published by the Board of Governors of the Federal Reserve System which establishes yields on actively traded U.S. Treasury securities adjusted to constant maturity under the heading "U.S. government securities – Treasury constant maturities – nominal," for the maturity corresponding to the Comparable Treasury Issue; *provided* that if no maturity is within three months before or after the period from the redemption date to the maturity of the Comparable Treasury Issue, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue will be determined and the Adjusted Treasury Rate will be interpolated or extrapolated from those yields on a straight-line basis rounding to the nearest month; *provided* further that if the period from the redemption date to 17 September 2026 is less than one year, the weekly average yield on actually traded U.S. Treasury securities adjusted to a constant maturity of one year will be used; or

(2) if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, calculated using a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

The Adjusted Treasury Rate shall be calculated on the third Business Day preceding the redemption date.

“Affiliate” means, with respect to any Person, any other Person, directly or indirectly controlling, controlled by, or under direct or indirect common control with, such Person. For purposes of this definition, “control” (including, with correlative meanings, the terms “controlling,” “controlled by” and “under common control with”), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

“Amended 2024 Bonds I” means the U.S.$1,000,000,000 13.875% Bonds due 2028 issued by the Parent Guarantor.

“Amended 2024 Bonds II” means the U.S.$1,000,000,000 13.875% Bonds due 2027 issued by VRF II Finance Plc.

"Amended 2025 Bonds" means the U.S.$1,200,000,000 13.875% Bonds due 2028 issued by VRF II Finance Plc.

“Applicable Accounting Principles” means the accounting principles and provisions of International Financial Reporting Standards applicable to the Parent Guarantor and its Subsidiaries as in effect from time to time.

“Applicable Premium” means with respect to a Bond at any redemption date, the greater of:

(i) 1.0 per cent. of the principal amount of such Bond; and

(ii) the excess of:

(A) the present value at such redemption date of the redemption price of such Bond on 17 September 2026 (such redemption price being set forth in the applicable table under Condition 5(b)), plus all required remaining scheduled interest payments due on such Bond through 17 September 2026 (but excluding accrued and unpaid interest to the redemption date), computed using a discount rate equal to the Adjusted Treasury Rate plus 50 basis points; over

(B) the principal amount of such Bond.

“Assets” of any Person means all or any of its shares, business, undertaking, property, assets, revenues (including any right to receive revenues) and uncalled capital.

“Asset Sale” means any sale, transfer or other disposition (including by way of merger, consolidation or sale leaseback transactions) of any Assets of the Parent Guarantor and the Holdco Subsidiaries in one or a series of transactions in any twelve-month period by the Parent Guarantor or any of its Holdco Subsidiaries to any Person other than the Parent Guarantor or any of its Subsidiaries, other than sales, transfers or other dispositions of Assets with a fair market value not in excess of US$25.0 million (or the Dollar Equivalent thereof) in any transaction or series of related transactions.

“Balance Sheet Date” means each 30 September and 31 March or other semi-annual date at which the Parent Guarantor prepares its audited or unaudited Accounts.

"Borrowings" means, with respect to any Person at any date, without duplication:

(i) all obligations of such Person for borrowed money;

(ii) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business;

(iii) all obligations of such Person as lessee which are capitalised in accordance with Applicable Accounting Principles;

(iv) all non-contingent obligations of such Person to reimburse any bank or other Person in respect of amounts paid under a letter of credit or similar instrument, except in respect of trade accounts payable arising in the ordinary course of business;

(v) all obligations of such Person representing Disqualified Stock valued at the greater of its voluntary or involuntary liquidation preference and its maximum fixed repurchase price, plus accrued dividends, if any;

(vi) all Borrowings of others guaranteed by such Person;

(vii) all Borrowings of others secured by Security on any Asset of such Person (whether or not such Borrowings are assumed by such Person); *provided* that the amount of such Borrowings will be the lesser of:

(A) the fair market value of such Asset at such date of determination; and

(B) the amount of such Borrowings; and

(viii) in the case of a Subsidiary of the Parent Guarantor, all obligations representing Preferred Stock valued at the greater of its voluntary or involuntary maximum fixed repurchase price, plus accrued dividends, if any;

provided that for the purposes of Condition 3(c), Borrowings shall not include:

(A) Borrowings of the Parent Guarantor or any of its Subsidiaries owed to the Parent Guarantor or any of its Subsidiaries; *provided* that if on any date:

(1) any Subsidiary of the Parent Guarantor to which such Borrowing is owed ceases to be a Subsidiary of the Parent Guarantor; or

(2) such Borrowing is transferred to any Person (other than the Parent Guarantor or any of its Subsidiaries),

then such Borrowing shall be deemed to constitute a Borrowing for the purposes of Condition 3(c) and shall be deemed to have been Incurred on such date; and

(B) Preferred Stock or Disqualified Stock issued by any Subsidiary of the Parent Guarantor to the Parent Guarantor or any other Subsidiary of the Parent Guarantor; *provided further* that for the purposes of Condition 3(c), Borrowings shall not include the Borrowings of any Subsidiary (which is established as a special purpose entity for the sole purpose of engaging in financing activities) of the Parent Guarantor, which are guaranteed by the Parent Guarantor and have no recourse, directly or indirectly, to any other member of the Group;

provided further that for the purposes of Condition 3(f), Borrowings shall not include Borrowings of any Subsidiary Guarantor which, by their terms or the terms of any agreement or instrument pursuant to which they are issued or remain outstanding, (i) are expressly made subordinate to the prior payment in full of the Guarantee of such Subsidiary Guarantor (including upon any default, bankruptcy, reorganization, liquidation, winding up or other disposition of assets of such Subsidiary Guarantor), (ii) do not mature or require any amortization and are not required to be repaid, redeemed, repurchased or otherwise retired, pursuant to a sinking fund obligation, event of default or otherwise (including any redemption, retirement or repurchase which is contingent upon events or circumstance) in whole or in part, on or prior to six months after the earlier of (a) the first date no Bonds are outstanding and (b) the final stated maturity of the Bonds, (iii) do not provide for any cash payment of interest (or premium, if any) prior to six months after the earlier of (a) the first date no Bonds are outstanding and (b) the final stated maturity of the Bonds, (iv) are not secured by any Security on any assets of any Person, and are not guaranteed by any Person and (v) do not (including upon the happening of any event) restrict the payment of amounts due in respect of the Bonds or compliance by the Issuer or any of the Guarantors with their respective obligations under the Bonds and the Guarantees; *provided* that if on any date any event or circumstance occurs that results in such Borrowing ceasing to meet the conditions of any of clauses (i) through (v) above, such Borrowing shall constitute a Borrowing for the purposes of Condition 3(f) and shall be deemed to have been Incurred on such date.

"Brand" means the trademark "Vedanta" and its logo, as described in the License Agreement (Brand Fees).

"Brand Fee Adjustment" means in respect of a financial year of a Sub-Licensee ending on or after 31 March 2025, the annual adjustment of Brand Fees for that financial year payable by such Sub-Licensee pursuant to the relevant Brand Fee Agreement to which such Sub-Licensee is party.

“Brand Fee Agreements” means any agreement in respect of the provision of a sub-license for the use of the Brand and the provision of strategic services between the Parent Guarantor and VRIL, on the one hand, and any member of the VEDL Group, on the other hand.

“Brand Fee Receivables” means the receivables under the Brand Fee Agreements in relation to the Brand Fees payable until financial year 2032.

"Brand Fees" means the royalty and brand fee payments and strategic services fee payments payable pursuant to the Brand Fee Agreements (or any of them) by any Sub-Licensee, including all pass-through fees payable by Vedanta Limited to VRIL in respect of amounts received by it from any Demerged Entity (HZL), inclusive of each relevant Brand Fee Adjustment.

“Business Day” means a day (other than a Saturday or Sunday) on which commercial banks are open for business in New York City, Hong Kong and London.

“Capital Stock” means, with respect to any Person, any and all shares, interests, participations or other equivalents (however designated, whether voting or non-voting) in equity of such Person, whether outstanding on the date of the Trust Deed or issued thereafter, including, without limitation, all Common Stock and Preferred Stock.

“Capitalized Lease” means, with respect to any Person, any lease of any property (whether real, personal or mixed), which, in conformity with Applicable Accounting Principles, is required to be capitalized on the balance sheet of such Person.

“Capitalized Lease Obligations” means the discounted present value of the rental obligations under a Capitalized Lease.

“Change of Control” means the occurrence of any of the following events:

(1) the Permitted Holders are the beneficial owners of less than 35 per cent. of the total voting power of the Voting Stock of the Parent Guarantor;

(2) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the United States Securities Exchange Act of 1934, as amended (the "Exchange Act")) is or becomes the "beneficial owner" (as such term is used in Rule 13d-3 of the Exchange Act), directly or indirectly, of total voting power of the Voting Stock of the Parent Guarantor greater than such total voting power held beneficially by the Permitted Holders; or

(3) the Parent Guarantor or any of its Subsidiaries ceases to (a) have Control over, or, (b) directly or indirectly, own more than 50 per cent. of the issued equity share capital of, any Person which was a Material Subsidiary immediately prior to such cessation.

"Change of Control Triggering Event" means the occurrence of both a Change of Control and a Rating Decline.

"Common Stock" means, with respect to any Person, any and all shares, interests or other participations in, and other equivalents (however designated and whether voting or non-voting) of such Person's common stock or ordinary shares, whether or not outstanding at the date of the Trust Deed, and include, without limitation, all series and classes of such common stock or ordinary shares.

"Comparable Treasury Issue" means the U.S. Treasury security selected by an Independent Investment Bank having a maturity most nearly equal to the period from the redemption date to 17 September 2026.

"Comparable Treasury Price" means, with respect to any redemption date:

(1) the average of five Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations; or

(2) if the Independent Investment Bank obtains fewer than five Reference Treasury Dealer Quotations, the average of all such quotations.

"Compliance Certificate" means a certificate signed by each of:

(i) the chief financial officer of the Parent Guarantor; and

(ii) a director or other authorised signatory of the Parent Guarantor,

confirming compliance with the financial ratios set out in this Condition 3, in each case as of each Balance Sheet Date and in respect of the whole of the financial year for each Balance Sheet Date falling on 31 March and in respect of the whole of the six-month period ending on the Balance Sheet Date for each Balance Sheet Date falling on 30 September, and setting out in reasonable detail the computations necessary to demonstrate such compliance.

"Consolidated EBITDA" means, for any period, the amount equal to:

(i) "operating profit"; plus

(ii) "depreciation"; plus

(iii) "special items" reducing "operating profit"; minus

(iv) "special items" increasing "operating profit,"

in each case as it is presented on consolidated financial statements of the Parent Guarantor and its Subsidiaries prepared in accordance with Applicable Accounting Principles for such period.

"Consolidated Fixed Charges" means, for any period, the sum (without duplication) of:

(i) Consolidated Net Interest Expense for such period; and

(ii) all cash and non-cash dividends accrued or accumulated during such period on any Disqualified Stock or Preferred Stock of the Parent Guarantor or any of its Subsidiaries held by Persons other than the Parent Guarantor or any of its Subsidiaries.

"Consolidated Net Interest Expense" means, for any period, the amount equal to "finance costs" minus "investment revenue," in each case as it is presented on a consolidated income statement of the Parent Guarantor and its Subsidiaries prepared in accordance with Applicable Accounting Principles for such period.

"Control", "Controlling" or "Controlled" means the right to appoint and/or remove all or the majority of the members of the board of directors or other governing body or the right to direct or cause the direction of the management and policies, in each case whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise.

"Demerged Entity (HZL)" means HZL or any other person to whom any assets of HZL are directly or indirectly transferred as part of a demerger or equivalent corporate reorganisation of HZL or of any other Demerged Entity (HZL), in each case, shares in whom are issued to shareholders of HZL or, as applicable, such other Demerged Entity (HZL), as consideration for such transfer.

"Disqualified Stock" means any class or series of Capital Stock of any Person that by its terms or otherwise is:

(1) required to be redeemed prior to the stated maturity of the Bonds;

(2) redeemable at the option of the holder of such class or series of Capital Stock at any time prior to the stated maturity of the Bonds; or

(3) convertible into or exchangeable for Capital Stock referred to in clause (1) or (2) above or Borrowing having a scheduled maturity prior to the stated maturity of the Bonds.

"Dollar Equivalent" means, with respect to any monetary amount in a currency other than U.S. dollars, at any time for the determination thereof, the amount of U.S. dollars obtained by converting such foreign currency into U.S. dollars at the base rate for the purchase of U.S. dollars with such foreign currency as quoted by the Federal Reserve Bank of New York on the date of determination.

"Equity Value" means, as of any determination date:

(1) with respect to any Subsidiary that is listed on an internationally recognized stock exchange, the product of (a) the volume weighted average price per share of such Subsidiary over the 90 trading day period ending on the trading day immediately preceding the date of determination, *multiplied by* (b) the number of shares of such Subsidiary then held directly by the Parent Guarantor or another Subsidiary of the Parent Guarantor (the "Intermediate Subsidiary"), *multiplied by* (c) if the shares of such Subsidiary that is listed on an internationally recognized stock exchange are not held directly by the Parent Guarantor, the effective percentage ownership interest of the Parent Guarantor in the Intermediate Subsidiary as of the date of determination; or

(2) with respect to any Subsidiary that is not listed on an internationally recognized stock exchange, the value of such Subsidiary attributable to the Parent Guarantor as of such determination date as determined by an Independent Financial Advisor within 90 days of such date.

"Fitch" means Fitch Ratings Limited, its affiliates and any successor to or assignee of its ratings business.

"Fixed Charge Coverage Ratio" means, on any Transaction Date, the ratio of:

(1) the aggregate amount of Consolidated EBITDA for the then most recent two semi-annual periods prior to such Transaction Date for which consolidated financial statements of the Parent Guarantor prepared in accordance with Applicable Accounting Principles (which the Parent Guarantor shall use its best efforts to compile in a timely manner) are available (the "Two Semi-annual Period") and have been provided to the Trustee; to

(2) the aggregate Consolidated Fixed Charges during such Two Semi-annual Period.

"Holdco Net Interest Expense" means, for any period, the amount equal to "finance costs" minus "investment revenue," in each case as it is presented on the income statement of the Parent Guarantor and its Holdco Subsidiaries prepared on a standalone basis in accordance with Applicable Accounting Principles for such period.

"Holdco Subsidiaries" means the direct and indirect non-operating Subsidiaries of the Parent Guarantor which for the avoidance of doubt does not include any of the Demerged Entities, Konkola Copper Mines plc and their respective Subsidiaries.

"Incur" means, as applied to any obligation, to directly or indirectly, create, incur, issue, assume, guarantee or in any other manner become directly or indirectly liable, contingently or otherwise. Such obligation and "Incurred", "Incurrence" and "Incurring" shall each have a correlative meaning.

"Independent Financial Advisor" means an accounting, appraisal or investment banking firm or consultant, in each case of nationally recognized standing that is, in the good faith determination of the Parent Guarantor, qualified to perform the task for which it has been engaged.

"Independent Investment Bank" means a Reference Treasury Dealer appointed by the Parent Guarantor as such.

"Indian Business Days" means a day (other than a Saturday or Sunday) on which commercial banks are open for business in Mumbai.

"Intermediate SPV" means Vedanta UK Holdings Limited, a company registered under the laws of England and Wales with company number 15119067.

"Investment" means:

(1) any direct or indirect advance, loan or other extension of credit to another Person;

(2) any capital contribution to another Person (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others);

(3) any purchase or acquisition of Capital Stock (or options, warrants or other rights to acquire such Capital Stock), Borrowings, bonds, notes, debentures or other similar instruments or securities issued by another Person;

(4) any guarantee of any obligation of another Person to the extent such obligation is outstanding and to the extent guaranteed by such Person; or

(5) all other items that would be classified as investments (including purchases of assets outside the ordinary course of business) on a statement of financial position of such Person prepared in accordance with Applicable Accounting Principles.

"Investment Grade" means a long term credit rating of "AAA," "AA," "A" or "BBB," as modified by a "±" or "-" indication, or an equivalent rating representing one of the four highest rating categories, by S&P or a long term credit rating of "Aaa," or "Aa," "A" or "Baa," as modified by a "1," "2" or "3" indication, or an equivalent rating representing one of the four highest rating categories, by Moody's or a long term credit rating of "AAA," or "AA," "A" or "BBB," as modified by a "±," or "-" indication, or an equivalent rating representing one of the four highest rating categories, by Fitch or the equivalent long term credit ratings of any internationally recognised rating agency or agencies, as the case may be, which shall have been designated by the Parent Guarantor as having been substituted for S&P, Moody's or Fitch or all of them, as the case may be.

"License Agreement (Brand Fees)" means the license agreement between the Parent Guarantor, the Intermediate SPV and VRIL dated on or prior to the Utilisation Date under which the Parent Guarantor grants to the Intermediate SPV (which grants to VRIL) a five year exclusive license of the Brand (with a potential extension for an additional five years pursuant to the terms thereof).

"Listed Indian Subsidiary" means any Subsidiary of the Parent Guarantor in India whose Capital Stock is listed on a stock exchange.

"Material Demerged Entity" means a Demerged Entity which is a Material Subsidiary.

"Material Subsidiary" has the meaning specified in Condition 8.

"Moody's" means Moody's Investors Service, Inc., its affiliates and any successor to or assignee of its ratings business.

"Net Income" means, for any period, without duplication (A) the aggregate of (i) the Brand Fees received by the Parent Guarantor, VRIL or any other Holdco Subsidiary for such period and (ii) the dividends received by the Parent Guarantor and the Holdco Subsidiaries for such period less (B) the aggregate of (i) Holdco Net Interest Expense for such period and (ii) administrative expenses of the Parent Guarantor and the Holdco Subsidiaries for such period.

"Net Proceeds" means the aggregate cash proceeds received by the Parent Guarantor or any Subsidiary of the Parent Guarantor in respect of any Asset Sale (including, without limitation, any cash received upon the sale or other disposition of any non-cash consideration received in any Asset Sale), net of the direct costs relating to such Asset Sale.

"Offer to Purchase" means an offer to purchase the Bonds by the Issuer from the Bondholders commenced by mailing a notice by first class mail, postage prepaid, to the Trustee and each Bondholder at its last address appearing in the Register stating:

(1) the provision of the Trust Deed pursuant to which the offer is being made and that all Bonds validly tendered will be accepted for payment on a *pro rata* basis;

(2) the purchase price and the date of purchase (which shall be a Business Day no earlier than 15 days nor later than 60 days from the date such notice is mailed) (the "Offer to Purchase Payment Date");

(3) that any Bond not tendered will continue to accrue interest pursuant to its terms;

(4) that, unless the Issuer or the Guarantors, as the case may be, defaults in the payment of the purchase price, any Bond accepted for payment pursuant to the Offer to Purchase shall cease to accrue interest on and after the Offer to Purchase Payment Date;

(5) that Bondholders electing to have a Bond purchased pursuant to the Offer to Purchase will be required to surrender the Bond, together with the form entitled "Option of the Holder to Elect Purchase" on the reverse side of the Bond completed, to the Paying Agent at the address specified

in the notice prior to the close of business on the Business Day immediately preceding the Offer to Purchase Payment Date;

(6) that Bondholders will be entitled to withdraw their election if the Paying Agent receives, not later than the close of business on the third Business Day immediately preceding the Offer to Purchase Payment Date, a facsimile transmission or letter setting forth the name of such Bondholder, the principal amount of Bonds delivered for purchase and a statement that such Bondholder is withdrawing his election to have such Bonds purchased; and

(7) that Bondholders whose Bonds are being purchased only in part will be issued new Bonds equal in principal amount to the unpurchased portion of the Bonds surrendered; *provided* that each Bond purchased and each new Bond issued shall be in a minimum principal amount of U.S.$200,000 or integral multiples of U.S.$1,000 in excess thereof.

On one Business Day prior to the Offer to Purchase Payment Date, the Issuer shall deposit with the Paying Agent money sufficient to pay the purchase price of all Bonds or portions thereof so accepted.

On the Offer to Purchase Payment Date, the Issuer shall:

(a) accept for payment on a *pro rata* basis Bonds or portions thereof tendered pursuant to an Offer to Purchase; and

(b) deliver, or cause to be delivered, to the Trustee all Bonds or portions thereof so accepted together with a certificate signed by two directors of the Issuer specifying the Bonds or portions thereof accepted for payment by the Issuer.

The Paying Agent shall promptly mail to the Bondholders so accepted payment in an amount equal to the purchase price, and the Registrar shall promptly authenticate and mail to such Bondholders a new Bond equal in principal amount to any unpurchased portion of the Bond surrendered; *provided* that each Bond purchased and each new Bond issued shall be in a principal amount of U.S.$200,000 or integral multiples of U.S.$1,000 in excess thereof. The Issuer will publicly announce the results of an Offer to Purchase as soon as practicable after the Offer to Purchase Payment Date. The Issuer will comply with all applicable securities laws and regulations if it is required to repurchase Bonds pursuant to an Offer to Purchase and, to the extent any applicable securities laws and regulations conflict with the Offer to Purchase obligations, the Issuer will not be deemed to have breached such obligations by virtue of such compliance.

The materials used in connection with an Offer to Purchase are required to contain or incorporate by reference information concerning the business of the Parent Guarantor and its Subsidiaries which the Issuer in good faith believes will assist the Bondholders to make an informed decision with respect to the Offer to Purchase, including a brief description of the events requiring the Issuer to make the Offer to Purchase, and any other information required by applicable law to be included therein. The offer is required to contain all instructions and materials necessary to enable the Bondholders to tender Bonds pursuant to the Offer to Purchase.

"Parent Guarantor LTV Ratio" means as of any determination date, the ratio of (a) the aggregate of the Equity Values as of such determination date, without duplication, of all Subsidiaries of the Parent Guarantor that are not Holdco Subsidiaries to (b) the total amount of Borrowings (on a standalone basis) of the Parent Guarantor and the Holdco Subsidiaries, without duplication, as of such determination date.

"Permitted Business" means any business, service or activity conducted or proposed to be conducted (as described in the offering memorandum relating to the Bonds dated 10 September 2024 (the "OM Date")) by the Parent Guarantor and its Subsidiaries and any other business, service or activity conducted by the

Parent Guarantor and its Subsidiaries on the OM Date and other businesses reasonably related, complementary or ancillary thereto as approved by the board of directors of the Parent Guarantor from time to time.

"Permitted Holders" means any or all of the following:

(1) Mr Anil Agarwal, Mr. D.P. Agarwal and Mr Agnivesh Agarwal, individually or collectively;

(2) any Affiliate or a direct family member of any of the Persons specified in clause (1) of this definition; and

(3) any Person both the Capital Stock and the Voting Stock of which (or in the case of a trust, the beneficial interests in which) are more than 80 per cent. owned by Persons specified in clauses (1) and (2) of this definition.

"Permitted PCF Refinancing Borrowings" means Permitted Refinancing Borrowings Incurred to refinance (in whole or in part) (i) the Private Credit Facility and/or (ii) any other Permitted PCF Refinancing Borrowings, in each case, in an amount not to exceed the amount so refinanced (plus premiums, accrued interest, fees and expenses).

"Person" means any individual, firm, corporation, partnership, association, joint venture, tribunal, limited liability company, trust, government or political subdivision or agency or instrumentality thereof, or any other entity or organisation.

"Preferred Stock" as applied to the Capital Stock of any Person means Capital Stock of any class or classes that by its term is preferred as to the payment of dividends, or as to the distribution of assets upon any voluntary or involuntary liquidation, winding up or dissolution of such Person, over any other class of Capital Stock of such Person.

"Primary Treasury Dealer" means a primary U.S. government securities dealer in New York City.

"Private Credit Facility" means the U.S.$1,250,000,000 facilities agreement between, among others, Vedanta Resources Investments Limited and Vedanta Holding Mauritius II Limited, as borrowers, the Parent Guarantor, Vedanta UK Holdings Limited, Twin Star Holdings Ltd. and Welter Trading Limited, as guarantors, Standard Chartered Bank, as arranger, Madison Pacific Trust Limited, as agent and security agent, and the original lenders named therein.

"Rating Agency" means, to the extent that such agency was solicited by the Issuer to provide a rating for the Bonds, any of (i) S&P, (ii) Moody's and (iii) Fitch.

"Rating Date" means the date which is 90 days prior to the earlier of the date of consummation of Change of Control and a public announcement of a Change of Control.

"Rating Decline" means on, or within six months after, the earlier of the date of consummation of a Change of Control or public announcement of a Change of Control (which period shall be extended so long as the rating of the Bonds is under publicly announced consideration for possible ratings change by any of the Rating Agencies), the notification by any of the Rating Agencies that such proposed actions will result in any of the events listed below:

(1) if the Bonds are rated by three (3) Rating Agencies on the Rating Date as Investment Grade, the rating of the Bonds by at least two (2) such Rating Agencies shall be below Investment Grade;

(2) if the Bonds are rated by only two (2) Rating Agencies on the Rating Date as Investment Grade, the rating of the Bonds by either such Rating Agency shall be below Investment Grade;

(3) if the Bonds are rated by only one Rating Agency on the Rating Date as Investment Grade, the rating of the Bonds by such Rating Agency shall be below Investment Grade; or

(4) if the Bonds are not rated as Investment Grade by any Rating Agency on the Rating Date, the rating of the Bonds by any Rating Agency shall be below the rating it provided on the Rating Date.

“Reference Treasury Dealer” means:

(1) each of Axis Bank Limited, Singapore Branch, Barclays Bank PLC, Credit Suisse (Hong Kong) Limited, DBS Bank Ltd., First Abu Dhabi Bank PJSC, ICICI Bank Limited - IFSC Banking Unit, J.P. Morgan Securities plc and Standard Chartered Bank and their respective successors or any of their respective affiliates, so long as it is Primary Treasury Dealer; *provided* that, if any such Person ceases to be a Primary Treasury Dealer, the Parent Guarantor will substitute another Primary Treasury Dealer; and

(2) any other Primary Treasury Dealer selected by the Parent Guarantor.

“Reference Treasury Dealer Quotation” means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Independent Investment Bank, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Bank by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third Business Day preceding such redemption date.

"Resulting Companies” means Resulting Company 1, Resulting Company 2, Resulting Company 3, Resulting Company 4 and Resulting Company 5.

“Resulting Company 1” means Vedanta Aluminium Metal Limited, a company registered under the laws of India with its registered address at C-103 Atul Projects, Corporate Avenue, New Link, Chakala MIDC, Mumbai 400093.

“Resulting Company 2” means Talwandi Sabo Power Limited a company registered under the laws of India with its registered address at Village Banawala, Mansa-Talwandi Sabo Road, Mansa, Punjab – 151302).

“Resulting Company 3” means Malco Energy Limited, a company registered under the laws of India with its registered address at SIPCOT Industrial Complex, Madurai Bypass Road, T.V. Puram P.O., Tuticorin, Tamil Nadu.

“Resulting Company 4” means Vedanta Base Metals Limited, a company registered under the laws of India with its registered address at C-103 Atul Projects, Corporate Avenue, New Link Chakala MIDC, Mumbai 400093.

“Resulting Company 5” means Vedanta Iron and Steel Limited, a company registered under the laws of India with its registered address at C-103 Atul Projects, Corporate Avenue, New Link, Chakala MIDC, Mumbai 400093.

“S&P” means S&P Global Ratings, a division of the McGraw Hill Companies, Inc., its affiliates and any successor to or assignee of its ratings business.

“Share Capital” means any and all shares, interests (including joint venture and partnership interests), participations or other equivalents of capital stock of a corporation or any and all equivalent ownership interests in a Person.

“Specified Assets” means the Brand Fee Receivables and the rights of VRIL (or the Parent Guarantor, as the case may be) under the Brand Fee Agreements.

"Sub-Licensee" means (in its capacity as sub-licensee under a particular Brand Fee Agreement):

(1) Black Mountain Mining (Pty) Ltd (a company incorporated under the laws of South Africa, having its registered office at 1 Penge Road, Aggeneys, Northern Cape Province, South Africa);

(2) Cairn Energy Hydrocarbons Limited (a company incorporated in Scotland with registration number SC172470);

(3) HZL (or any Demerged Entity (HZL);

(4) Vedanta Limited;

(5) any Resulting Company; or,

(6) any other Demerged Entity or Subsidiary thereof which has entered into a Brand Fee Agreement with the Parent Guarantor and/or the Intermediate SPV and VRIL and designated as such by the agent under the Private Credit Facility.

"Tax" means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

“Transaction Date” means, with respect to the Incurrence of any Borrowing, the date such Borrowing is to be Incurred and, with respect to the issuance, sale, transfer or other disposition of, or purchase or other acquisition of Capital Stock, the date such Capital Stock is to be issued, sold, transferred or otherwise disposed of, or purchased or otherwise acquired.

“Utilisation Date” means the date in which the facilities under the Private Credit Facility are first utilised.

“Voting Stock” means, with respect to any Person, Capital Stock of any class or kind ordinarily having the power to vote for the election of directors, managers or other voting members of the governing body of such Person.

"VEDL Group" means each Demerged Entity and each of their respective (direct and indirect) Subsidiaries (including Vedanta Limited and its (direct and indirect) Subsidiaries).

“VRIL” means Vedanta Resources Investments Limited.

“Wholly Owned” means, with respect to any Subsidiary, the ownership of all of the outstanding Capital Stock of such Subsidiary (other than any director’s qualifying shares or Investments by foreign nationals mandated by applicable law) by Welter or Twin Star (as applicable) or one or more Wholly Owned Subsidiaries of Welter or Twin Star (as applicable).

4 Interest

The Bonds will bear interest from the Closing Date at the rate of 10.875 per cent. per annum payable semi-annually in arrear on 17 March and 17 September of each year, commencing on 17 March 2025 (each such interest payment date, an “Interest Payment Date”). Interest on the Bonds shall accrue from (and including) the most recent date to which interest has been paid and ending on (but excluding) the next Interest Payment Date for the Bonds. Each Bond will cease to bear interest from the due date for redemption unless, upon surrender in accordance with Condition 6, payment of the full amount of principal is improperly withheld or refused or unless default is otherwise made in respect of any such payment. In such event each Bond shall continue to bear interest at the applicable rate (both before and after judgment) until, but excluding whichever is the earlier of:

(a) the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant holder; and

(b) the day which is seven calendar days after the Trustee or the Paying Agent has notified Bondholders of receipt of all sums due in respect of all the Bonds up to that seventh calendar day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions).

If interest is required to be calculated for a period of less than one year, it will be calculated on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed.

5 Redemption and Purchase

(a) Final redemption

Unless previously redeemed, or purchased and cancelled as provided herein, the Bonds will be redeemed at their principal amount on 17 September 2029.

The Bonds may not be redeemed at the option of the Issuer other than in accordance with this Condition 5.

(b) Redemption at the option of the Issuer

At any time and from time to time prior to 17 September 2026, the Bonds may be redeemed, in whole or in part, at the option of the Issuer on giving not less than 15 nor more than 60 calendar days' written notice to the Trustee and the Bondholders, at a redemption price equal to 100 per cent. of the principal amount of the Bonds being redeemed plus the Applicable Premium, plus accrued and unpaid interest, if any, to (but excluding) the redemption date. None of the Agents or the Trustee have any responsibility with respect to the calculation or verification of the Applicable Premium.

At any time and from time to time on or after 17 September 2026, the Bonds may be redeemed, in whole or in part, at the option of the Issuer on giving not less than 15 nor more than 60 calendar days' written notice to the Trustee and the Bondholders, at the following redemption prices (expressed as percentages of principal amount of the Bonds) plus accrued and unpaid interest, if any, to (but excluding) the redemption date, if redeemed during the twelve-month period beginning on 17 September of the years indicated below:

Year	**Redemption Price**
	(%)
2026	105.438
2027	102.719
2028	100.000

Any optional redemption of Bonds and notice of redemption under this Condition 5(b) may, at the Issuer's discretion, be subject to the satisfaction (or waiver by the Issuer in its sole discretion) of one or more conditions precedent. If any such redemption or notice is subject to satisfaction of one or more conditions precedent, such notice may state that, in the Issuer's sole discretion, the redemption date may be delayed until such time as any or all such conditions shall be satisfied, or such redemption may not occur and such notice may be rescinded if any or all such conditions shall not have been satisfied by the redemption date, or by the redemption date so delayed.

If fewer than all the Bonds are to be redeemed, the Bonds for redemption will be selected on a pro rata basis or by such other method as required by law or requirement of any stock exchange on which the Bonds are listed or DTC or any alternative clearing system; *provided* that Bonds with a principal amount of U.S.$200,000 will not be redeemed in part.

(c) **Redemption for taxation reasons**

The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time on giving not less than 15 nor more than 60 calendar days' written notice to the Bondholders (which notice shall be irrevocable) and the Trustee, at their principal amount (together with interest accrued and unpaid to (but excluding) the date fixed for redemption), if:

(i) the Issuer (or any Guarantor) has or will become obliged to pay additional amounts as provided or referred to in Condition 7 as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 7), or any authority therein or thereof having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date hereof; and

(ii) such obligation cannot be avoided by the Issuer (or as the case may be, the relevant Guarantor) taking reasonable measures available to it (*provided* that changing the jurisdiction of organisation of the Issuer (or as the case may be, the relevant Guarantor) is not a reasonable measure for purposes of this section),

provided that no such notice of redemption shall be given earlier than 90 calendar days prior to the earliest date on which the Issuer (or, as the case may be, the relevant Guarantor) would be obliged to pay such additional amounts were a payment in respect of the Bonds or the Guarantees then due and, unless at the time such notice is given, the obligation to pay additional amounts remains in effect. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer (or, as the case may be, the relevant Guarantor) shall deliver to the Trustee a certificate signed by two directors of the Issuer (or, as the case may be, the relevant Guarantor) stating that the obligation referred to in (i) above cannot be avoided by the Issuer (or, as the case may be, the relevant Guarantor) taking reasonable measures available to it and the Trustee shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the condition precedent set out in (ii) above in which event it shall be conclusive and binding on the Bondholders.

Any redemption of Bonds and notice of redemption under this Condition 5(c) may, at the Issuer's discretion, be subject to the satisfaction (or waiver by the Issuer in its sole discretion) of one or more conditions precedent. If any such redemption or notice is subject to satisfaction of one or more conditions precedent, such notice may state that, in the Issuer's sole discretion, the redemption date may be delayed until such time as any or all such conditions shall be satisfied, or such redemption may not occur and such notice may be rescinded if any or all such conditions shall not have been satisfied by the redemption date, or by the redemption date so delayed.

(d) **Repurchase of Bonds Upon a Change of Control Triggering Event**

Not later than 30 days following the occurrence of a Change of Control Triggering Event, the Issuer will make an Offer to Purchase all outstanding Bonds (a "Change of Control Offer") at a purchase price equal to 101.0 per cent. of the principal amount thereof plus accrued and unpaid interest, if any, to (but excluding) the Offer to Purchase Payment Date.

Notwithstanding the above, the Issuer will not be required to make a Change of Control Offer following a Change of Control if a third party makes the Change of Control Offer in the same manner and at the same time and purchases all Bonds validly tendered and not withdrawn under such Change of Control Offer.

Except as described above with respect to a Change of Control, the Trust Deed does not contain provisions that permit the Bondholders to require that the Issuer purchase or redeem the Bonds in the event of a takeover, recapitalisation or similar transaction.

(e) **Purchase**

Subject to the requirements (if any) of any stock exchange on which the Bonds may be listed at the relevant time, the Parent Guarantor and any of its Subsidiaries may at any time purchase Bonds in the open market or otherwise (including through tender or exchange offers). The Bonds so purchased, while held by or on behalf of the Parent Guarantor or any such Subsidiary, shall not entitle the holder to vote at any meetings of the Bondholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Bondholders or for the purposes of Condition 12(a).

(f) **Cancellation**

All Bonds so redeemed will be cancelled and may not be re-issued or resold. All Bonds purchased pursuant to this Condition may be cancelled at the discretion of the relevant purchaser. Bonds may be surrendered for cancellation by surrendering each such Bond to the Paying Agent and if so surrendered shall be cancelled forthwith (and may not be reissued or resold) and the obligations of the Issuer in respect of any such Bonds shall be discharged.

6 Payments

(a) **Principal and Interest**

Payment of principal and interest due other than on an Interest Payment Date will be made in United States dollars by transfer to the registered account of the Bondholder. Payment of principal will only be made after surrender of the relevant Certificate at the specified office of any of the Paying Agents.

Interest on Bonds due on an Interest Payment Date will be paid in United States dollars on the due date for the payment of interest to the holder shown on the Register at the close of business on the fifteenth day before the due date for the payment of interest (the "Interest Record Date"). Payments of interest on each Bond will be made by transfer to the registered account of the Bondholder.

(b) **Registered accounts**

For the purposes of this Condition, a Bondholder's registered account means the United States dollar account maintained by or on behalf of it with a bank in New York City, details of which appear on the Register at the close of business on the second business day (as defined below) before the due date for payment, and a Bondholder's registered address means its address appearing on the Register at that time.

(c) **Payments subject to fiscal laws**

All payments are subject in all cases to:

(i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 7; and

(ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "Code") or otherwise imposed pursuant to Sections

1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Bondholders in respect of such payments.

(d) **Payment initiation**

Where payment is to be made by transfer to a registered account, payment instructions (for value on the due date or, if that is not a business day (as defined below), for value on the first following day which is a business day) will be initiated on the due date for payment (or, if it is not a business day, the first following day which is a business day) or, in the case of a payment of principal, if later, on the business day on which the relevant Certificate is surrendered at the specified office of a Paying Agent.

Bondholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due if the due date is not a business day or if the Bondholder is late in surrendering its Certificate (if required to do so).

(e) **Business Day**

In this Condition, "business day" means:

(i) in the case of payment by transfer to a registered account, a day (other than a Saturday or Sunday) on which commercial banks are open for business in New York City, Hong Kong and the place of the specified office of the Paying Agent; and

(ii) in the case of the surrender of a Certificate, a day in which commercial banks are open for business in the place of the specified office of the Paying Agent to whom the Certificate is surrendered. If an amount which is due on the Bonds is not paid in full, the Registrar will annotate the Register with a record of the amount (if any) in fact paid.

(f) **Paying Agents**

The initial Paying Agent, Transfer Agent and Registrar and their initial specified offices are listed below. The Issuer reserves the right at any time with the approval of the Trustee to vary or terminate the appointment of any Paying Agent, Transfer Agent or Registrar and appoint additional or other paying agents, transfer agents or registrars; *provided* that it will maintain:

(i) a Paying Agent;

(ii) a paying agent in Singapore so long as the Bonds are listed on the Singapore Exchange Securities Trading Limited (the "SGX-ST") and the rules of the SGX-ST so require; and

(iii) a Registrar.

Notice of any change in the Paying Agent, Transfer Agent or Registrar or their specified offices will promptly be given to the Bondholders and the SGX-ST (so long as the Bonds are listed on the SGX-ST and the rules of the SGX-ST so require).

7 Taxation

All payments of principal and interest by or on behalf of the Issuer or the Guarantors in respect of the Bonds or the Guarantees, as applicable, shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges (including, without limitation, penalties and interest and other amounts related thereto) of whatever nature imposed, levied, collected, withheld or assessed by or within the United Kingdom, Mauritius or Cyprus or any other jurisdiction in which the Issuer or any Guarantor is then incorporated, organised, engaged in business for tax purposes or resident for tax purposes or through which any payment on the Bonds or the Guarantees is made on behalf of the Issuer or a Guarantor (each, a "Tax Jurisdiction") or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. If such withholding or deduction is required by law, the Issuer, or as the case may be, the Guarantors shall pay such additional amounts as will result in receipt by the Bondholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Bond:

(a) to a holder (or to a third party on behalf of a holder) who is liable to such taxes, duties, assessments or governmental charges in respect of such Bond by reason of such holder (or its beneficial owner or equity holder) having some connection with a Tax Jurisdiction other than the mere holding of such Bond or exercising any rights or obligations relating thereto;

(b) in the case of payment of principal or interest (other than interest due on an Interest Payment Date) if the Certificate in respect of such Bond is presented for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting such Certificate for payment on the last day of such period of 30 days;

(c) with respect to taxes, duties, assessments or governmental charges in respect of such Bond imposed as a result of the failure of the holder or beneficial owner of such Bond to comply with a written request of the Issuer or the relevant Guarantor at least 60 days before any such withholding or deduction would be payable to provide timely or accurate information concerning the nationality, residence or identity of the holder or beneficial owner or to make any valid or timely declaration or similar claim or satisfy any certification, information or other reporting requirement (to the extent such holder or beneficial owner is legally eligible to do so), which is required or imposed by a statute, treaty, regulation or administrative practice of a Tax Jurisdiction or any authority therein or thereof having the power to tax as a condition to exemption from all or part of such taxes;

(d) for any estate, inheritance, gift, sale, transfer, personal property or similar tax or assessment;

(e) for any Taxes imposed or required to be withheld under Sections 1471 to 1474 (or any successor provisions or amendments thereof) of the Code, any regulations or other official guidance thereunder, any intergovernmental agreement entered into in connection therewith or any law or regulation (or any official interpretation thereof) implementing an intergovernmental approach thereto, or any agreements entered into pursuant to Section 1471(b) of the Code; or

(f) for any taxes, duties, assessments or governmental charges payable otherwise than by deduction or withholding on payments under such Bond or the Guarantees.

Such additional amounts shall also not be payable where, had the beneficial owner of the Bond been the holder of the Bond, it would not have been entitled to payment of additional amounts by reason of clauses (a) through (f) inclusive above.

"Relevant Date" means whichever is the later of:

(i) the date on which such payment first becomes due; and

(ii) if the full amount payable has not been received by the Paying Agent or the Trustee on or prior to such due date, the date on which, the full amount having been so received, notice to that effect shall have been given to the Bondholders and payment made.

Any reference in these Conditions to principal and/or interest in respect of the Bonds shall be deemed to include any additional amounts which may be payable under this Condition or any undertaking given in addition to or substitution for it under the Trust Deed.

8 Events of Default

The Trustee at its discretion may, and if so requested by holders of not less than 25 per cent. in principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution shall (subject in each case to it being indemnified and/or secured (including by way of payment in advance) to its satisfaction), give notice in writing to the Issuer and the Parent Guarantor that the Bonds are, and they shall immediately become, due and payable at their principal amount together with accrued interest, if applicable, if any of the following events (each an "Event of Default") shall have occurred:

(a) **Non-Payment:**

(i) the Issuer and the Guarantors fail to pay all or any part of the principal of any of the Bonds when the same shall become due and payable, whether at maturity, upon redemption or otherwise and such failure continues for a period of seven calendar days; or

(ii) the Issuer and the Guarantors fail to pay any instalment of interest upon any of the Bonds as and when the same shall become due and payable, and such failure continues for a period of 14 calendar days; or

(b) **Breach of Other Obligations:**

(i) the Issuer fails to make or consummate an Offer to Purchase with respect to any of the Bonds in the manner set out in Condition 5(d); or

(ii) the Issuer or any Guarantor defaults in the performance or observance of or compliance with any of its other obligations set out in the Bonds or the Trust Deed or under the Guarantees, which default is incapable of remedy or, if in the opinion of the Trustee such default is capable of remedy, is not in the opinion of the Trustee remedied within 45 calendar days after the date on which written notice specifying such failure, stating that such notice is a "Notice of Default" under the Bonds and demanding that the Issuer or, as the case may be, the relevant Guarantor remedy the same, shall have been given to the Issuer and the Parent Guarantor by the Trustee; or

(c) **Cross-Default:**

(i) any other present or future indebtedness of the Issuer, any Guarantor or any of the Material Subsidiaries for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity (otherwise than at the option of the Issuer, any Guarantor or any Material Subsidiary, as the case may be) by reason of any actual or potential default, event of default or the like (howsoever described); or

(ii) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period originally provided for; or

(iii) the Issuer, any Guarantor or any of the Material Subsidiaries fails to pay when due (or within any applicable grace period originally provided for) any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised;

provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which any one or more of the events mentioned above in this Condition 8(c) has or have occurred equals or exceeds U.S.$100,000,000 (or the Dollar Equivalent thereof); or

(d) **Enforcement Proceedings**: A distress, attachment, execution or other legal process (other than distraint or attachment imposed by any government, authority or agent prior to enforcement foreclosure) is levied, enforced or sued out, as the case may be, on or against all or a substantial part of the property, assets or revenues of the Issuer, any Guarantor or any of the Material Subsidiaries and is not:

(i) either discharged or stayed within 60 calendar days or in circumstances where the levy, enforcement or suing out, as the case may be, of such legal process is not, or does not become, materially prejudicial to the interests of the Bondholders, within 120 calendar days; or

(ii) being contested in good faith on the basis of appropriate legal advice provided by reputable independent counsel in the relevant jurisdiction or jurisdictions and by appropriate proceedings; or

(e) **Security Enforced**: An encumbrancer takes possession or a receiver, administrator, administrative receiver, liquidator, examiner, manager, receiver and manager or other similar person (any of the foregoing, an "Administrator or Receiver") is appointed over, or an attachment order is issued in respect of, the whole or a substantial part of the undertaking, property, assets or revenues of the Issuer, any Guarantor or any of the Material Subsidiaries and in any such case such possession or appointment is not stayed or terminated or the debt on account of which such possession was taken or appointment made is not discharged or satisfied within 60 calendar days of such appointment or the issue of such order; or

(f) **Insolvency**: The Issuer, any Guarantor or any of the Material Subsidiaries:

(i) is insolvent or bankrupt or is deemed to be insolvent as a result of a court being satisfied that the value of the Issuer, any Guarantor or any of the Material Subsidiaries' assets is less than the amount of its liabilities, taking into account contingent and prospective liabilities, or unable to pay its debts or stops, suspends or threatens to stop or suspend payment of all or a substantial part of (or of a particular type of) its debts as they mature; or

(ii) applies for or consents to or suffers the appointment of an Administrator or Receiver in respect of the Issuer, any Guarantor or any of the Material Subsidiaries or over the whole or a substantial part of the undertaking, property, assets or revenues of the Issuer, any Guarantor or any of the Material Subsidiaries; or

(iii) proposes or makes or enters into a general assignment or an arrangement or composition with or for the benefit of its creditors in respect of any of such debts or a moratorium is agreed or declared or comes into effect in respect of or affecting all or a substantial part of (or of a particular type of) the debts of the Issuer, any Guarantor or any of the Material Subsidiaries, except, in any such case, for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by the Trustee or by an Extraordinary Resolution; or

(g) **Winding-up, Disposals:**An Administrator or Receiver is appointed, an order is made or an effective resolution is passed for the winding-up, dissolution, striking off the register, examinership or administration of the Issuer, any Guarantor or any of the Material Subsidiaries, or the Issuer, any Guarantor or any of the Material Subsidiaries ceases or threatens to cease to carry on all or a substantial part of its business or operations, or the Issuer, any Guarantor or any of the Material Subsidiaries sells or disposes of all or a substantial part of its assets or business whether as a single transaction or a number of transactions, related or not; except, in any such case, for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger, consolidation or other similar arrangement:

(i) on terms previously approved in writing by the Trustee or by an Extraordinary Resolution; or

(ii) in the case of a Material Subsidiary, not including arising out of the insolvency of such Material Subsidiary and under which all or substantially all of its assets are transferred to another member or members of the Group or to a transferee or transferees which immediately upon such transfer become(s) a Subsidiary or Subsidiaries of the Parent Guarantor; or

(h) **Expropriation**: Any governmental authority or agency condemns, seizes, compulsorily purchases or expropriates (excluding any distraint or attachment prior to enforcement or foreclosure) all or a substantial part of the assets or shares of the Issuer, any Guarantor or any of the Material Subsidiaries; or

(i) **Issuer or Subsidiary Guarantor ceases to be Subsidiary**: The Issuer ceases to be a Subsidiary wholly-owned and controlled, directly or indirectly, by the Parent Guarantor or any Subsidiary Guarantor ceases to be a Subsidiary; or

(j) **Analogous Events**: Any event occurs which under the laws of the Issuer's, the relevant Guarantor's or the relevant Material Subsidiary's (as the case may be) place of incorporation or principal place of business has an analogous effect to any of the events referred to in paragraphs (d) to (i) above; or

(k) **Guarantees**: The Guarantee of any Guarantor is not (or is claimed by any Guarantor not to be) in full force and effect.

In addition, in the case of paragraph (a), the holders of not less than 25% in principal amount of the Bonds then outstanding may give notice in writing to the Issuer and the Parent Guarantor (with a copy to the Trustee) that the Bonds are, and they shall immediately become, due and payable at their principal amount together with accrued interest, if applicable.

Upon any such notice being given by the Trustee or such holders to the Issuer and the Parent Guarantor, the Bonds will immediately become due and payable at their principal amount together with accrued interest as provided in the Trust Deed, *provided* that no such notice may be given unless an Event of Default shall have occurred and *provided further* that, in the case of paragraphs (b)(ii), (d), (e) and (h), the Trustee shall have certified that in its opinion such event is materially prejudicial to the interests of the Bondholders.

"Material Subsidiary" means, at any particular time, a Subsidiary of the Parent Guarantor:

(a) whose:

(i) total assets; or

(ii) gross revenues,

(in each case on an unconsolidated basis) attributable to the Parent Guarantor are equal to or greater than 10% of the consolidated total assets or consolidated gross revenues of the Parent Guarantor, as applicable (in each case as calculated based on the latest annual unconsolidated financial statements of the Subsidiary and the latest audited annual consolidated financial statements of the Parent Guarantor); or

(b) to which is transferred all or substantially all of the business, assets and undertaking of a Subsidiary of the Parent Guarantor which immediately prior to such transfer is a Material Subsidiary, whereupon the transferor Subsidiary of the Parent Guarantor shall immediately cease to be a Material Subsidiary and the transferee Subsidiary shall immediately become a Material Subsidiary (subject to the provisions of paragraph (a) above).

A report by two directors of the Parent Guarantor that in their opinion a Subsidiary of the Parent Guarantor is or is not, or was or was not, at any particular time or throughout any specified period a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on the Trustee and the Bondholders.

9 Consolidation, Amalgamation or Merger

The Parent Guarantor will not consolidate with, merge or amalgamate into, or transfer its properties and assets substantially as an entirety to, any corporation or convey or transfer its properties and assets substantially as an entirety to any person (the consummation of any such event, a "Merger"), unless:

(a) the Person formed by (or surviving) such Merger or that acquired such properties and assets shall expressly assume, by a supplemental trust deed in form and substance satisfactory to the Trustee, all obligations of the Parent Guarantor under the Trust Deed and the Bonds and the performance of every covenant and agreement applicable to it contained therein;

(b) the Person formed by (or surviving) such Merger or that acquired such properties and assets, if not organised under the law of the United Kingdom, shall expressly agree, by a supplemental trust deed in form and substance satisfactory to the Trustee, that its jurisdiction of organisation (or any authority therein or thereof having power to tax) will be added as a Tax Jurisdiction to Condition 7 and clause (c) of Condition 5, subject to clause (d) of the first paragraph of this Condition 9;

(c) immediately after giving effect to any such Merger, no Event of Default or Potential Event of Default shall have occurred or be continuing or would result therefrom as confirmed to the Trustee by:

   (i) a certificate signed by two directors of the Parent Guarantor; and

   (ii) a certificate signed by two directors of the Person that would result from such Merger or that would acquire such properties and assets; and

(d) the Person formed by (or surviving) such Merger or that acquired such properties and assets shall expressly agree, among other things, not to redeem the Bonds pursuant to Condition 5(c) as a result of it becoming obliged to pay any additional amounts (as provided or referred to in Condition 7) arising solely as a result of such Merger.

Each Subsidiary Guarantor will not, and the Parent Guarantor will not permit any Subsidiary Guarantor to, consolidate with, merge or amalgamate into, or transfer its properties and assets substantially as an entirety to, any corporation or convey or transfer its properties and assets substantially as an entirety to any Person other than the Parent Guarantor or another Subsidiary Guarantor (the consummation of any such event, a "Subsidiary Merger"), unless:

(a) the Person formed by (or surviving) such Subsidiary Merger or that acquired such properties and assets shall expressly assume, by a supplemental trust deed in form and substance satisfactory to the Trustee, all obligations of such Subsidiary Guarantor under the Trust Deed and the Bonds and the performance of every covenant and agreement applicable to it contained therein;

(b) the Person formed by (or surviving) such Subsidiary Merger or that acquired such properties and assets, if not organised under the law of the jurisdiction of organisation of such Subsidiary Guarantor, shall expressly agree, by a supplemental trust deed in form and substance satisfactory to the Trustee, that its jurisdiction of organisation (or any authority therein or thereof having power to tax) will be added as a Tax Jurisdiction to Condition 7 and clause (c) of Condition 5, subject to clause (d) of the second paragraph this Condition 9;

(c) immediately after giving effect to any such Subsidiary Merger, no Event of Default or Potential Event of Default shall have occurred or be continuing or would result therefrom as confirmed to the Trustee by:

   (i) a certificate signed by two directors of the Parent Guarantor; and

(ii) a certificate signed by two directors of the Person that would result from such Subsidiary Merger or that would acquire such properties and assets;

(d) the Person formed by (or surviving) such Subsidiary Merger or that acquired such properties and assets shall expressly agree, among other things, not to redeem the Bonds pursuant to Condition 5(c) as a result of it becoming obliged to pay any additional amounts (as provided or referred to in Condition 7) arising solely as a result of such Subsidiary Merger; and

(e) the Person formed by (or surviving) such Subsidiary Merger or that acquired such properties and assets would, on the date of such transaction after giving pro forma effect thereto, be permitted to Incur at least U.S.$1.00 of additional Borrowings pursuant to the Subsidiary Guarantor Attributable Leverage Ratio test set forth in the first paragraph of Condition 3(f).

The Issuer will not, and the Parent Guarantor will not permit the Issuer to, consolidate with, merge or amalgamate into, or transfer its properties and assets substantially as an entirety to, any corporation or convey or transfer its properties and assets substantially as an entirety to any person.

10 Prescription

Claims in respect of principal and interest will become void unless made as required by Condition 6 within a period of 10 years in the case of principal and five years in the case of interest from the appropriate Relevant Date.

11 Replacement of Certificates

If any Certificate representing a Bond is lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Registrar subject to all applicable laws and stock exchange or other relevant authority requirements, upon payment by the claimant of the costs and expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer and the Parent Guarantor may require (*provided* that the requirement is reasonable in the light of prevailing market practice). Mutilated or defaced Certificates must be surrendered before replacements will be issued.

12 Meetings of Bondholders, Modification and Waiver

(a) Meetings of Bondholders

The Trust Deed contains provisions for convening meetings of Bondholders to consider matters affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the Trust Deed and the Agency Agreement. Such a meeting may be convened by the Issuer, the Parent Guarantor or the Trustee at any time and shall be convened by the Trustee if it receives a written request by Bondholders holding not less than 15 per cent. in principal amount of the Bonds for the time being outstanding. The quorum for any such meeting convened to consider an Extraordinary Resolution will be two (2) or more persons holding or representing a clear majority in principal amount of the Bonds for the time being outstanding, or at any adjourned meeting two (2) or more persons being or representing Bondholders whatever the principal amount of the Bonds held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*:

(i) to modify the maturity of the Bonds or the dates on which interest is payable in respect of the Bonds;

(ii) to reduce or cancel the principal amount of, or interest on, the Bonds;

(iii) to change the currency of payment of the Bonds;

(iv) to cancel or modify any Guarantee in relation to the Bonds (other than any modification described in Condition 12(b));

(v) to impair or affect the contractual right of any Bondholder to bring suit for the enforcement of any contractual right to payment, on or after the due date expressed in the Bonds; and

(vi) to modify the provisions concerning the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution,

in which case the necessary quorum will be two (2) or more persons holding or representing not less than two-thirds, or at any adjourned meeting not less than one-third, in principal amount of the Bonds for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Bondholders (whether or not they were present at the meeting at which such resolution was passed and whether or not they voted in favour).

The expression "Extraordinary Resolution" means a resolution passed at a meeting of Bondholders duly convened and held in accordance with these provisions by a majority consisting of not less than two-thirds of the votes cast.

(b) **Modification and Waiver**

The Trustee may agree, without the consent of the Bondholders, to:

(i) any modification to these Conditions or to the provisions of the Trust Deed or the Agency Agreement which is in its opinion of a formal, minor or technical nature or is made to correct a manifest error, and

(ii) any other modification (except as provided for in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of these Conditions, the Trust Deed or the Agency Agreement which is in the opinion of the Trustee not materially prejudicial to the interests of the Bondholders, and

(iii) add any guarantor or any guarantee of the Bonds or any collateral to secure the Bonds.

Any such modification, authorisation or waiver shall be binding on the Bondholders and such modification shall be notified to the Bondholders as soon as practicable.

(c) **Written resolutions of 90 per cent. holders**

The Trust Deed provides that (i) a written resolution signed, and (ii) consent given by way of electronic consents through the relevant clearing system(s) in accordance with their operating rules and procedures, by or on behalf of the holders of not less than 90 per cent. of the aggregate principal amount outstanding of Bonds who for the time being are entitled to receive notice of a meeting in accordance with the provisions of the Trust Deed shall, in each case, be as valid and effective as a duly passed Extraordinary Resolution. Such written resolution and/or consent given by way of electronic consents will be binding on all Bondholders whether or not they participated in such written resolution and/or electronic consent, as the case may be.

(d) **Entitlement of the Trustee**

In connection with the exercise of its powers, trusts, authorisations or discretions (including but not limited to those referred to in this Condition), the Trustee shall have regard to the interests of the Bondholders as a class and shall not have regard to the consequences of such exercise for individual Bondholders (including as a result of their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory) and the Trustee shall not be entitled to require, nor shall any Bondholder be entitled to claim, from the Issuer or the Guarantors any indemnification or payment in respect of any tax consequence of any such exercise upon individual Bondholders.

13 Enforcement

At any time after the Bonds become due and payable, the Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer and/or the Guarantors as it may think fit to enforce the terms of the Trust Deed, the Bonds and/or the Guarantees of Bonds, but it need not take any such proceedings unless:

(a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Bondholders holding at least one-quarter in principal amount of the Bonds outstanding; and

(b) it shall have been indemnified and/or secured (including by way of payment in advance) to its satisfaction.

No Bondholder may proceed directly against the Issuer and/or the Guarantors unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing. However, such limitation does not apply to the contractual right of any Bondholder to bring suit for the enforcement of any contractual right to payment, on or after the due date expressed in the Bonds.

14 Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to enforce repayment unless indemnified and/or secured (including by way of payment in advance) to its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer, any Guarantor and any entity related to the Issuer or any Guarantor without accounting for any profit.

The Trustee may rely without liability to Bondholders on any certificate or report prepared by the auditors or any other person pursuant to these Conditions and/or the Trust Deed, whether or not addressed to the Trustee and whether or not the auditors liability in respect thereof is limited by a monetary cap or otherwise; any such certificate shall be conclusive and binding on the Issuer, the Guarantors, the Trustee and the Bondholders.

15 Further Issues

The Issuer may from time to time without the consent of the Bondholders create and issue further securities either having the same terms and conditions as the Bonds in all respects (or in all respects except for the first payment of interest on them and so that such further issue shall be consolidated and form a single series with the outstanding securities (including the Bonds) or upon such terms as the Issuer may determine at the time of their issue, *provided* that, if the securities of such further issue are not fungible with the Bonds for U.S. federal income tax purposes, such securities will have a separate CUSIP or ISIN from those of the Bonds. References in these Conditions to the Bonds include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single series with the Bonds. Any further securities forming a single series with the outstanding securities (including the Bonds) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may (with the consent of the Trustee), be constituted by a deed supplemental to the Trust Deed.

16 Notices

Notices to Bondholders will be valid if published in a leading newspaper having general circulation in Singapore (which is expected to be *The Business Times*). Any such notice shall be deemed to have been given on the date of such publication or, if published more than once, on the first date on which publication is made.

So long as the Bonds are represented by the Global Certificates and the Global Certificates are held on behalf of DTC or the alternative clearing system (as defined in the Global Certificates), notices to Bondholders may be given by delivery of the relevant notice to DTC or the alternative clearing system, for communication by it to entitled accountholders in substitution for notification as required by the Conditions.

17 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Bonds under the Contracts (Rights of Third Parties) Act 1999.

18 Governing Law and Jurisdiction

(a) **Governing Law**

The Trust Deed, the Agency Agreement and the Bonds and all non-contractual matters arising therefrom or in connection therewith are governed by and construed in accordance with English law.

(b) **Jurisdiction**

The courts of England have exclusive jurisdiction to settle any dispute (a "Dispute") arising from or connected with the Trust Deed or the Bonds and all non-contractual matters arising therefrom or in connection therewith (including a dispute regarding the existence, validity or termination of the Trust Deed or the Bonds or the consequences of their nullity). The submission to the jurisdiction of the courts of England is for the benefit of the Trustee and the Bondholders only and shall not (and shall not be construed so as to) limit the right of the Trustee or any Bondholder to take proceedings relating to a Dispute ("Proceedings") in any other courts with jurisdiction nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not) if any to the extent permitted by law.

(c) **Process Agent**

Each of Twin Star and Welter hereby irrevocably appoints the Parent Guarantor, located at 30 Berkeley Square, London W1J 6EX, as its agent in England and Wales to receive service of process in any Proceedings in England. If the Parent Guarantor ceases to be able to accept service of process in England and Wales, each of Twin Star and Welter shall immediately appoint a new agent to accept such service of process in England and notify the Trustee of the same. Nothing herein shall affect the right to serve process in any other manner permitted by law.

SUMMARY OF PROVISIONS RELATING TO THE BONDS WHILE IN GLOBAL FORM

The Global Certificates contain provisions which apply to the Bonds while they are in global form, some of which modify the effect of the Conditions of the Bonds set out in this Offering Circular. The following is a summary of certain of those provisions. Terms defined in the Conditions have the same meaning in the paragraphs below.

Book-Entry; Delivery and Form

The certificates representing the Bonds will be issued in fully registered form without interest coupons attached. The Regulation S Bonds will initially be represented by the Unrestricted Global Certificates and will be deposited with a custodian for, and registered in the name of a nominee of, DTC for the accounts of Euroclear and Clearstream. Prior to the 40th day after the date of issue of the Bonds, beneficial interests in the Regulation S Bonds may only be held through Euroclear or Clearstream, and any resale or transfer of such interests to US persons shall not be permitted during such period unless such resale or transfer is made pursuant to Rule 144A or Regulation S under the Securities Act.

The Rule 144A Bonds will initially be represented by the Restricted Global Certificates and will be deposited with a custodian for, and registered in the name of a nominee of, DTC.

Each Global Certificate (and any Bonds issued for exchange therefor) will be subject to certain restrictions on transfer set forth therein as described under "*Transfer Restrictions*".

Ownership of beneficial interests in a Global Certificate will be limited to persons who have accounts with DTC ("**participants**") or persons who hold interests through participants. Ownership of beneficial interests in a Global Certificate will be shown on, and the transfer of that ownership will be effected only through, records maintained by DTC or its nominee (with respect to interests of participants) and the records of participants (with respect to interests of persons other than participants). QIBs may hold their interests in a Restricted Global Certificate directly through DTC if they are participants in such system, or indirectly through organisations which are participants in such system.

Investors may hold their interests in a Regulation S Bond directly through Euroclear or Clearstream, if they are participants in such systems, or indirectly through organisations that are participants in such system. On or after the 40th day following the date of issue of the Bonds, investors may also hold such interests through organisations other than Euroclear or Clearstream that are participants in the DTC system. Euroclear and Clearstream will hold interests in the Regulation S Bonds on behalf of their participants through DTC.

So long as DTC, or its nominee, is the registered owner or holder of a Global Certificate, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Bonds represented by such Global Certificate for all purposes under the Trust Deed and the Bonds. No beneficial owner of an interest in a Global Certificate will be able to transfer that interest except in accordance with DTC's applicable procedures, in addition to those provided for under the Trust Deed and the Agency Agreement and, if applicable, those of Euroclear and Clearstream.

Registration of Title

Individual Certificates will not be issued in exchange for interests in the Bonds in respect of which the Global Certificates are issued, except if (where they shall be issued free of charge to the holder) DTC (or any clearing system as shall have been designated by the Issuer and approved by the Trustee (the "**Alternative Clearing System**") on behalf of which the Bonds evidenced by the Global Certificates may be held) notifies the Issuer that it is no longer willing or able to discharge properly its responsibilities as depositary with respect to the Bonds, or ceases to be a "Clearing Agency" registered under the Exchange Act or is at any time no longer eligible to act as such and the Issuer is unable to locate a qualified successor within 90 days of receiving notice of such ineligibility on the part of DTC (or, as the case may be, such Alternative Clearing System).

Approval in-principle has been received from the SGX-ST for the listing of and quotation for the New Bonds on the Official List of the SGX-ST. The New Bonds, if so listed, will be traded on the SGX-ST in a minimum board lot size of S$200,000 (or its equivalent in other currencies) for so long as the Bonds are listed on the SGX-ST and the rules of the SGX-ST so require.

For so long as any Bonds are listed on the SGX-ST and the rules of the SGX-ST so require, the Issuer shall appoint and maintain a paying agent in Singapore, where the Bonds may be presented or surrendered for payment or redemption, in the event that a Global Certificate is exchanged for Individual Certificates. In addition, in the event that a Global Certificate is exchanged for Individual Certificates, an announcement of such exchange will be made by the Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the Individual Certificates, including details of the paying agent in Singapore.

In such circumstances, the Issuer will cause sufficient Individual Certificates to be executed and delivered to the Registrar for completion, authentication and despatch to the relevant Bondholders. A person with an interest in the Bonds in respect of which a Global Certificate is issued must provide the Registrar with a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such Individual Certificates and, in the case of a person with an interest in the Bonds represented by a Restricted Global Certificate, a fully completed, signed certification substantially to the effect that the exchanging holder is not transferring its interest at the time of such exchange, or in the case of a simultaneous sale pursuant to Rule 144A, Regulation S or Rule 144 under the Securities Act ("**Rule 144**"), a certification that the transfer is being made in compliance with the provisions of Rule 144A, Regulation S or Rule 144, as the case may be, in accordance with the Agency Agreement. Restricted individual certificates issued in respect of the Rule 144A Bonds shall bear the Securities Act Legends applicable to transfers pursuant to Rule 144A.

Payments and Transfers

Payments of principal and interest in respect of Bonds represented by a Global Certificate will be made to DTC or its nominee, as the case may be, and will be made without presentation or, if no further payment falls to be made in respect of the Bonds, against presentation and surrender, of the Global Certificate to or to the order of the Paying Agent as shall have been notified to the Bondholders for such purpose. None of the Issuer, the Trustee or the Paying Agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in a Global Certificate or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

The Issuer expects that DTC or its nominee, upon receipt of any payment of principal or interest in respect of a Global Certificate, will credit participants' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of such Global Certificate as shown on the records of DTC or its nominee. The Issuer also expects that payments by participants to owners of beneficial interests in such Global Certificate held through such participants will be governed by standing instructions and customary practises, as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. Such payments will be the responsibility of such participants.

Transfers between participants in DTC will be effected in the ordinary way in accordance with DTC rules and will be settled in same-day funds. Transfers between participants in Euroclear and Clearstream will be effected in the ordinary way in accordance with their respective rules and operating procedures.

The Issuer expects that DTC will take any action permitted to be taken by a Bondholder (including the presentation of Bonds for exchange as described below) only at the direction of one or more participants to whose account the DTC interests in a Global Certificate is credited and only in respect of such portion of the aggregate principal amount of Bonds as to which such participant or participants has or have given such direction.

The Issuer understands that DTC is a limited purpose trust company organised under the laws of the State of New York, a “banking organisation” within the meaning of New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the Uniform Commercial Code and a “Clearing Agency” registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for its participants and to facilitate the clearance and settlement of securities transactions between participants through electronic book-entry changes in accounts of its participants, thereby eliminating the need for physical movement of securities certificates. Indirect access to the DTC system is available to others such as banks, brokers, dealers and trust companies and certain other organisations that clear through or maintain a custodial relationship with a participant, either directly or indirectly (“**indirect participants**”).

Although DTC, Euroclear and Clearstream are expected to follow the foregoing procedures in order to facilitate transfers of interests in a Global Certificate among participants of DTC, Euroclear and Clearstream, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Trustee or the Paying Agent will have any responsibility for the performance by DTC, Euroclear or Clearstream or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Notices

So long as the Bonds are represented by a Global Certificate and such Global Certificate is held on behalf of DTC or an Alternative Clearing System, notices to Bondholders may be given by delivery of the relevant notice to that clearing system for communication by it to entitled account holders in substitution for publication as required by the Conditions.

Meetings

The registered holder of each Global Certificate will be treated as being two persons for the purposes of any quorum requirements of a meeting of Bondholders and, at any such meeting, as having one vote in respect of each $1,000 in principal amount of the Bonds for which the Global Certificates may be exchanged. The Trustee may allow a person with an interest in the Bonds in respect of which a Global Certificate has been issued to attend and speak (but not to vote) at a meeting of Bondholders on appropriate proof of his identity and interest.

Purchase and Cancellation

Cancellation of any Bond required by the Conditions to be cancelled following its purchase will be effected by reduction in the principal amount of the Bonds in the register of Bondholders.

Trustee’s Powers

In considering the interests of Bondholders while a Global Certificate is registered in the name of a nominee for a clearing system, the Trustee may have regard to any information provided to it by or on behalf of the relevant clearing system or its operator as to the identity (either individually or by category) of its account holders with entitlements to the Bonds and may consider such interests as if such account holders were the Bondholders.

The Clearing Systems

General

DTC, Euroclear and Clearstream have advised the Issuer, the Parent Guarantor and each Subsidiary Guarantor as follows:

DTC. DTC is a limited-purpose trust company organised under the laws of the State of New York, a "banking organisation" within the meaning of New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities of its participants and to facilitate the clearance and settlement of securities transactions among its participants in such securities through electronic book entry changes in accounts of its participants, thereby eliminating the need for physical movement of securities certificates. DTC's participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organisations, some of whom own DTC, and may include the Joint Global Coordinators and Managers. Indirect access to the DTC system is also available to others that clear through or maintain a custodial relationship with a DTC participant, either directly or indirectly. Transfers of ownership or other interests in Bonds in DTC may be made only through DTC participants. In addition, beneficial owners of Bonds in DTC will receive all distributions of principal of and interest on the Bonds from the Trustee through such DTC participant.

Euroclear and Clearstream. Euroclear and Clearstream hold securities for participating organisations and facilitate the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream provide to their participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream interface with domestic securities markets. Euroclear and Clearstream participants are financial institutions such as underwriters, securities brokers and dealers, banks, trust companies and certain other organisations. Indirect access to Euroclear or Clearstream is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Euroclear or Clearstream participant, either directly or indirectly.

Initial Settlement

Initial settlement for the Bonds will be made in immediately available funds. All Bonds issued in the form of global certificates will be deposited with Cede & Co., as custodian for DTC. Investors' interests in Bonds held in book-entry form by DTC will be represented through financial institutions acting on their behalf as direct and indirect participants in DTC. As a result, Euroclear and Clearstream will initially hold positions on behalf of their participants through DTC.

Investors electing to hold their Bonds through DTC (other than through accounts at Euroclear or Clearstream) must follow the settlement practises applicable to United States corporate debt obligations. The securities custody accounts of investors will be credited with their holdings against payment in same day funds on the settlement date.

Investors electing to hold their Bonds through Euroclear or Clearstream accounts will follow the settlement procedures applicable to conventional Eurobonds in registered form. Bonds will be credited to the securities custody accounts of Euroclear holders and of Clearstream holders on the business day following the settlement date against payment for value on the settlement date.

Secondary Market Trading

Because the purchaser determines the place of delivery, it is important to establish at the time of trading of any Bonds where both the purchaser's and seller's accounts are located to ensure that settlement can be made on the desired value date.

Trading between DTC participants. Secondary market trading between DTC participants will occur in the ordinary way in accordance with DTC rules and will be settled using the procedures applicable to United States corporate debt obligations in same-day funds using DTC's Same-Day Funds Settlement System.

Trading between Euroclear and Clearstream participants. Secondary market trading between Euroclear participants and Clearstream participants will occur in the ordinary way in accordance with the applicable rules and operating procedures of Clearstream and Euroclear and will be settled using the procedures applicable to conventional Eurobonds in same-day funds.

Trading between DTC seller and Euroclear or Clearstream purchaser. When Bonds are to be transferred from the account of a DTC participant to the account of a Euroclear participant or a Clearstream participant, the purchaser must send instructions to Euroclear or Clearstream through a participant at least one business day prior to settlement. Euroclear or Clearstream, as the case may be, will receive the Bonds against payment. Payment will then be made to the DTC participant's account against delivery of the Bonds. Payment will include interest accrued on the Bonds from and including the last interest payment date to and excluding the settlement date, on the basis of a calendar year consisting of twelve 30-day calendar months. For transactions settling on the 31st day of the month, payment will include interest accrued to and excluding the first day of the following month. Payment will then be made to the DTC participant's account against delivery of the Bonds. After settlement has been completed, the Bonds will be credited to the respective clearing system and by the clearing system, in accordance with its usual procedures, to the Euroclear participant's or Clearstream participant's account. Credit for the Bonds will appear on the next day (European time), and cash debit will be back-valued to, and the interest on the Bonds will accrue from, the value date (which would be the preceding day when settlement occurs in New York). If settlement is not completed on the intended value date (i.e., the trade date fails), the Euroclear or Clearstream cash debit will be valued instead on the actual settlement date.

Euroclear participants or Clearstream participants will need to make available to the respective clearing systems the funds necessary to process same-day funds settlement. The most direct means of doing so is to pre-position funds for settlement, either from cash on hand or existing lines of credit, as they would for any settlement occurring within Euroclear or Clearstream. Under this approach, they may take on credit exposure to Euroclear or Clearstream until the Bonds are credited to their accounts one day later.

As an alternative, if Euroclear or Clearstream has extended a line of credit to them, participants can elect not to pre-position funds and allow that credit line to be drawn upon to finance settlement. Under this procedure, Euroclear participants or Clearstream participants purchasing Bonds would incur overdraught charges for one day, assuming they cleared the overdraught when the Bonds were credited to their accounts. However, interest on the Bonds would accrue from the value date. Therefore, in many cases, the investment income on Bonds earned during that one-day period may substantially reduce or offset the amount of such overdraught charges, although this result will depend on each participant's particular cost of funds.

The sale proceeds will be available to the DTC seller on the settlement date. Thus, to the DTC participant, a cross-market transaction will settle no differently than a trade between two DTC participants.

Finally, day traders that use Euroclear or Clearstream and that purchase Bonds from DTC participants for credit to Euroclear participants or Clearstream participants should note that these trades will automatically fail on the sale side unless affirmative action is taken. At least three techniques should be readily available to eliminate this potential problem:

- borrowing through Euroclear or Clearstream for one day (until the purchase side of the day trade is reflected in their Euroclear account or Clearstream account) in accordance with the clearing system's customary procedures;
- borrowing the Bonds in the United States from a DTC participant no later than one day prior to settlement, which would give the Bonds sufficient time to be reflected in the borrower's Euroclear account or Clearstream account in order to settle the sale side of the trade; or
- staggering the value dates for the buy and sell sides of the trade so that the value date for the purchase from the DTC participant is at least one day prior to the value date for the sale to the Euroclear participants or Clearstream participants.

Trading between Euroclear or Clearstream seller and DTC purchaser. Due to the time zone differences in their favour, Euroclear participants or Clearstream participants may employ their customary procedures for transactions in which Bonds are to be transferred by the respective clearing system to another DTC participant. The seller must send instructions to Euroclear or Clearstream through a participant at least one business day prior to settlement. In these cases, Euroclear or Clearstream will credit the Bonds to the DTC participant's account against payment. Payment will include interest accrued on the Bonds from and including the last interest payment date to and excluding the settlement date, on the basis of a calendar year consisting of twelve 30-day calendar months. For transactions settling on the 31st day of the month, payment will include interest accrued to the Bonds excluding the first day of the following month. Payment will then be made to the DTC participant's account against delivery of the Bonds. The payment will then be reflected in the account of the Euroclear participant or Clearstream participant the following day, and receipt of the cash proceeds in the Euroclear or Clearstream participant's account will be back-valued to the value date (which would be the preceding day when settlement occurs in New York). If the Euroclear participant or Clearstream participant has a line of credit with its respective clearing system and elects to draw on such line of credit in anticipation of receipt of the sale proceeds in its account, the back-valuation may substantially reduce or offset any overdraught charges incurred over the one-day period. If settlement is not completed on the intended value date (i.e., the trade fails), receipt of the cash proceeds in the Euroclear or Clearstream participant's account would instead be valued on the actual settlement date.

As in the case with respect to sales by a DTC participant to a Euroclear or Clearstream participant, participants in Euroclear and Clearstream will have their accounts credited the day after their settlement date. See the section entitled "— *Trading between DTC seller and Euroclear or Clearstream purchaser*" above for more information.

TRANSFER RESTRICTIONS

Because of the following restrictions, purchasers are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Bonds and the Guarantees.

This offering is being made in reliance and Regulation S. The Bonds and the Guarantees have not been, and will not be, registered or with any securities regulatory authority of any State in the United States or any other jurisdiction. The New Bonds may only be offered or sold to non-US persons outside the United States in reliance on Regulation S, and in accordance with any other applicable law.

Each purchaser of New Bonds and the Guarantees offered hereby to non-US persons in reliance on Regulation S, by accepting delivery of this Offering Circular and the New Bonds and the Guarantees, will be deemed to have represented, agreed and acknowledged that it has received such information as it deems necessary to make an investment decision and that:

- It understands that such Bonds and the Guarantees have not been and will not be registered under the Securities Act, and such Bonds and the Guarantees are being offered and sold to non-US persons in reliance on Regulation S.
- It is, or at the time the New Bonds and the Guarantees are purchased will be, the beneficial owner of such New Bonds and the Guarantees and (a) it is purchasing the New Bonds and the Guarantees in an offshore transaction (within the meaning of Regulation S); (b) it is not an affiliate of the Issuer, the Parent Guarantor or the Subsidiary Guarantors or a person acting on behalf of such an affiliate and (c) it is not a US person (as defined in Regulation S) and is located outside the United States and will continue to be located outside the United States at the time the buy order is originated.
- It will not offer, sell, pledge or transfer the New Bonds and the Guarantees, except in accordance with the Securities Act and any applicable laws of the states of the United States and any other jurisdiction.
- The Issuer, the Parent Guarantor, the Subsidiary Guarantors, the Transfer Agent, the Registrar, the Joint Global Coordinators and Managers and their respective affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements.

It understands that the New Bonds and the Guarantees offered in reliance on Regulation S will be represented by the Unrestricted Global Certificates. For the period until and including the 40th day after the commencement of the offering, any interest in the Unrestricted Global Certificates may be offered, sold, pledged or otherwise transferred to a US person or a person located in the United States or a person who takes delivery in the form of an interest in the Restricted Global Certificate, provided that it will be required to provide the Transfer Agent with a written certification (in the form provided in the Agency Agreement) to the effect that the transferee is a "qualified institutional buyer" (as defined in Rule 144A) and as to compliance with applicable securities laws.

It understands that such Bonds and the Guarantees will, unless otherwise agreed between the Issuer, the Parent Guarantor, the Subsidiary Guarantors and the Trustee in accordance with applicable law, will bear a legend to the following effect:

This Bond and the Guarantee in respect hereof have not been and will not be registered under the United States Securities Act of 1933 (the "Securities Act") or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold, pledged or otherwise transferred in the United States or to, for the account or benefit of, any United States person except pursuant to an available exemption from the registration requirements of the Securities Act and all applicable state securities laws. Terms used above have the meanings given to them in Regulation S under the Securities Act.

TAXATION

The information provided below does not purport to be a comprehensive description of all tax considerations which may be relevant to a decision to purchase the Bonds. Neither these statements nor any other statements in this Offering Circular are to be regarded as advice on the tax position of any holder or beneficial owner of the Bonds or of any person acquiring, selling or otherwise dealing with the Bonds or on any tax implications arising from the acquisition, sale or other dealings in respect of the Bonds. The statements do not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Bonds and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities) may be subject to special rules.

Prospective purchasers of the Bonds are advised to consult their tax advisers as to the tax consequences, under the tax laws of the country in which they are resident, of a purchase of Bonds including, without limitation, the consequences of receipt of interest and premium, if any, on the Bonds and a sale or redemption of, the Bonds or any interest therein.

Certain United Kingdom Taxation Considerations

The comments below, which are of a general nature and are based on the Issuer's understanding of current UK tax law as applied in England and Wales and HM Revenue & Customs ("**HMRC**") practice (which may not be binding on HMRC) in each case as at the latest practicable date before the date of this Offering Circular, both of which may be subject to change, possibly with retrospective effect, describe only the UK withholding tax treatment of payments in respect of the Bonds. They are not exhaustive. They do not deal with any other UK taxation implications of acquiring, holding, exchanging, redeeming or disposing of the Bonds. Prospective holders of the Bonds who are in any doubt as to their tax position or who may be subject to tax in a jurisdiction other than the UK are strongly advised to consult their own professional advisers. In particular, Bondholders should be aware that the tax legislation of any jurisdiction where a Bondholder is resident or otherwise subject to taxation (as well as the jurisdictions discussed below) may have an impact on the tax consequences of an investment in the Bonds including in respect of any income received from the Bonds.

Interest on the Bonds

The Bonds will constitute "quoted Eurobonds" within the meaning of section 987 of the Income Tax Act 2007 (the "**Act**") as long as they are and continue to be listed on a "recognised stock exchange" within the meaning of section 1005 of the Act. SGX-ST is a "recognised stock exchange" for these purposes. The Bonds will be treated as listed on SGX-ST if the Bonds are included in the official list of, and are admitted to trading on (which, in the case of SGX-ST, means quoted on), the Main Board of SGX-ST.

Provided, therefore, that the Bonds are and remain so listed and quoted, payments of interest on the Bonds will be made without deduction or withholding for or on account of UK income tax.

If the Bonds are not, or cease to be, so listed, generally an amount must be deducted or withheld for or on account of UK income tax at the basic rate (currently 20%), subject to any direction to the contrary by HM Revenue and Customs under an applicable double taxation treaty, and except that the deduction or withholding obligation is disapplied in respect of payments of interest to Bondholders who the Issuer reasonably believes are either UK resident companies or non-UK resident companies carrying on a trade in the UK through a permanent establishment which are, in each case, within the charge to UK corporation tax and to which the interest is attributable, or are partnerships whose members consist entirely of such companies (unless, in each such case, HM Revenue and Customs directs otherwise), or where any other relevant exception, exemption or relief applies. Any premium payable on redemption may be treated as a payment of interest for UK tax purposes and may accordingly be subject to the withholding tax treatment described above.

Interest on the Bonds will constitute UK source income for UK tax purposes and may be subject to UK income tax or UK corporation tax (as appropriate) by assessment (including self-assessment) even where paid without deduction or withholding for or on account of UK tax. However, interest with a UK source received without deduction or withholding for or on account of UK income tax will not be chargeable to UK tax in the hands of a Bondholder who is not resident for tax purposes in the UK unless that Bondholder: (i) is not a company and carries on a trade, profession or vocation in the UK through a UK branch or agency, or is a company and carries on a trade in the UK through a UK permanent establishment and the interest is received in connection with, or the Bonds are attributable to, that branch or agency or permanent establishment (as applicable); or (ii) is a trustee in certain circumstances. There are exemptions for interest received by certain categories of agent (such as some brokers and investment managers). The provisions of an applicable double tax treaty may also be relevant for such Bondholders.

UK Withholding Tax — Payments by a Guarantor

If a Guarantor makes any payments in respect of interest on the Bonds then, depending on the correct legal analysis of the payments as a matter of UK law (which is uncertain), it is possible that such payments may be subject to deduction or withholding for or on account of UK income tax at the basic rate (currently 20%), subject to any claim which could be made under an applicable double taxation treaty or any other available exemption or relief. In particular, such payments by a Guarantor may not be eligible for the quoted Eurobonds exemption described above.

Provision of information

In certain circumstances, HM Revenue and Customs has the power to require any person in the UK (i) paying interest to, or receiving interest on behalf of another person who is an individual; or (ii) paying amounts due on redemption of any Bonds which constitute deeply discounted securities as defined in Chapter 8 of Part 4 of the Income Tax (Trading and Other Income) Act 2005 to, or receiving such amounts on behalf of, another person who is an individual, to disclose the name and address of that Bondholder and to provide information regarding the amounts paid to him or received on his behalf. In relation to the payment or receipt of interest, these provisions will apply whether or not the interest has been paid subject to withholding or deduction for or on account of UK income tax and whether or not the Bondholder is resident in the UK for UK taxation purposes. Where the Bondholder is not so resident, the details provided to HM Revenue and Customs may, in certain cases, be passed on to the tax authorities of the jurisdiction in which the Bondholder is resident for taxation purposes.

Transfer and redemption of the Bonds

UK corporation taxpayers

In general, Bondholders who are within the charge to UK corporation tax in respect of the Bonds will be treated for tax purposes as realising profits, gains or losses (including exchange gains and losses) in respect of the Bonds on a basis which is broadly in accordance with their statutory accounting treatment so long as that accounting treatment is in accordance with generally accepted accounting practice as that term is defined for the relevant tax purposes. Such profits, gains and losses will be taken into account in computing taxable income for UK corporation tax purposes.

Other UK taxpayers

It is not entirely certain whether or not the Bonds will be treated as "deeply discounted securities" for the purposes of Chapter 8 of Part 4 of the Income Tax (Trading and Other Income) Act 2005. Accordingly, Bondholders are advised to consult their own professional advisers in respect of this issue.

If the Bonds are treated as "deeply discounted securities" for the purposes of Part 4, Chapter 8 of the Income Tax (Trading and Other Income) Act 2005, Bondholders who are not within the charge to UK corporation tax and who are resident for tax purposes in the UK, or who carry on a trade, profession or vocation in the UK through a branch or agency to which the Bonds are attributable, may be subject to UK tax on income on a disposal of the Bonds (including a disposal occurring on redemption of Bonds). In such a case, no chargeable gain or allowable loss would arise on a disposal of a Bond by a Bondholder (including a disposal occurring on redemption) nor should the accrued income profits and losses regime (as set out below) apply to Bondholders on such a disposal.

If the Bonds are not treated as "deeply discounted securities" for the purposes of Part 4, Chapter 8 of the Income Tax (Trading and Other Income) Act 2005, a disposal of the Bonds (including a disposal occurring on redemption) by an individual Bondholder who is resident for tax purposes in the UK, or who carries on a trade, profession or vocation in the UK through a branch or agency to which the Bonds are attributable, may give rise to a chargeable gain or allowable loss for the purposes of the UK taxation of chargeable gains. In calculating any gain or loss accordingly, a taxable profit can arise even where the amount received in a non-sterling currency is the same as, or less than, the amount paid in that currency for the Bond. Special rules may apply to individuals who have ceased to be resident in the UK and who dispose of their Bonds before becoming once again resident in the UK.

The provisions of the "accrued income profits and losses" regime (formerly known as the "accrued income scheme") (the "**Regime**") may apply to Bondholders who are subject to UK income tax in relation to the Bonds. On a transfer of securities with accrued interest, the Regime can, in certain circumstances, apply to deem the transferor to receive an amount of income equal to the accrued interest and to treat the deemed or actual interest subsequently received by the transferee as reduced by a corresponding amount. Generally, persons who are not resident in the UK and who do not carry on a trade in the UK through a branch or agency to which the Bonds are attributable will not be subject to the provisions of these rules. Bondholders are advised to consult their own professional advisers for further information about the rules relating to the Regime.

Certain Mauritian Taxation Considerations

Twin Star is structured as a Global Business Company ("**GBC**") in Mauritius. A GBC must at all times: (i) carry out its core income generating activities in, or from, Mauritius, as required under the Income Tax Act 1995 of Mauritius; (ii) be managed and controlled from Mauritius; and (iii) be administered by a management company licensed under the Financial Services Act 2007.

Generally, income tax rate for GBCs is at 15%, but subject to meeting certain prescribed conditions, a partial exemption of 80% may be allowed against certain types of income such as foreign source dividend and interest. Where the GBC derives income which is subject to foreign tax, and where the said partial exemption has not been applied, the amount of foreign tax paid may be allowed as a credit against income tax payable in Mauritius in respect of that income.

Under Income Tax Act 1995 of Mauritius, interest paid by a GBC to a non-resident not carrying on any business in Mauritius out of its "foreign source income" is not subject to withholding tax in Mauritius. To the extent that Twin Star holds a GBC license, interest paid under the Bonds issued to non-residents not carrying on any business in Mauritius will therefore not be subject to withholding tax in Mauritius. There are currently no capital duties levied in Mauritius on the issue, transfer, conversion or redemption of the Bonds. Registration duties do not apply to the transfer of the Bonds. Capital gains derived from the sale of the Bonds will not be subject to tax in Mauritius. Twin Star is entitled to apply for tax residence certificates issued by the Mauritius Revenue Authority. These certificates are required for the avoidance of double taxation under the Agreements for the Avoidance of Double Taxation signed between Mauritius and other jurisdictions, including India and the UK. Prospective purchasers of the Bonds are urged to consult their own tax advisers in order to fully understand the tax consequences of purchasing the Bonds.

Certain Cypriot Taxation Considerations

The statements below regarding taxation are based on the laws and practices that are in force in the Republic of Cyprus as at the date of this Offering Circular and should be treated with appropriate caution. The statements below are based on the Issuer's understanding and interpretation of the relevant laws and practices applicable in the Republic. In addition, the laws and practices currently in force may be subject to changes and/or amendments that could result in changes and/or amendments on a retroactive basis.

These statements are not exhaustive and do not constitute tax or legal advice and are of a general nature only. Prospective investors in the Bonds should consult their professional advisers on the tax implications of the purchase, holding, redemption or sale of the Bonds and the receipt of interest thereon under the laws of their country of residence, citizenship or domicile and, if deemed appropriate, obtain an advance tax ruling from the Cyprus Tax Department.

Interest income

In accordance with the provisions of the Cyprus Income Tax Law, Law 118(I)/2002 (as amended) (the "**Income Tax Law**"), a person (natural or legal) is liable to income tax in Cyprus on its worldwide income if it is tax resident in Cyprus. If such person is not tax resident in Cyprus, it will only be subject to income tax in Cyprus on Cyprus sourced income.

Accordingly, persons (natural or legal) who are not tax resident in Cyprus for tax purposes pursuant to the provisions of the Income Tax Law will not be liable to income tax or to special defence contribution tax on interest payments under the Bonds (given that such interest will emanate from sources outside Cyprus).

Under the provisions of the Income Tax Law, interest income earned by a Cypriot tax resident person (natural or legal) from the ordinary carrying on of its business, as well as interest closely connected with the ordinary carrying on of its business, is considered income from a trading activity (i.e. "active" interest income) and is subject to income tax at the rate of 12.5% only. Under the provisions of the Special Contribution for the Defence of the Republic Law, Law 117(I) of 2002 (as amended) (the "**SDC Law**"), such interest is not considered as interest income for the purposes of the SDC Law and is not, therefore, subject to special defence contribution ("**SDC**").

Under the SDC Law, interest income earned: (1) by a legal person who is tax resident in Cyprus; or (2) by a natural person who is tax resident in Cyprus and also domiciled in Cyprus (see the section entitled "*Tax residency — SDC Law*" below), other than interest earned from the ordinary carrying on of its business and/or interest closely connected with the ordinary carrying on of its business, is subject to SDC only. The current SDC rate for interest income is 30%.

Tax residency — Income Tax Law

Individuals

"**183-day-rule**": An individual is considered to be a tax resident in Cyprus if he or she is physically present in the Republic of Cyprus for one or more periods that exceed in aggregate 183 days within the tax year.

"**60-day-rule**": As of 1 January 2017, an individual is also considered as Cypriot tax resident for a tax year, if he or she meets all of the following requirements: (1) does not spend one or more periods that in aggregate exceed 183 days in any other single state within the tax year; (2) is not tax resident of another state in the same tax year; (3) stays in Cyprus for at least 60 days in the tax year; (4) pursues a business or is employed in Cyprus or holds an office with a company that is tax resident in Cyprus at any time during the tax year; and (5) maintains a permanent home in Cyprus that is either owned or rented. If an individual terminates his or her employment in the Republic of Cyprus and/or terminates his or her business pursued in the Republic of Cyprus and/or terminates the holding of office with a company that is tax resident in Cyprus, he or she cannot be considered a Cypriot tax resident for that tax year.

Companies

A company is considered to be tax resident in the Republic of Cyprus if its management and control is exercised in Cyprus. There is no definition in the Cyprus Income Tax Law as to what constitutes "management and control". Based on caselaw, a company is tax resident in Cyprus if: (1) the majority of the Board of Directors' meetings are held in Cyprus; (2) the Board of Directors exercise control and make key management and commercial decisions necessary for the company's operations and general policies in Cyprus; and (3) the majority of the directors are Cyprus tax residents.

In addition to the above, for the purposes of obtaining a tax residency certificate from the Cyprus Tax Department, the following factors are also considered (in addition to the fact that such company should be tax compliant at the time of submission of such a request): whether the shareholders' meetings are held in Cyprus; whether any general powers of attorney are issued to non-Cyprus tax residents; whether the corporate seal and all statutory books and records are maintained in Cyprus; whether corporate filing and reporting functions are performed by representatives located in Cyprus; whether agreements relating to the company's business or assets are executed or signed in Cyprus.

Tax residency — SDC Law

Individuals

The SDC Law provides that the term "resident in the Republic", when applied to an individual, means a person who is resident in the Republic of Cyprus as defined in accordance with the provisions of the Income Tax Law and who also has "domicile in the Republic".

For the purposes of the SDC Law, an individual has a "domicile in the Republic" if he or she has a domicile of origin in the Republic of Cyprus based on the provisions of the Cyprus Wills and Succession Law, Cap. 195, as amended (the "**Wills and Succession Law**") except for: (i) a person who has acquired and maintains a domicile of choice outside the Republic of Cyprus based on the provisions of the Wills and Succession Law, provided that he or she was not resident in the Republic of Cyprus as defined in accordance with the provisions of the Income Tax Law for any period of at least 20 consecutive years before the tax year; or (ii) a person who was not resident in the Republic of Cyprus as defined in accordance with the provisions of the Income Tax Law for a period of at least 20 consecutive years before the entry into force of the relevant provisions (regarding non domiciled individuals) in the SDC Law. As per the tax circular issued, this period is defined as the one that commences from tax year 1995 until tax year 2014 (inclusive).

However, the SDC Law also provides that, regardless of the domicile of origin, any person who is resident in the Republic of Cyprus, as defined in accordance with the provisions of the Income Tax Law, for at least 17 out of the last 20 years before the tax year, will be deemed domiciled in the Republic of Cyprus for the purposes of this Law.

Companies

The SDC Law provides that any terms not defined therein shall have the meaning set out in the Income Tax Law. Given that the term "resident in the Republic" is not defined for a company in the SDC Law, such term shall be interpreted as per the provisions of the Income Tax Law (see the section entitled "— *Tax residency — Income Tax Law*" above). Thus, a company is subject to SDC in Cyprus if it is managed and controlled in Cyprus.

Cypriot Withholding Tax on Guarantee Payments

Subject to the following, Cyprus does not impose any withholding tax on interest payments made by a Cyprus tax resident company to persons not being resident for tax purposes in Cyprus. A non-Cyprus resident, which is either of the following: (i) resident in another jurisdiction that is included in the list of third country jurisdictions that have been collectively assessed by the Member States of the European Union as non-cooperative for tax purposes, or (ii) incorporated or registered in such a jurisdiction and is not tax resident in another jurisdiction that is not included in the above list, and such non-Cyprus resident receives or is credited with interest from sources within Cyprus, then such interest may be subject to withholding tax at a rate of 17%. The relevant non-cooperative jurisdictions as at the date of the Offering Circular are the following: American Samoa, Anguilla, Antigua and Barbuda, Fiji, Guam, Palau, Panama, Russia, Samoa, Trinidad and Tobago, US Virgin Islands and Vanuatu.

There is no legislative or other available technical guidance as to how payments made by a Cyprus tax resident corporate guarantor to bondholders who are resident for tax purposes in Cyprus, could be legally characterised for Cypriot withholding tax purposes. Accordingly, an advance tax ruling is recommended to be obtained from the Cyprus Tax Department in this respect.

To the extent that payments made under any Guarantee represent interest payments, then SDC at the rate of 30% will be imposed on interest payments (assuming that they arise neither in the ordinary course of the business nor closely connected therewith) to: (a) individuals that are tax resident in Cyprus and have a Cypriot domicile (see the section entitled "— *Tax residency — SDC Law*" above); and (b) companies that are tax resident in Cyprus.

Stamp Duty

In general, Cyprus levies stamp duty on every instrument specified in the Stamp Duty Law, Law 19/1963 (as amended) (the "**Stamp Duty Law**") if: (a) it relates to any property situated in Cyprus; or (b) it relates to any matter or thing which is performed or done in Cyprus. The stamp duty obligation arises irrespective of whether the document is executed in Cyprus or abroad. A document that is chargeable with stamp duty under the provisions of the Stamp Duty Law must be stamped (a) if executed within the Republic of Cyprus, within 30 days of the date of its execution or (b) otherwise, within 30 days of its receipt in the Republic of Cyprus.

Under the Stamp Duty Law, there are instruments which are subject to stamp duty at a fixed fee and instruments which are subject to stamp duty based on the value of the instrument (0.15% for amounts exceeding €5,000 and 0.20% for amounts exceeding €170,000) with a maximum stamp duty payable of €20,000 per instrument.

Foreign Account Tax Compliance Act

Pursuant to Sections 1471 through 1474 of the Code (commonly referred to as "**FATCA**") and subject to the proposed regulations discussed below, a "foreign financial institution" (including an intermediary through which Bonds are held) may be required to withhold US tax at a rate of 30% on certain "foreign passthru payments". The term "foreign passthru payment" has not yet been defined. Obligations issued on or prior to the date that is six months after the date on which applicable final regulations defining foreign passthru payments are filed with the Federal Register generally would be "grandfathered" unless materially modified after such date. Accordingly, FATCA could apply to payments on the Bonds if there is a significant modification of the Bonds for US federal income tax purposes after the expiration of this grandfathering period. Under proposed regulations, any withholding on foreign passthru payments on Bonds that are not otherwise grandfathered would apply to passthru payments made on or after the date that is two years after the date of publication in the Federal Register of applicable final regulations defining foreign passthru payments. Taxpayers generally may rely on these proposed regulations until final regulations are issued. Non-US governments (including the UK, Cyprus and Mauritius) have entered into agreements with the United States to implement FATCA in a manner that may alter the rules described herein. Holders should consult their tax advisers on how these rules may apply to their investment in the Bonds. In the event any withholding under FATCA is imposed with respect to any payments on the Bonds, there will be no Additional Amounts payable to compensate for the withheld amount.

INDIAN REGULATORY MATTERS

Our mining business is subject to mining laws and regulations. The MMDR Act, the Mineral Concession Rules, 1960 of India, as amended, and the Mineral Conservation and Development Rules, 2017 (which was notified on February 27, 2017) which has replaced Mineral Conservation and Development Rules, 1988 (the "**MCD Rules**"), as amended governs the mining rights and operations of mines in India. The MCD Rules outline the procedures for obtaining a prospecting licence or the mining lease, the terms and conditions of such licences and the model form in which they are to be issued. The GoI announced the National Mineral Policy in 1993 which was replaced by the National Mineral Policy of 2008. Thereafter, the National Mineral Policy of 2019 was approved by the GoI on February 28, 2019 ("**NMP 2019**"). NMP 2019 provides for incentives for private sector investment in exploration and mining by encouraging merger and acquisition of mining entities, creation of dedicated mineral corridors to boost private sector mining areas, and for ensuring level playing field and transparency in the grant of concessions and promotion of scientific mining within a sustainable development framework so as to protect the interest of local population in mining areas. Further, NMP 2019 focuses on improving the regulatory mechanism by incorporation of e-governance, including satellite and remote sensing applications. The NMP 2019 has introduced the right of first refusal for reconnaissance permit/prospecting licence holders, encouraging the private sector to take up exploration of sections in prospective areas. The NMP 2019 also proposes to grant the status of an 'Industry' to mining activity to boost financing of mining for private sector and for acquisitions of mineral assets in other countries by the private sector entities. The MMDR Act was amended on March 27, 2015 and has brought about significant changes in the legal regime for the mining sector including defining bauxite, iron ore, limestone and manganese ore as notified minerals, creation of a new category of mining licence i.e. the prospecting licence-cum-mining lease, grant of mining lease for a period of 50 years for all minerals other than coal, lignite and atomic minerals, establishment of District Mineral Foundation for the benefit of persons in districts affected by mining related operations, auction of notified and other minerals by competitive bidding, including e-auction etc. The MMDR Act was further amended by the Mines and Minerals (Development and Regulation) Amendment Act, 2016 (which received presidential assent on May 6, 2016) which permits the transfer of captive mine leases (granted before January 12, 2015) without having to go through an auction process and also allows the dumping of waste outside of the mining area by including dumping sites within the definition of lease area.

The Mines and Minerals (Development and Regulation) Amendment Act, 2015 ("**Amendment Act**") and the Mines and Minerals (Development and Regulation) Amendment Act, 2016 ("**MMDR Act 2016**") have been repealed by the Repealing and Amending Act, 2019 ("**Repealing Act**") passed on August 8, 2019. As a consequence of the Repealing Act, the earlier legal position has been restored to what it was prior to enactment of Amendment Act and MMDR Act 2016.

Section 4 of the Repealing Act is in the nature of a 'savings clause' and inter alia stipulates that the enactment of the Repealing Act would not inter alia affect (i) any other enactment in which the repealed enactment has been applied/incorporated/referred to; (ii) the validity of anything that has already been done or any right that has already accrued; (iii) the validity of any remedy/proceedings in respect of an accrued right; or (iv) any existing principle/rule of law even if such principle was affirmed/recognized from the enactment that has been repealed.

Following the ordinance promulgated on January 10, 2020, the MLAA was passed on March 13, 2020 which amended the MMDR Act and CMSP (as defined below), with effect from January 10, 2020. Pursuant to the MLAA, companies that do not possess any prior coal mining experience in India are now permitted to participate in the auction of coal and lignite blocks, subject to certain conditions. Pursuant to the MLAA, applicants may also apply for a composite license, a prospecting cum mining license providing for both prospecting and mining activities. In case of expiring mining leases, the MLAA provided that, various approvals, licenses, and clearances given to the previous lessee would be extended to the successful bidder for a period of two years. During this period, the new lessee would be allowed to continue mining operations, provided they obtain all the required clearances within this two-year period. The MLAA has further removed the requirement of prior approval of the Government in granting reconnaissance permit, prospecting license or mining license for coal and lignite, in certain cases, including cases where: (i) the allocation has been done by the GoI; and (ii) the mining block has been reserved to conserve a mineral. Under the amended MMDR Act, the state governments are now empowered to take an advance action for auction of mining leases before their expiry.

The MMDR Act has been further amended pursuant to the Mines and Minerals (Development and Regulation) Amendment Act, 2021, *inter alia*, in relation to the following: (i) allowing private entities (notified by the GoI) with enhanced technology to undertake mineral exploration activities;(ii) a one-time extension for a period of one year in cases where the holder of a mining lease fails to undertake or discontinues production and dispatch for a period of two years; (iii) allowing existing captive mines (including captive coal mines) to sell up to 50% of the minerals produced after meeting the requirement of the linked end use plants subject to payment of certain additional sums; and (iv) continuation of the validity of all rights, approvals, clearances, licenses, etc. granted to a lessee in respect of a mine (other than those granted under the provisions of the Atomic Energy Act, 1962) even after expiry or termination of the lease and vesting of such rights, approvals, clearances, licenses, etc. in the successful bidder of the mining lease selected through auction.

The MMDR Act has been further amended pursuant to the Mines and Minerals (Development and Regulation) Amendment Act, 2023, *inter alia*, in relation to the following: (i) creating a new category comprising eight of the twelve atomic minerals and classifying them as critical and strategic minerals, including lithium bearing minerals, zirconium bearing minerals, beach sand minerals, titanium bearing minerals, minerals of rare earth group containing uranium and thorium. The GoI will have the power to grant concessions for these minerals to both public and private mining companies; (ii) allowing prohibited activities under the MMDR Act like pitting, trenching, drilling, and sub-surface excavation as part of reconnaissance, which included mapping and surveys, (iii) introduction of a new type of license to encourage reconnaissance-level and or prospective stage exploration by the private sector; (iv) this exploration licence, valid for a period of five years (extendable by two years), will be granted by the state government(s) by way of competitive bidding.

Coal Mines (Special Provisions) Act, 2015 ("CMSP")

Following the Supreme Court's judgement dated August 25, 2014 and order dated September 24, 2014, allocation of coal blocks by the Government, based on the recommendations made in 36 screening committee meetings between 1993 and 2011 and through the government dispensation route, were declared illegal and ordered to be cancelled. CMSP was enacted to provide for the process of allocation of the cancelled coal blocks by way of public auction in accordance with rules to be prescribed and on payment of such fees not exceeding ₹50 million. The CMSP inter alia, provides that prior allottees may participate in the public auction, subject to certain conditions. However, any prior allottee who is convicted of an offence relating to the coal block allocation and sentenced with imprisonment for more than three years is not eligible to participate. Further, prior allottees for the land in relation to the coal blocks are eligible for compensation in accordance with the registered sale deed in addition to 12% interest from the date of acquisition of the coal block till the date of vesting or allotment order. Proceeds raised from land and mine infrastructure of coal blocks are utilised for (i) payment to the secured creditors for the unpaid amount and (ii) compensation to the prior allottee.

The Government can allot coal blocks to a government company or a joint venture company or a company with a power project. Government joint venture companies are prohibited from transferring any interest except for any loans from a financial institution or bank. A successful bidder or allottee may negotiate with a prior allottee to own or utilise movable property and adopt and continue with any contracts for coal mining operations. If the prior allottee is a successful bidder or an allottee, then the secured creditors of such allottee can continue with their loans and security and if not, then the security shall only be satisfied from the compensation and outstanding debt be recovered from the prior allottee.

The CMSP also amends the MMDR Act and allows joint ventures between (i) a government company or corporation and the central and state government or any other company and (ii) a company or a joint venture company between two or more companies, to mine coal blocks, either for its own consumption or for sale or for any other purpose in accordance with the reconnaissance permit, prospecting licence or mining lease.

The MLAA has also brought forth amendments in the CMSP, whereby the (i) end-use restriction for bidding in the auction of mining concessions have been removed; (ii) use of coal is permitted in the allottees subsidiary/holding company provided the specific end-use remains common; and (iii) enabling compensation for land and mine infrastructure for instances of termination of allocation of the coal mines.

Coal Mines (Special Provisions) Amendment Rules

In light of the amendments effected by the MLAA, the Ministry of Coal vide a gazette notification dated May 29, 2020 published the Coal Mines (Special Provisions) Amendment Rules, 2020 to further amend the Coal Mines (Special Provisions) Rules, 2014 hereby bringing the rules to be in parity with the changes made by the MLAA. Further, the Ministry of Coal vide a gazette notification dated January 24, 2023 published the Coal Mines (Special Provisions) Amendment Rules, 2023 to further amend the Coal Mines (Special Provisions) Rules, 2014.

Foreign direct investment in commercial coal mining

The Department for Promotion of Industry and Internal Trade, Ministry of Commerce & Industry, GoI has, through its Press Note No. 4 of 2019 ("**PN4**"), permitted foreign direct investment up to 100% under the automatic route in a company engaged in the business of sale of coal and coal mining activities, including associated processing infrastructure (i.e., activities in the nature of: (i) coal washery; (ii) crushing; (iii) coal handling; and (iv) magnetic and non-magnetic separation). This has liberalised the erstwhile position where foreign direct investment up to 100% was permitted under the automatic route only for coal and lignite mining for captive consumption by power plants, iron & steel and cement units, and not for only associated activities.

The MLAA and the PN4 have been brought about to facilitate commercial coal mining and participation from the private sector (including foreign investors) in the industry. Pursuant to this liberalisation, the Ministry of Coal, the GoI conducted the first round of auction of 38 coal blocks for commercial mining that was concluded with the award of 19 coal blocks in November 2020.

Other Mining laws

Other mining laws and regulations that may be applicable to the company include the following: Mining Lease (Modification of Terms) Rules, 1956; The Mines Rules, 1955; and Metalliferous Mine Regulations, 2019. The Ministry of Coal has also issued various guidelines including Guidelines for Preparation of Mining Plan for the Coal and Lignite Blocks issued on April 4, 2011, further modified by Guidelines for Preparation of Mining Plan for coal blocks issued on May 8, 2018, further modified Guidelines for Preparation of Mine Closure Plan issued on January 7, 2013, and the Guideline for Preparation of Mining Plan for the Coal dated July 15, 2015, and further modified by Guidelines for Preparation of Mining Plan for the Coal and Lignite Blocks issued on December 16, 2019.

Oil and Gas Laws

Our Oil and Gas business is governed by various oil and gas laws and is regulated by the Ministry of Petroleum and Natural Gas, GoI ("**MoPNG**"). The MoPNG is the principal regulator of oil and natural gas exploration and production in India. The MoPNG established the Directorate General of Hydrocarbons ("**DGH**") in 1993 to promote the sound management of Indian petroleum and natural gas resources with due regard to the environmental, safety, technological and economic aspects of petroleum activities. The Directorate General of Hydrocarbons is responsible for, inter alia, ensuring correct reservoir management practises, reviewing and monitoring exploratory programmes, the development plans of oil companies, and monitoring the production and the optimal utilisation of gas fields.

The MoPNG oversees the Oil Industry Safety Directorate, which develops standards for safety, firefighting, training programmes and information dissemination, and conducts periodic safety audits of all petroleum-handling facilities. It also oversees the Oil Industry Development Board, which provides financial and other assistance for the conductive development of the oil industry. The safety standards prescribed by the Oil Industry Safety Directorate, and the safety regulations prescribed by the Directorate General of Mines Safety in respect of onshore petroleum mining installations, must be complied with.

Oil and natural gas exploration activities are governed by the Oilfields (Regulation and Development) Act, 1948, as amended ("**ORDA Act**"). This legislation provides for the regulations of oilfields and for the development of mineral oil resources, including natural gas and petroleum. The ORDA Act empowers the GoI to frame rules on the granting of mining leases and petroleum exploration or prospecting licences, the conservation and development of mineral oils, the production of oil, and the regulation of oilfields.

The Petroleum and Natural Gas Rules, 1959, as amended ("**PNG Rules**") provides the framework for the granting of petroleum exploration licences and petroleum mining leases. The PNG Rules prohibit the prospecting or exploitation of any oil or gas unless a licence or lease has been granted under the PNG Rules. A petroleum mining lease entitles the lessee to an exclusive right to extract oil and gas from the relevant contract area. Petroleum exploration licences and petroleum mining leases are granted by the MoPNG for offshore areas and by the relevant state governments, with the prior approval of the GoI, for onshore areas. A notification dated July 24, 2018 amended the PNG Rules to redefine the term "petroleum" to mean any naturally occurring hydrocarbon in the form of natural gas or in a liquid, viscous or solid form, or a mixture thereof, in order to open exploration of hydrocarbons in existing fields, in line with the Hydrocarbon Exploration Licensing Policy, 2016.

The Territorial Waters, Continental Shelf, Exclusive Economic Zone and other Maritime Zones Act, 1976, as amended regulates the exploration and exploitation of resources of the continental shelf and exclusive economic zone.

The Essential Commodities Act, 1955, as amended makes provisions controlling the production, supply and distribution of certain essential commodities, which include petroleum and petroleum products.

The Petroleum Act, 1934, as amended ("**Petroleum Act**") provides that no person shall produce, refine, blend, store or transport petroleum except in accordance with the rules framed by the GoI under the Petroleum Act. The Petroleum Rules, 2002, as amended now regulate these activities.

The Petroleum and Natural Gas Regulatory Board Act, 2006, as amended provides for the establishment of the Petroleum and Natural Gas Regulatory Board. The board regulates the refining, processing, storage, transportation, distribution, marketing and sale of petroleum products and natural gas (excluding production of crude oil and natural gas).

The Petroleum and Minerals Pipelines (Acquisition of Right of User in Land) Act, 1962, as amended provides the framework governing the acquisition of right of user in land for laying pipelines for the transportation of petroleum and minerals and other matters connected therewith. This law is limited to the acquisition procedure, restrictions on use of land and compensation payable to the persons interested in the land.

The MoPNG through its notification no. O-32011/4/2013-ONG-I dated March 30, 2016 introduced a new exploration and licencing policy named Hydrocarbon Exploration and Licensing Policy ("**HELP**"). This is a fundamental change in the Indian oil and gas sector, which introduces a new contractual and fiscal model for the award of hydrocarbon acreages. Four main facets of HELP are: single licence, open acreages, revenue sharing model and marketing and pricing freedom.

The MoPNG through its notification no. O-22013/27/2012-ONG-D-V(Vol-II) dated March 21, 2016 introduced the policy for marketing including pricing freedom for the gas to be produced from discoveries in deepwater, ultra-deepwater and high-pressure temperature areas. This policy is applicable to all discoveries in deep water/ultra-deep water/high temperature-high pressure areas which are yet to commence commercial production as of January 1, 2016 and to all future discoveries in such areas. As per the policy the producers will be allowed marketing freedom including pricing freedom subject to a ceiling price on the basis of landed price of alternative fuels. The MoPNG has by way of notification no. O-32011/4/2013-ONG-I dated June 30, 2017 has introduced the Open Acreage Licensing Policy (Modalities for operationalisation-Hydrocarbon Exploration and Licensing Policy) for the bidding process for exploration and development of oil and gas blocks in India under the HELP. Further, the MoPNG has by way of notification no. O-22013/6/2016-ONG-D-V(Part)(FTS-44334) dated June 25, 2018 has introduced the Policy framework for streamlining operations, relaxation of timelines and delegation of powers to the Director General, the DGH under PSCs for streamlining the operations under the production sharing contracts.

National Steel Policy, 2017 ("NSP 2017")

The NSP 2017 seeks to enhance domestic steel production with a focus on creating a technologically advanced and globally competitive steel industry in India that promotes economic growth. The NSP 2017 aims to create an environment for attaining self-sufficiency in steel production by providing policy support and guidance to private manufacturers. The intent is to strengthen the research and development of national importance in the iron and steel sector by utilizing tripartite synergy among industry, national research and development laboratories and academic institutions. The NSP 2017 covers, inter alia, steel demand, steel capacity, raw materials, including iron ore, iron ore pellets, manganese ore, chromite ore, ferro-alloys, land, water, power, infrastructure and logistics, and environmental management.

Land Laws

The Government has enacted the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 ("**New Land Acquisition Act**"), which has replaced the Land Acquisition Act, 1894. Some of the significant provisions of the New Land Acquisition Act include a requirement of obtaining the consent of up to 80 percent of people whose land is acquired for private projects by the developers and consent of 70 percent of the landowners in the case of public private partnership projects. It also provides for compensation of up to four times more than the existing practice in rural areas and two times in urban areas. The New Land Acquisition Act is proposed to be amended pursuant to the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement (Amendment) Bill, 2015 which proposes to give power to the appropriate Government to exempt certain projects. All existing land acquisition proceedings under New Land Acquisition Act in relation to coal blocks shall continue thereunder and other proceedings under the Coal Bearing Areas (Acquisition and Development) Act, 1957.

Power Sector

Our Power Business sector is regulated by laws relating to power and electricity generation. Under the Electricity Act, 2003, as amended from time to time (the "**Electricity Act**"), transmission and distribution of, and trading in, electricity require licences from the appropriate Central or State Electricity Regulatory Commissions (respectively, "**CERCs**" and "**SERCs**", and collectively, "**ERCs**"), unless exempted in accordance with the Electricity Act. CERC has jurisdiction over generating companies owned or controlled by the GoI or which have a composite scheme for generation and sale in more than one State. SERCs have jurisdiction over generating stations within State boundaries, except those under CERC's jurisdiction. The respective ERC determines the tariff for supply of electricity from a generating company to a licensee, transmission, wheeling, and retail sale of electricity. The Electricity Act was amended in 2007 to exempt captive power generation plants from licencing requirements.

The Electricity Act allows generating companies open access to transmission lines. The provision of open access is subject to the availability of adequate transmission capacity as determined by the Central or State Transmission Utility. Under the Electricity Act, ERCs determine tariff for supply of electricity by a generating company (as well as for transmission, wheeling and retail sale of electricity).

The Ministry of Power, GoI ("**MoP**") has proposed a draft Electricity (Amendment) Bill, 2022. The major amendments proposed to the Electricity Act, 2003 include, among other things, (i) introducing a framework which would allow more than one distribution company to supply power in a given area; (ii) requiring CERC and SERCs to include at least one member with experience and qualifications in law and also increasing the number of members of the Appellate Tribunal for Electricity ("**APTEL**"); (iii) empowering the National Load Despatch Centers to oversee the national grid; (iv) requiring any contract for scheduling or despatch of power to provide for an adequate payment security mechanism, as may be prescribed by the GoI; (v) introduction of penalties for failure to meet renewable purchase obligations; (vi) removing requirement of more than one distribution licensee (discom) to operate in the same area and supply electricity through their own network; (vii) requiring the network-owning discoms to provide open and non-discriminatory access to its network to other discoms having license within the same area of supply, subject to payment of certain charges and regulations specified by the relevant commission; (viii) sharing of the power and associated costs from existing power PPAs among all discoms in an area; (ix) determination of the floor and ceiling tariffs for retail supply by the State Commission, if there is more than one discom in an area; (x) setting up a cross-subsidy balancing fund by the state government to deposit surplus of cross-subsidy with one discom, and to provide for any deficit with another discom in the same or any other area; (xi) providing for a payment security mechanism to ensure timely payment to generation companies; and (xii) amending the qualification for chairpersons and other members of the Central and State Commissions. The Electricity (Amendment) Bill, 2022 was introduced in Lok Sabha in August 2022. It has been referred to the Standing Committee on Energy for detailed examination.

Additionally, the Electricity Rules, 2005 ("**Electricity Rules**") prescribe a regulatory framework for developing captive generating plants. Pursuant to the Electricity Rules, a power plant shall qualify as a captive power plant only if not less than 26% of ownership is held by captive users and not less than 51% of the aggregate electricity generated in such plant, determined on an annual basis, is consumed for captive use. In case of a generating station owned by a company formed as a special purpose vehicle, the electricity required to be consumed by captive users is to be determined with reference to such unit or units identified for captive use and not with reference to the generating station as a whole and equity shares to be held by the captive users must not be less than 26% of the proportionate equity interest of the company related to the generating unit or units identified as the captive generating plant.

The Electricity Rules has subsequently been amended multiple times including inter alia vide Electricity (Amendment) Rules, 2022 dated December 29, 2022; Electricity (Amendment) Rules, 2023 on June 30, 2023; Electricity (Second Amendment) Rules, 2023 dated July 26, 2023, Electricity (Third Amendment) Rules, 2023 dated September 1, 2023, Electricity (Amendment) Rules, 2024 dated January 10, 2024, Electricity (Second Amendment) Rules, 2024 dated January 10, 2024 and Electricity (Third Amendment) Rules, 2024 dated March 12, 2024 *inter alia* including (a) permitting a generation company or a captive generating plant or an energy storage system or a consumer having a minimum load of 25 MW in case of inter-state transmission system and 10 MW in case of intra-state transmission system to establish, operate or maintain a dedicated transmission line to connect with the grid, subject to compliance with the regulations, technical standards, guidelines and procedures issued under the Electricity Act, 2003; (b) subsidy accounting to be done by the distribution licensee in accordance with 'Standard Operating Procedure' to be issued by the GoI which includes that in case the subsidy has not been paid in advance, then the State Commission shall issue order for implementation of the tariff without subsidy; (c) energy storage systems shall be considered as a part of the power system; (d) wheeling charge shall be computed as per the fix formula ‘annual revenue requirement towards wheeling/energy wheeled during the year’, provided that wheeling charges at different voltage levels may be determined by the commission separately; (e) charges for using state transmission network for short term open access capped at 110% of charges levied for long term access; (f) additional surcharge shall not be applicable to the extent the consumer is paying fixed charges for contract demand to the distribution licensee and in relation to a person availing open access additional surcharge shall be linearly reduced and get eliminated within four years from the date of grant of access; (g) tariff shall be cost reflective and there shall not be any gap between approved annual revenue requirement and estimated annual revenue from approved tariff; (h) surcharge payable by consumers seeking open access shall not exceed 20% of the average cost of supply; (i) timely recovery of power purchase costs by distribution licensee and upon failure to compute within timeline specified (except in case of force majeure), it shall forfeit the right for such monthly adjustment and annual true up adjustment for next financial year; and (j) national, regional and state load dispatch centers are mandated to review operational resource adequacy on a daily, monthly or quarterly basis the guideline issued by the GoI at their respective levels.

The MoP also introduced Electricity (Rights to Consumers) Rules, 2020 (“**2020 Electricity Rules**”) to empower consumers of electricity and confer rights upon the consumers to be entitled to reliable services and quality electricity. The 2020 Electricity Rules proposes to introduce, inter alia, installation of smart or pre-payment meter. Further, the 2020 Electricity Rules intends to ensure availability of electricity to all the consumers except lower hours specified for certain categories of consumers and introduces robust grievance redressal mechanism to be introduced by the distribution licensees.

Environmental Laws

Our business is subject to environmental laws and regulations. The applicability of these laws and regulations varies from operation to operation and depends on jurisdiction in which we operate. Our operations require environmental and other permits covering, amongst other things, water use and discharges, stream diversions, solid waste disposal and air and other emissions. Major environmental laws applicable to our operations, as amended from time to time, include the Environment (Protection) Act, 1986 as amended, Forest (Conservation) Act, 1980 of India as amended, and the Forest Conservation Rules, 2022 as amended, Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, Water Act, as amended, Air Act as amended, Coal Bearing Areas (Acquisition and Development) Act, 1957 as amended, Coal India (Regulation of Transfers and Validation) Act, 2000 as amended, and the New Coal Distribution Policy, 2007 as amended.

The Environmental Protection Act, 1986 as amended from time to time, the Water (Prevention and Control of Pollution) Act, 1974 as amended from time to time and the Air (Prevention and Control of Pollution) Act, 1981 as amended from time to time provide for the prevention, control and abatement of pollution. Pollution control boards have been set up in states in India to exercise the powers under these statutes to prevent and control pollution. Companies must obtain the clearance of state pollution control boards before emitting or discharging effluents into the environment.

The Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (“**HWMTM Rules 2016**”), as amended, encourages disposal of waste farther away from the source of generation. It promotes transboundary movement of hazardous wastes. Further, the Hazardous and Other Wastes (Management and Transboundary Movement) Amendment Rules, 2019 has prohibited the import of solid plastic wastes and provides that industries that do not require consent under Water (Prevention and Control of Pollution) Act 1974 and Air (Prevention and Control of Pollution) Act 1981, will be exempted from requiring authorisation also under the HWMTM Rules 2016. Furthermore, the Ministry of Environment, Forest and Climate Change has issued two draft notifications which shall come into force from April 1, 2025:

- The Hazardous and Other Wastes (Management and Transboundary Movement) Second Amendment Rules, 2024 is an amendment to the HWMTM Rules 2016, and proposes to insert a chapter on "Extended Producer Responsibility for Scrap of Non-Ferrous Metals". The chapter also provides for a mathematical formula based on which an extended producer responsibility certificate will be generated.
- The Construction and Demolition Waste Management Rules, 2024 will apply to all activities of construction, demolition, remodelling, renovation and repair of any structure. It proposes to implement (i) extended producer responsibility framework; (ii) waste utilisation framework; (iii) waste storage and processing framework; and (iv) environmental compensation in instances of violation.

Employment and Labour Laws

We are subject to various labour, health and safety laws which govern the terms of employment of our labourers at the mining and manufacturing facilities, their working conditions, the benefits available to them and the general relationship between the management and such labourers.

The GoI has introduced (a) the Code on Wages, 2019 ("**Wages Code**"); (b) the Code on Social Security, 2020 ("**Social Security Code**"); (c) the Occupational Safety, Health and Working Conditions Code, 2020; and (d) the Industrial Relations Code, 2020 (collectively, the "**Labor Codes**") which consolidate, subsume and replace numerous existing central labor legislations. The GoI has deferred the effective date of implementation of the respective Labor Codes, and they shall come into force from such dates as may be notified. Different dates may also be appointed for the coming into force of different provisions of the Labor Codes. Furthermore, the Wages Code limits the amounts that may be excluded from being accounted toward employment benefits (such as gratuity and maternity benefits) to a maximum of 50% of the wages payable to employees.

Corporate Laws

In addition to the above, we are required to comply with the provisions of the Companies Act, 2013, as amended, Companies Act, 1956, to the extent applicable, and rules framed thereunder, and other applicable statutes imposed by the central or the state government and authorities for the day-to-day business and operations. We are also subject to various central and state tax laws.

Moreover, there are various rules and regulations which are framed and amended from time to time by the SEBI in order to regulate the functioning of the securities market, which we are required to comply with.

The Insolvency and Bankruptcy Code, 2016 (Bankruptcy Code) as amended was notified on August 5, 2016. The Bankruptcy Code offers a uniform and comprehensive insolvency legislation encompassing all companies, partnerships and individuals (other than financial firms). It allows creditors to assess the viability of a debtor as a business decision, and agree upon a plan for its revival or a speedy liquidation. The Bankruptcy Code creates a new institutional framework, consisting of a regulator, insolvency professionals, information utilities and adjudicatory mechanisms, which will facilitate a formal and time-bound insolvency resolution and liquidation process.

Under the Bankruptcy Code, upon initiation of an insolvency resolution process, a committee of creditors is constituted by the interim resolution professional, wherein each financial creditor (except related party of the corporate debtor) is given a voting share proportionate to its admitted claim against the company. Any decision of the committee of creditors must be taken by a vote of either 50% or 66% of the voting share of all financial creditors (other than for withdrawal of an application by which corporate insolvency resolution process was initiated, which requires 90% of the total voting share of the committee of creditors). Any resolution plan approved by committee of creditors is binding on the corporate debtor and its employees, members, creditors, including the any government body to whom a debt in respect of the payment of dues arising under any law for the time being in force, such as authorities to whom statutory dues are owed, guarantors and other stakeholders involved in the resolution plan. In case the corporate debtor is subjected to liquidation process, the Bankruptcy

Code provides for a fixed order of priority in which proceeds from the sale of the debtor's assets are to be distributed. In this order of priority, the insolvency resolution and liquidation process costs rank higher than the admitted claims of secured creditors. Secured creditors may decide to opt out of the liquidation process, in which case they are permitted to realise their security interests separately should they choose to do so. As per the Reserve Bank of India's annual report for the Fiscal Year 2019, the Insolvency and Bankruptcy Code has aided and gradually improved the recovery process in relation to stressed assets.

However, in light of to the outbreak of the COVID-19 pandemic, by a notification dated March 24, 2020 issued by the Ministry of Corporate Affairs, the minimum amount of default to initiate insolvency proceedings has been increased from to ₹0.1 million to ₹10 million.

The Bankruptcy Code has further been amended by Insolvency and Bankruptcy Code (Second Amendment) Act, 2020 ("**Bankruptcy Code Amendment**") whereby no application for initiation of corporate insolvency resolution process of a corporate debtor shall ever be filed for any default arising on or after March 25, 2020 for a period of six months or such further period, not exceeding one year from such date, as may be notified in this behalf. Pursuant to a notification dated December 22, 2020 passed by the Ministry of Corporate Affairs, GoI, the cut-off date for the period covering defaults against which initiation of corporate insolvency resolution process is suspended pursuant to the Bankruptcy Code Amendment has been extended to March 25, 2021.

Indian Takeover Code

The Indian Takeover Code governs acquisition of shares or voting rights of an Indian listed company. Depending upon the facts and circumstances, any person (including an existing shareholder) may be required to/can make a tender offer to acquire shares from the public shareholders of the Indian listed company in accordance the provisions of the Indian Takeover Code. Certain general and specific exemptions from making a tender offer are also available to eligible persons under the Indian Takeover Code.

Disclosures of encumbrances under the Indian Takeover Code

As per the Indian Takeover Code inter alia, the promoter of an Indian listed company is required to disclose the details of encumbrance (as defined under the Indian Takeover Code) on shares created by it or persons acting in concert with it ("**PAC**") in the listed company. The promoter is required to disclose the specified details within seven working days from the date of creation or invocation or release of such encumbrance, as the case may be, to: (a) the stock exchanges where the shares of the Indian listed company are listed; and (b) the Indian listed company at its registered office. However, where such encumbrance exceeds certain specified thresholds, a disclosure will have to be made, along with reasons for creating such encumbrance, within two working days.

Further, the Indian Takeover Code requires that: (a) a disclosure be made when a person acquires shares or voting rights in Indian listed company, which taken together with the shares or voting rights, if any, held by it and by PAC if any, aggregates to 5% or more of the shares of an Indian listed company; and (b) a person, who together with PAC, if any, holds shares or voting rights entitling them to 5% or more of the shares or voting rights in a Indian listed company, must disclose a change in shareholding if such change exceeds 2% from the last disclosure made by such person (and PAC, if any). For such disclosure, shares taken by way of encumbrance are required to be treated as an acquisition and shares given upon release of encumbrance are required to be treated as a disposal. Such disclosures are required to be made within two working days from the date of acquisition of disposal of shares or voting rights of an Indian listed company, to (a) the stock exchanges where the shares of the Indian listed company are listed; and (b) the Indian listed company at its registered office.

Restrictions on financial assistance

Section 67 (2) of the Indian Companies Act, 2013 restricts public companies from providing any financial assistance by way of loans, guarantee, security or otherwise (directly or indirectly) for purchase of its shares or shares of its holding company.

Tax Laws

The general corporate tax rate in India is 25% (plus surcharge and cess) and 30% (plus surcharge and cess). Indian companies incorporated on or after 1 October 2019 and commencing manufacturing on or before March 31, 2024, can opt to offer the income to tax at an effective tax rate 17.16% and other Indian companies can opt to offer the income to tax at the effective rate of 25.17%; subject to certain prescribed conditions and after foregoing certain benefits/exemptions. In both these cases, the provisions of MAT would not be applicable.

Once the company exercises this option, the chosen provision will apply for all subsequent years.

Additionally, MAT shall be applicable at the rate of 15% (plus surcharge and cess) on adjusted book profits with effect from the financial year 2019-20 (not relevant for companies which opt to be taxed under the concessional tax regime as discussed above).

Regulation of Foreign Investment

Foreign investment in India is governed primarily by the provisions of the Foreign Exchange Management Act, 1999, as amended ("**FEMA**") which relates to regulation primarily by the Reserve Bank of India (RBI) and the rules, regulations and notifications thereunder, and the policy prescribed by the Department of Industrial Policy and Promotion, GoI, which is regulated by the Foreign Investment Promotion Board. The FEMA regulates transactions involving foreign exchange and provides that certain transactions cannot be carried out without the general or specific permission of the RBI. We are also required to comply with FEMA and the rules and regulations made thereunder as amended from time to time, which primarily governs foreign investment in India.

Dividends are freely repatriable without any restrictions (net after tax deduction at source or DDT, if any, as the case may be). The repatriation is governed by the provisions of the Foreign Exchange Management (Current Account Transactions) Rules, 2000, as amended from time to time.

Further, RBI has placed certain restrictions and conditions for the use of debt funds in India which are raised in the overseas market by overseas holding/group companies of Indian companies where such Indian companies account for sole/major operations of the Group. Under the Foreign Exchange Management (Borrowing or Lending in Foreign Exchange) Regulations, 2018 read together with the Master Direction on External Commercial Borrowings, Trade Credits and Structured Obligations, FED Master Direction No. 5/2018-19 dated March 26, 2019, issued by the RBI, as amended, modified or replaced from time to time by any rules, regulations, notifications, circulars, press notes or orders issued by the RBI or other Indian governmental agency in relation to ECB ("**ECB Guidelines**"). ECBs can be accessed under two routes: (i) the automatic route; and (ii) the approval route. The automatic route does not require a borrower to obtain any RBI approvals, whereas the approval route requires prior RBI approval. Under the ECB Guidelines, foreign currency denominated ECB and Rupee denominated ECB can be availed. ECBs up to $750 million or equivalent can be raised under the automatic route in each financial year:

(a) The ECB should be in compliance with applicable minimum average maturity period, all-in-cost, end use restrictions and other applicable limits under the ECB Guidelines;

(b) The loan agreement should have a security clause requiring the ECB borrower to create/cancel charge, in favour of overseas lender/security trustee, on immovable assets/movable assets/financial securities/issuance of corporate and/or personal guarantee; and

(c) No objection certificate from the existing lenders in India has to be obtained for creation of charge. Once the aforesaid conditions are met, the Authorised Dealer Bank can allow creation of charge on immovable assets, movable assets, financial securities and issue of corporate and/or personal guarantee during the currency of the ECB in compliance with the conditions laid down in respect of kinds of security created under the revised ECB framework. Indian companies are also not allowed to use funds raised abroad unless it is in compliance with the general or specific permissions that are stipulated under ECB Guidelines.

National Infrastructure Pipeline

The GoI, in the Union Budget of Fiscal Year 2021, had announced the launch of the National Infrastructure Pipeline ("**NIP**"). Based on the final report dated April 29, 2020 on National Infrastructure Pipeline, as part of its 'Infrastructure Vision 2025' and to attract private investments, the GoI intends to invest up to $1.5 trillion (₹111 trillion) over the Fiscal Years 2020-2025 in greenfield and brownfield infrastructure projects that have a project cost greater than ₹1 billion. The NIP was launched with 6,835 projects, which has been increased to 7,400 projects in the GoI's Union Budget for Fiscal Year 2022.

Union Budget for Fiscal Year 2024-25

Increase in capital expenditure. The GoI has reinforced its commitment towards growth of the infrastructure sector in its Union Budget for Fiscal Year 2025 by allocating a capital expenditure of ₹11.11 trillion for the Fiscal Year 2025 as against ₹10.01 trillion for the Fiscal Year 2024, an increase of approximately 17.1% in the outlay from the budgeted estimates of Fiscal Year 2024, which is expected to provide a significant boost to the metals and mining sector as well.

PLAN OF DISTRIBUTION

Each Joint Global Coordinator and Manager has, pursuant to a subscription agreement dated October 21, 2024 (the "**Subscription Agreement**"), agreed with the Parent Guarantor, the Subsidiary Guarantors and the Issuer, subject to the satisfaction of certain conditions, to subscribe for the respective New Bonds for the principal amount set forth opposite its name below.

Joint Global Coordinators and Managers	Principal amount of the New Bonds
Barclays Bank PLC	$60,000,000
Citigroup Global Markets Limited	$60,000,000
Deutsche Bank AG, Singapore Branch	$60,000,000
J.P. Morgan Securities plc	$60,000,000
Standard Chartered Bank	$60,000,000
Total	**$300,000,000**

The Subscription Agreement provides that the Joint Global Coordinators and Managers will purchase all the New Bonds if they purchase any of the New Bonds. The Subscription Agreement entitles the Joint Global Coordinators and Managers to terminate the Subscription Agreement in certain circumstances. The Parent Guarantor, the Subsidiary Guarantors and the Issuer, jointly and severally, have under the Subscription Agreement agreed to indemnify each Joint Global Coordinator and Manager against certain liabilities. Each Joint Global Coordinator and Manager may offer and sell the New Bonds through certain of their respective affiliates. The Joint Global Coordinators and Managers or certain of their respective affiliates may purchase New Bonds and be allocated New Bonds for asset management and/or proprietary purposes but not with a view to distribution.

Neither the Parent Guarantor, the Subsidiary Guarantors or the Issuer, nor any person acting on behalf of any of them will, from the date of this Offering Circular until the date 30 days after the date of this Offering Circular, without the prior written consent of the Joint Global Coordinators and Managers, issue, offer, sell, contract to sell, pledge or otherwise dispose of (or publicly announce any such issuance, offer, sale or disposal) non-equity-linked debt securities issued or guaranteed (other than guarantees in respect of Indian Rupee denominated non-equity linked debt securities) by the Parent Guarantor, any Subsidiary Guarantor or the Issuer and having a maturity of more than one year from the date of issue.

The New Bonds are a new issue of securities with no established trading market. Approval in-principle has been received from the SGX-ST for the listing of and quotation for the New Bonds on the Official List of the SGX-ST. In connection with this offering, the Stabilising Manager or any of its affiliates (or persons acting on behalf of the Stabilising Manager) may, to the extent permitted by laws and regulations, over-allot or effect transactions with a view to supporting the market price of the New Bonds at a level higher than that which might otherwise prevail for a limited time after the Settlement Date. However, there is no assurance that the Stabilising Manager or any of its affiliates (or persons acting on behalf of the Stabilising Manager) will undertake any stabilisation action. Any stabilising action may begin on or after the date on which adequate public disclosure of the terms of the offer of the New Bonds is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the Settlement Date and 60 days after the date of the allotment of the New Bonds. Any stabilisation action must be conducted by the Stabilising Manager or any of its affiliates (or persons acting on behalf of the Stabilising Manager or any of its affiliates) in accordance with all applicable laws and rules.

The Joint Global Coordinators and Managers and their respective affiliates have, in the past, provided banking, investment banking and advisory services for our Company and the Group for which they have received customary fees and expenses. The Joint Global Coordinators and Managers and their respective affiliates may, from time to time, engage in transactions with and perform services for our Company and its subsidiaries and affiliates in the ordinary course of their business for which they may receive customary fees and reimbursement of expenses. It is expected that the Joint Global Coordinators and Managers and their respective affiliates will continue to provide such services to, and enter into such transactions with, our Company and our subsidiaries and affiliates in the future.

In connection with the offering of the New Bonds, the Joint Global Coordinators and Managers and/or their respective affiliates may act as an investor for its own account and may take up New Bonds in the offering and in that capacity may retain, purchase or sell for its own account such securities and any securities of our Company or our subsidiaries and affiliates or related investments and may offer or sell such securities or other investments otherwise than in connection with the offering. Accordingly, references herein to the New Bonds being offered should be read as including any offering of the New Bonds to the Joint Global Coordinators and Managers and/or their respective affiliates acting in such capacity. Such persons do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so. In particular, each Joint Global Coordinator and Manager and/or their respective affiliates may act as dealer manager in respect of any tender offer referred to in "*Use of Proceeds*".

It is expected that delivery of the New Bonds will be made to investors on or about October 25, 2024, which will be the fourth business day following the date of this Offering Circular (such settlement being referred to as "T+4"). Pursuant to Rule 15c6-1 under the Exchange Act, trades in the secondary market generally are required to settle in one business day unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers of the New Bonds who wish to trade the notes prior to the business day preceding the settlement date will be required, by virtue of the fact that the New Bonds initially will settle in T+5, to specify an alternative settlement cycle at the time of any such trade to prevent failed settlement and should consult their own advisors.

In case of additional market demand for the Bonds, the Issuer may launch and price additional bonds during the period from the date of this Offering Circular to, or shortly after, the Settlement Date. Such additional bonds, if issued, could be fully fungible with, and consolidated into, and form a single series with, the Bonds offered pursuant to this Offering Circular. We intend to use the proceeds of any such issuance of additional bonds for the same purposes as the Bonds offered pursuant to this Offering Circular. Any such offering of additional bonds would be offered and sold pursuant to, and on the terms described in, a separate offering memorandum.

Important Notice to CMIs (Including Private Banks)

This notice to CMIs (including Private Banks) is a summary of certain obligations the SFC Code imposes on CMIs, which require the attention and cooperation of other CMIs (including Private Banks). Certain CMIs may also be acting as OCs for this offering and are subject to additional requirements under the SFC Code.

Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the SFC Code as having an Association with the Issuer, the CMI or the relevant group company. CMIs should specifically disclose whether their investor clients have any Association when submitting orders for the New Bonds. In addition, Private Banks should take all reasonable steps to identify whether their investor clients may have any Associations with the Issuer or any CMI (including its group companies) and inform the Joint Global Coordinators and Managers accordingly.

CMIs are informed that the marketing and investor targeting strategy for this offering includes institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals, in each case, subject to the selling restrictions set out elsewhere in this Information Memorandum.

CMIs should ensure that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). CMIs should enquire with their investor clients regarding any orders which appear unusual or irregular. CMIs should disclose the identities of all investors when submitting orders for the New Bonds (except for omnibus orders where underlying investor information should be provided to the OCs when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMIs should not place "X-orders" into the order book.

CMIs should segregate and clearly identify their own proprietary orders (and those of their group companies, including Private Banks as the case may be) in the order book and book messages.

CMIs (including Private Banks) should not offer any rebates to prospective investors or pass on any rebates provided by the Issuer. In addition, CMIs (including Private Banks) should not enter into arrangements which may result in prospective investors paying different prices for the New Bonds.

The SFC Code requires that a CMI disclose complete and accurate information in a timely manner on the status of the order book and other relevant information it receives to targeted investors for them to make an informed decision. In order to do this, those Joint Global Coordinators and Managers in control of the order book should consider disclosing order book updates to all CMIs.

When placing an order for the New Bonds, Private Banks should disclose, at the same time, if such order is placed other than on a "principal" basis (whereby it is deploying its own balance sheet for onward selling to investors). Private Banks who do not provide such disclosure are hereby deemed to be placing their order on such a "principal" basis. Otherwise, such order may be considered to be an omnibus order pursuant to the Code. Private Banks should be aware that placing an order on a "principal" basis may require the Joint Global Coordinators and Managers to apply the "proprietary orders" of the Code to such order and will require the Joint Global Coordinators and Managers to apply the "rebates" requirements of the Code to such order.

In relation to omnibus orders, when submitting such orders, CMIs (including private banks) that are subject to the SFC Code should disclose underlying investor information in respect of each order constituting the relevant omnibus order (failure to provide such information may result in that order being rejected). Underlying investor information in relation to omnibus orders should consist of:

- the name of each underlying investor;
- a unique identification number for each investor;
- whether an underlying investor has any "Associations" (as used in the SFC Code);
- whether any underlying investor order is a "Proprietary Order" (as used in the SFC Code);
- whether any underlying investor order is a duplicate order.

Underlying investor information in relation to omnibus order should be sent to njasyndicate@barclays.com, DCM.Omnibus@citi.com, asiasyn@list.db.com, investor.info.hk.oc.bond.deals@jpmorgan.com and DCMHY.SCB@sc.com.

To the extent information being disclosed by non-OC syndicate CMIs and CMIs and investors is personal and/or confidential in nature, non-OC syndicate CMIs and CMIs (including Private Banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information to the OCs; (B) that they have obtained the necessary consents from the underlying investors to disclose such information to the OCs. By submitting an order and providing such information to the OCs, each non-OC syndicate CMI and CMI (including Private Banks) further warrants that they and the underlying investors have understood and consented to the collection, disclosure, use and transfer of such information by the OCs and/or any other third parties as may be required by the Code, including to the Issuer, relevant regulators and/or any other third parties as may be required by the Code, for the purpose of complying with the Code, during the bookbuilding process for this offering. CMIs that receive such underlying investor information are reminded that such information should be used only for submitting orders in this offering. The Joint Global Coordinators and Managers may be asked to demonstrate compliance with their obligations under the SFC Code, and may request other CMIs (including Private Banks) to provide evidence showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMIs (including Private Banks) are required to provide the relevant Placement Agent with such evidence within the timeline requested.

By placing an order, prospective investors (including any underlying investors in relation to omnibus orders) are deemed to represent to the Issuer and the Joint Global Coordinators and Managers, that it is not a Sanctions Restricted Person. A "Sanctions Restricted Person" means an individual or entity (a "**Person**"): (a) that is, or is directly or indirectly owned or controlled by a Person that is, described or designated in (i) the most current "Specially Designated Nationals and Blocked Persons" list (which as of the date hereof can be found at: http://www.treasury.gov/ofac/downloads/sdnlist.pdf) or (ii) the Foreign Sanctions Evaders List (which as of the date hereof can be found at: http://www.treasury.gov/ofac/downloads/fse/fselist.pdf) or (iii) the most current "Consolidated list of persons, groups and entities subject to EU financial sanctions" (which as of the date hereof can be found at: https://eeas.europa.eu/headquarters/headquartershomepage_en/8442/Consolidated%20 list%20of%20sanctions); or (b) that is otherwise the subject of any sanctions administered or enforced by any Sanctions Authority, other than solely by virtue of: (i) their inclusion in the most current "Sectoral Sanctions Identifications" list (which as of the date hereof can be found at: https://www.treasury.gov/ofac/downloads/ssi/ ssilist.pdf) (the "**SSI List**"), (ii) their inclusion in Annexes 3, 4, 5 and 6 of Council Regulation No. 833/2014, as amended by Council Regulation No. 960/2014 (the "**EU Annexes**"), (iii) their inclusion in any other list maintained by a Sanctions Authority, with similar effect to the SSI List or the EU Annexes, (iv) them being the subject of restrictions imposed by the US Department of Commerce's Bureau of Industry and Security ("**BIS**") under which BIS has restricted exports, re-exports or transfers of certain controlled goods, technology or software to such individuals or entities; (v) them being an entity listed in the Annex to the new Executive Order of 3 June 2021 entitled "Addressing the Threat from Securities Investments that Finance Certain Companies of the People's Republic of China" (known as the Non-SDN Chinese Military- Industrial Complex Companies List), which amends the Executive Order 13959 of 12 November 2020 entitled "Addressing the threat from Securities Investments that Finance Chinese Military Companies"; or (vi) them being subject to restrictions imposed on the operation of an online service, Internet application or other information or communication services in the United States directed at preventing a foreign government from accessing the data of US persons; or (c) that is located, organized or a resident in a comprehensively sanctioned country or territory, including Cuba, Iran, North Korea, Syria, the Crimea region of Ukraine, the Donetsk's People's Republic or Luhansk People's Republic. "Sanctions Authority" means: (a) the United States government; (b) the United Nations; (c) the European Union (or any of its member states); (d) the United Kingdom; (e) any other equivalent governmental or regulatory authority, institution or agency which administers economic, financial or trade sanctions; and (f) the respective governmental institutions and agencies of any of the foregoing including, without limitation, the Office of Foreign Assets Control of the US Department of the Treasury, the United States Department of State, the United States Department of Commerce and His Majesty's Treasury.

Selling Restrictions

Prohibition of sales to European Economic Area retail investor

Each Joint Global Coordinator and Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any New Bonds to any retail investor in the European Economic Area. For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following:

- a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

- a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

United Kingdom

Each Joint Global Coordinator and Manager has represented and agreed that:

- it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any New Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the New Bonds in, from or otherwise involving the UK.

Prohibition of sales to UK retail investor

Each Joint Global Coordinator and Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any New Bonds to any retail investor in the UK. For the purposes of this provision:

- the expression "retail investor" means a person who is one (or more) of the following:
- a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**"); or
- a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

Hong Kong

Each Joint Global Coordinator and Manager has represented and agreed that:

- it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any New Bonds other than (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong ("**SFO**") and any rules made under the SFO or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and
- it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the New Bonds, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Bonds which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

India

The New Bonds will not be offered or sold, directly or indirectly, in India or to, or for the account or benefit of, any resident in India. This Offering Circular has not been, and will not be registered, produced or published as an offer document (whether as a prospectus in respect of a public offer or a placement memorandum, an information memorandum or private placement offer cum application letter or general information document or key information document or other offering material in respect of a private placement under the Companies Act, 2013 (as amended) and the rules framed thereunder or any other applicable Indian laws for the time being in force) with the Registrar of Companies, the Reserve Bank of India, the Securities and Exchange Board of India or any other statutory or regulatory body of like nature in India, save and except for any information from part of this Offering Circular which is mandatorily required to be disclosed or filed in India under any applicable Indian securities laws, including but not limited to, the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015, as amended from time to time, and under the listing agreement with any Indian stock exchange pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended from time to time, or pursuant to the sanction of any regulatory and adjudicatory body in India. New Bonds will not be offered or sold and have not been offered or sold in India by means of this offering memorandum or any other offering document or material relating to the New Bonds and will not be circulated or distributed, and have not been circulated or distributed, directly or indirectly, to any person or the public in India or otherwise generally distributed or circulated in India which would constitute an advertisement, invitation, offer, sale or solicitation of an offer to subscribe for or purchase any securities in violation of applicable Indian laws.

Mauritius

Each Joint Global Coordinator and Manager has represented and agreed that:

- the New Bonds shall not be offered or sold, directly or indirectly, to the public in Mauritius. Neither this Offering Circular, nor any offering material or information contained therein relating to the offer of the New Bonds, shall be released or issued to the public in Mauritius or used in connection with any such offer. This Offering Circular shall not constitute an offer to sell the New Bonds to the public in Mauritius; and
- the New Bonds may not be offered, distributed or sold, directly or indirectly, in Mauritius, except as permitted by the Securities Act 2005 of Mauritius.

Cyprus

Each Joint Global Coordinator and Manager has represented and agreed that:

- it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available the New Bonds, in each case directly or indirectly, and has not distributed and will not distribute or cause to be distributed in the Republic of Cyprus this Offering Circular or any document, circular, advertisement or other offering material, except under circumstances which will result in compliance with the Prospectus Regulation (Regulation 2017/1129/EU), as amended, and, to the extent that it applies following the entry into force of the Prospectus Regulation, the Cyprus Prospectus Law L.114(I)/2005, as amended (together, the "**Cyprus Prospectus Laws**"), and any other applicable laws and regulations in effect at the relevant time under the laws of the Republic of Cyprus;
- it has complied and will comply with all applicable provisions of the Cyprus Prospects Laws with respect to anything done by it in relation to the New Bonds in, from or otherwise involving the Republic of Cyprus; and
- it has not and will not provide from within the Republic of Cyprus any "investment services" and/or "ancillary services" and/or perform any "investment activities" (as these are defined in the Investment Services and Activities and Regulated Markets Law, Law 87(I)/2017, as amended (the "**Investment Services Law**")), it has not and will not provide from outside Cyprus any "investment services" and/or "ancillary services" and/or perform any "investment activities" to or for the benefit of any persons resident, incorporated, established, domiciled, located or having their usual residence in Cyprus or to any such person located within the territory of Cyprus, or otherwise has not and will not do anything,

including the provision and/or performance of any services or activities, which caused it or may cause it to fall within the scope of the Investment Services Law, or in relation to "financial instruments" as defined in the Investment Services Law, or if it provides "investment services" and/or "ancillary services" and/or perform any "investment activities" from outside the Republic of Cyprus it will be regulated accordingly from the relevant jurisdiction except under circumstances which will result in compliance with the Investment Services Law and any other applicable laws and regulations in effect at the relevant time.

Singapore

Each Joint Global Coordinator and Manager has acknowledged that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Joint Global Coordinator and Manager has represented and agreed that it has not offered or sold any New Bonds or caused the New Bonds to be made the subject of an invitation for subscription or purchase and will not offer or sell any New Bonds or cause the New Bonds to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the New Bonds, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

United States

The New Bonds and the Guarantees have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, US persons except in accordance with Regulation S or pursuant to an exemption from the registration requirements of the Securities Act. Each Joint Global Coordinator and Manager has represented that it has offered and sold the New Bonds and the Guarantees, and agreed that it will offer and sell the New Bonds and the Guarantees, (i) as part of their distribution at any time and (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date, only in accordance with Rule 903 of Regulation S or Rule 144A as set forth below. Accordingly, neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the New Bonds and the Guarantees, and it and they have complied and will comply with the offering restrictions requirement of Regulation S. Each Joint Global Coordinator and Manager has agreed that, at or prior to confirmation of sale of the New Bonds and the Guarantees (other than a sale pursuant to Rule 144A), it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases the New Bonds and the Guarantees from it during the distribution compliance period a confirmation or notice to substantially the following effect:

"The securities covered hereby have not been registered under the US Securities Act of 1933 (the "**Securities Act**") and may not be offered or sold within the United States or to, or for the account or benefit of, US persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the closing date of the offering, except in either case in accordance with Regulation S or Rule 144A under the Securities Act. Terms used above have the meanings given to them by Regulation S under the Securities Act".

Terms used in the foregoing paragraph have the meanings given to them by Regulation S.

Each Joint Global Coordinator and Manager has represented and agreed that neither it nor any of its affiliates (as defined in Rule 501(b) of Regulation D under the Securities Act ("**Regulation D**")), nor any person acting on its or their behalf has engaged or will engage in any form of general solicitation or general advertising (within the meaning of Regulation D) in connection with any offer and sale of the Bonds and the Guarantees in the United States.

Each Joint Global Coordinator and Manager may directly or through their respective US broker-dealer affiliates arrange for the offer and resale of the Bonds and the Guarantees in the United States only to qualified institutional buyers in accordance with Rule 144A.

SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN IFRS AND IND AS

Vedanta Limited's Audited Financial Statements have been prepared in accordance with Ind AS and Vedanta Limited's Unaudited Consolidated Condensed Interim Financial Statements have been prepared in accordance with Ind AS – 34 "Interim Financial Reporting" prescribed under Section 133 of the Companies Act and other accounting principles generally accepted in India. Certain differences exist between IFRS and Ind AS which might be material to the financial information. The matters described below summarise certain differences between IFRS and Ind AS that may be material. Our Company and Vedanta Limited are responsible for preparing the summary below. Neither our Company nor Vedanta Limited has prepared a complete reconciliation of its consolidated financial statements and related footnote disclosures between IFRS and Ind AS and has not quantified such differences. Accordingly, no assurance is provided that the following summary of differences between IFRS and Ind AS is complete. In making an investment decision, investors must rely upon their own examination of our Company, Vedanta Limited, the terms of the offering and the financial information. Potential investors should consult their own professional advisors for an understanding of the differences between IFRS and Ind AS, and how those differences might affect the financial information herein.

Topic	IFRS	IND AS
First time adoption	IFRS 1 – *First-time Adoption of International Financial Reporting Standards* gives detailed guidance on preparation of the first IFRS financial statements. To help overcome a number of practical challenges for a first-time adopter, there are certain mandatory exceptions/optional exemptions from the full retrospective application.	Ind AS 101 – *First-time Adoption of Indian Accounting Standards* gives detailed guidance on preparation of the first Ind AS financial statements. To help overcome a number of practical challenges for a first-time adopter, there are certain mandatory exceptions/voluntary exemptions from the full retrospective application. Ind AS 101 gives few additional voluntary exemptions/modifications as compared to IFRS. For example, (a) The first-time adopter shall account for the resulting change in the retained earnings as at the transition date except in certain specific instances where it requires adjustment in goodwill. In such specific instances where IFRS 1 allows adjustment in the goodwill as per para C4(c) of IFRS 1, whereas, under Ind AS it can be adjusted with capital reserve to the extent such adjustment amount does not exceed the balance available in capital reserve. (b) Ind AS 101 provides exemptions whereby an entity can continue using its Indian GAAP carrying value of all its PPE and intangible assets as deemed cost at transition date provided that there is no change in functional currency. It also gives an exemption whereby

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Topic	IFRS	IND AS
		a company can continue using its accounting policy under previous GAAP for capitalisation/deferral of exchange differences arising on long term foreign currency monetary items recognised in financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period.
Presentation of financial statements.............................	As per IAS 1 – *Presentation of Financial Statements*, a complete set of financial statements under IFRS comprises:	As per Ind AS 1 – *Presentation of Financial Statements*, a complete set of financial statements under Ind AS comprises:
	1 Statement of financial position as at the end of the financial year.	1 Balance sheet as at the end of the financial year.
	2 Statement of Profit and Loss, Other Comprehensive Income, changes in equity and cash flows for the period. For Statement of profit or loss and other comprehensive income for the financial year there is an option of presentation as single statement or two separate statements. Notes, comprising material accounting policies and other explanatory information, comparative information in respect of the preceding period and statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements or when it reclassifies items in its financial statements.	2 Statement of Profit and Loss, changes in equity, Other Comprehensive Income and cash flows for the period. For Statement of profit or loss and other comprehensive income for the financial year Ind AS allows only the single statement approach. Notes, comprising a summary of material accounting policies and other explanatory information, comparative information in respect of the preceding year and a balance sheet as at the beginning of the earliest comparative period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements.
	3 The words 'authorisation of the financial statements for issue' have been used in the context of financial statements considered for the purpose of events after the reporting period.	3 The words 'approval of the financial statements for issue' have been used in the context of financial statements considered for the purpose of events after the reporting period.
	4 The words 'fair presentation' is used.	4 The words 'true and fair view' has been used.
	5 There is an option for individual entities to follow different terminology for titles of financial statements.	5 Ind AS removes the alternatives by giving one terminology to be used by all entities.

Topic		IFRS		IND AS
	6	IFRS permits the periodicity such as 52 weeks for preparation of financial statements.	6	Ind AS does not permit periodicity such as 52 weeks for preparation of financial statements.
	7	IFRS requires an entity to prepare an analysis of expenses recognised in profit or loss using a classification based on either their nature or their function.	7	Ind AS requires only nature wise classification of expenses.
	8	As per IAS 1, when an entity breaches a provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand, it classifies the liability as current, even if the lender agreed, after the reporting period and before the authorisation of the financial statements for issue, not to demand payment as a consequence of the breach.	8	As per Ind AS, long term loan arrangement need not be classified as current on account of breach of a material provision, for which the lender has agreed to waive before approval of financial statements for issue.
	9	There is no such requirement under IFRS.	9	In addition to above, Ind AS complies with Schedule III of the Indian Companies Act, 2013 which prescribes the format for presentation of balance sheet, statement of profit and loss and statement of changes in equity which companies need to follow.
Statement of Cash Flows	1	In case of other than financial entities, IAS 7 gives an option to classify the interest paid and interest and dividend received as item of operating cash flows.	1	Ind AS 7 mentions that it is more appropriate that interest paid and interest and dividend received is classified as item of financing activity and investing activity, respectively.
	2	IFRS gives an option to classify the dividend paid as an item of operating activity.	2	Ind AS 7 mentions that it is more appropriate that dividend paid is classified as a part of financing activity only.
Business Combinations.........	1	IFRS 3 excludes from its scope business combinations of entities under common control.	1	Ind AS 103 gives guidance for business combinations of entities under common control.
	2	IFRS 3 requires bargain purchase gain arising on business combination to be recognised in profit or loss.	2	Ind AS 103 requires bargain purchase gain arising on business combination to be recognised in other comprehensive income and accumulated in equity as capital reserve, unless there is no clear evidence for the underlying reason for classification of the business

Topic	IFRS	IND AS
		combination as a bargain purchase, in which case it shall be recognised directly in equity as capital reserve.
Operating segments	This IFRS 8 is applicable to listed entities or entities in process of listing only.	This Ind AS 108 is applicable as per Companies Act 2013 and Rules.
Related party disclosures	1 In IAS 24 no provisions are specified for disclosures which conflict with the confidentiality requirements of statute/regulations.	1 In Ind AS 24, disclosures which conflict with the confidentiality requirements of statute/regulations are not required to be made since accounting standard cannot override legal/regulatory requirements.
	2 IAS 24 defines close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include: (a) that person's children and spouse or domestic partner; (b) children of that person's spouse or domestic partner; and (c) dependents of that person or that person's spouse or domestic partner.	2 Ind AS 24 defines close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity including: (a) that person's children, spouse or domestic partner, brother, sister, father and mother; (b) children of that person's spouse or domestic partner; and (c) dependants of that person or that person's spouse or domestic partner.
	3. In IAS 24 no provisions are specified for disclosures management contracts including for deputation of employees.	3. In Ind AS 24, disclosures of transaction like management contracts including for deputation of employees are required.
Government Grant	1 IAS 20 gives an option to present grants related to assets, including non-monetary grants at their fair value in the balance sheet either by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.	1 Prior to amendment of Ind AS 20 Accounting for Government Grants and Disclosure of Government Assistance, Ind AS required presentation of grants related to assets in balance sheet only by setting up the grant as deferred income. The option to present grants by deduction of the grant in arriving at the carrying amount of asset was not available under Ind AS. On September 20, 2018, Ind AS 20 has been amended to align with IAS 20 and hence currently there is no difference between Ind AS and IFRS.
Inventories............................	As per IAS 2, in case of function wise classification, inventory expense is recognised as cost of sales whereas in case of nature wise classification, the inventory expense is recognised by making a reference stating 'changes in inventories of finished goods and work in progress' and	Ind AS 2 allows only nature wise classification of inventory expense.

Topic	IFRS	IND AS
	raw materials consumed in profit and loss statement.	
Separate Financial Statements	1 IAS 27 requires disclosure of the reason for preparing separate financial statements if not required by law.	1 As the Companies Act 2013 mandates preparation of separate financial statements, Ind AS 27 has been modified to remove such requirements.
	2 IAS 27 allows an entity to use the equity method to account for investments in subsidiaries, joint ventures and associates in their Separate Financial Statements.	2 Ind AS 27 does not permit use of the equity method as it is not a measurable basis like cost and fair value but is a manner of consolidation and therefore would lead to inconsistent accounting conceptually.
Revenue from Contracts with Customers	IFRS 15 provides that all types of penalties which may be levied in the performance of a contract should be considered in the nature of variable consideration for recognising revenue.	Ind AS 115 has been amended to provide that penalties shall be accounted for as per the substance of the contract. Where the penalty is inherent in the determination of transaction price, it shall form part of the variable consideration, otherwise the same should not be considered for determining the consideration and the transaction price shall be considered as fixed.
Depreciation (Depletion) of oil and gas producing facilities................................	No such Guidance Note in IFRS.	Guidance Note on Accounting for Oil and Gas Producing Activities (for entities to whom Ind AS is applicable) issued by the Institute of Chartered Accountants of India (ICAI) establishes principles of accounting for Oil and Gas producing activities.
	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 commercial 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.	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.
	Commercial reserves are either proven or proven and probable oil and gas reserves, which are defined as the estimated quantities of crude oil, natural gas and natural gas liquids which geological, geophysical and engineering data demonstrate with a specified degree of certainty to be recoverable in future years from known reservoirs and which are considered commercially producible.	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.

Topic	IFRS	IND AS
Property Plant and Equipment (Capitalisation of cost related to sample goods)....................................	In May 2020, IASB had issued amendments in IAS 16 on proceeds before intended use to prohibit an entity from deducting from the cost of an item of property, plant and equipment the proceeds from selling items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management. Effectively, from April 1, 2022 under IFRS, cost of sample goods produced and the sale proceeds from sale of sample goods is recognised in income statement (irrespective of profit or loss) and no longer allowed to be capitalised.	As per Ind AS 16, costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling any items produced while bringing the asset to that location and condition (such as samples produced when testing equipment) is added to the cost of the asset.

LEGAL MATTERS

Certain legal matters with respect to the Bonds will be passed upon for the Issuer and the Guarantors by Linklaters Singapore Pte. Ltd. as to matters of English law and US federal securities law. Certain legal matters with respect to the Bonds will be passed upon for the Issuer and the Guarantors by Khaitan & Co as to matters of Indian law. Certain legal matters with respect to the Bonds will be passed upon for the Joint Global Coordinators and Managers by Clifford Chance as to matters of English law and US federal securities law. Certain legal matters with respect to the Bonds will be passed upon for the Joint Global Coordinators and Managers by Talwar Thakore & Associates as to matters of Indian law. Certain legal matters with respect to the Bonds will be passed upon for the Joint Global Coordinators and Managers by BLC Roberts & Associates as to matters of Mauritian law. Certain legal matters with respect to the Bonds will be passed upon for the Issuer and the Guarantors by Pittas & Koullouros LLC as to matters of Cypriot law.

INDEPENDENT AUDITORS

Our Company

The Audited Financial Statements, included elsewhere in this Offering Circular, have been audited by MHA (a trading name of MacIntyre Hudson LLP), independent auditors, as stated in their reports included elsewhere in this Offering Circular. MHA is a member of the Institute of Chartered Accountants in England & Wales.

The audit reports of MHA, with respect to our Company's Audited Financial Statements in accordance with guidance issued by The Institute of Chartered Accountants in England and Wales, include the following limitations: "This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed."

Vedanta Limited

Vedanta Limited's Audited Financial Statements included elsewhere in this Offering Circular have been audited by S.R. Batliboi & Co. LLP as stated in their reports included elsewhere in this Offering Circular. Vedanta Limited's Unaudited Consolidated Condensed Interim Financial Statements included elsewhere in this Offering Circular have been reviewed on a limited review basis by S.R. Batliboi & Co. LLP as stated in their reports included elsewhere in this Offering Circular. S.R. Batliboi & Co. LLP, Chartered Accountants is registered with the Institute of Chartered Accountants of India.

EXPERTS

Ore Reserves and Mineral Resources

The information included in this Offering Circular regarding Ore Reserves is based on our estimates.

- The Mineral Resources and Ore Reserves of HZL's mines were audited as of March 31, 2024 by SRK Consulting (UK) Limited and are reported in accordance with the terms and definitions of the JORC Code (2012). The details of the responsible Competent Persons are included in "*Annex C – Mineral Resource and Ore Reserve Reporting*".

- The Mineral Resources and Ore Reserves of Black Mountain Mining's Black Mountain mine were audited as of March 31, 2024 by SRK Consulting (UK) Limited and are reported in accordance with the terms and definitions of the JORC Code (2012). The details of the responsible Competent Persons are included in "*Annex C – Mineral Resource and Ore Reserve Reporting*".

- The Mineral Resources and Ore Reserves of Black Mountain Mining's Gamsberg mines were audited as of March 31, 2024 by SRK Consulting (UK) Limited and are reported in accordance with the terms and definitions of the JORC Code (2012). The details of the responsible Competent Persons are included in "*Annex C – Mineral Resource and Ore Reserve Reporting*".

- The Mineral Resources and Ore Reserves of Skorpion were audited as of March 31, 2024 by SRK Consulting (UK) Limited and are reported in accordance with the terms and definitions of the JORC Code (2012). The details of the responsible Competent Persons are included in "*Annex C – Mineral Resource and Ore Reserve Reporting*".

- The Mineral Resources and Ore Reserves of the iron ore mines of Vedanta Limited were audited as of March 31, 2024 by SRK Mining Services (India) Private Limited and are reported in accordance with the terms and definitions of the JORC Code (2012). The details of the responsible Competent Persons are included in "*Annex C – Mineral Resource and Ore Reserve Reporting*".

Oil, Condensate and Marketable Gas Reserves and Contingent Resources

DeGolyer and MacNaughton has independently estimated the information included in this Offering Circular regarding the proved, probable, and possible reserves and contingent resources of our oil and gas assets in Rajasthan as of March 31, 2024 according to the PRMS approved in March 2007 and revised in June 2018 by the Society of Petroleum Engineers, the World Petroleum Council, the American Association of Petroleum Geologists, the Society of Petroleum Evaluation Engineers, the Society of Exploration Geophysicists, the Society of Petrophysicists and Well Log Analysts, and the European Association of Geoscientists & Engineers.

The information included in this Offering Circular regarding the proved, probable and possible oil, condensate, and sales gas reserves and the contingent and prospective resources we own in India is based on our estimates.

GLOSSARY OF TECHNICAL TERMS

Terms and Definitions of the JORC Code (2012)

"**Ore Reserves**"	those portions of Mineral Resources that, after the application of all Modifying Factors, result in an estimated tonnage and grade which, in the opinion of the Competent Person making the estimates, can be the basis of a technically and economically viable project, after taking account of material relevant Modifying Factors. Deriving an Ore Reserve without a mine design or mine plan through a process of factoring of the Mineral Resource is unacceptable.
"**Proved Ore Reserve**"	the economically mineable part of a Measured Mineral Resource. A Proved Ore Reserve implies a high degree of confidence in the Modifying Factors.
"**Probable Ore Reserve**"	the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Ore Reserve is lower than that applying to a Proved Ore Reserve.
"**Mineral Resource**"	a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.
"**Measured Mineral Resource**"	that part of a Mineral Resource for which quantity, grade (or quality), densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit.
"**Indicated Mineral Resource**"	that part of a Mineral Resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit.
"**Inferred Mineral Resource**"	that part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to an Ore Reserve. It

is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.

Glossary of Technical Terms

The following definitions shall apply to the technical terms used herein:

"**2P**"	gross proved plus probable reserves
"**alloy**"	a compound of two or more metals
"**alumina**"	the calcined product from an alumina refinery containing at least 98% aluminium oxide (Al_2O_3)
"**anode**"	the electrode by which current enters the cell. For copper refining, the impure copper is used as an anode. For zinc refining, lead anodes are used. For aluminium refining, a carbon anode is used
"**anode slime**"	a deposit of insoluble residue formed from the dissolution of the anode in commercial electrolysis. In copper refining, this slime contains the precious metals that are recovered from it
"**bauxite**"	a general term for a rock composed of a mixture of hydrated aluminium oxides and hydroxides and generally contaminated with compounds of iron; it is the main ore from which aluminium is produced
"**beneficiation**"	beneficiation is a variety of processes whereby minerals suitable for further processing or direct use are separated from extracted ore
"**bnboe**"	billion barrels of oil equivalent
"**boe**"	barrels of oil equivalent
"**boepd**"	barrels of oil equivalent per day
"**bopd**"	barrels of oil per day
"**brownfield**"	development project to upgrade, modify or further develop an existing property
"**calcined**"	to be heated to a high temperature, but below the melting or fusing point causing loss of moisture, reduction or oxidation or thermal decomposition (a chemical reaction where a single compound breaks up into two or more simpler compounds or elements when heated)
"**cathode**"	the cathode is the conductor through which electricity leaves the cell. For copper refining, the cathode is where the refined copper is deposited. For aluminium smelting, the cathode is known as the pot lining
"**cells**"	cells are the containers in which the electrolytic process for formation of metal takes place. For aluminium smelting, these are known as pots

“**concentrate**”	material which has been processed to increase the percentage of the valuable mineral to facilitate transportation and downstream processing
“**copper concentrate**”	a product of the flotation process with a copper content typically ranging between 24% and 40%
“**cut-off grade**”	the lowest grade of mineralised material considered economic to mine; cut-off grade is used in the calculation of the Ore Reserves for a given deposit
“**debottlenecking**”	the removal of a constraint on production by increasing the productivity of one part of an operation
“**deposit**”	a deposit is a concentration (or occurrence) of material of possible economic interest, in or on the earth’s crust, that may include mineralised material that cannot be estimated with sufficient confidence to be classified in the Inferred category. Portions of a deposit, that do not have reasonable and realistic prospects for eventual economic extraction are not included in a Mineral Resource
“**dmt**”	dry metric tonnes
“**exploration**”	prospecting, sampling, mapping, drilling and other work involved in searching for ore
“**g/t**”	grams per tonne
“**Fe**”	symbol for the chemical element, iron
“**flotation**”	a wet chemistry process by which particular minerals are induced to become attached to bubbles and to float, while other minerals sink
“**flue gas**”	gas that exits to the atmosphere via a flue, which is a pipe or channel for conveying exhaust gases from a fireplace, oven, furnace, boiler or steam generator
“**FOB**”	Free on Board
“**frame contracts**”	prospecting, sampling, mapping, drilling and other work involved in searching for ore
“**GAMI technology**”	technology from Guiyang Aluminium — Magnesium Design & Research Institute of China. In the GAMI technology, pots are cut into the circuit by taking complete power outage. This involves loss of production as well as regular operational disturbances to pot operation. Fuses are designed to bypass the line current, until the pot was cut into the circuit. After a calculated safe period of time, the fuses melted resulting in the pot coming into potline circuit. The GAMI technology potline has a capacity for producing initially 245,000 tpa aluminium
“**grade**”	proportion (by weight) of the valuable element within the mineralised rock

“**greenfield**”	new development project on previously undeveloped land that is built from scratch
“**GW**”	gigawatt, a unit of electrical energy equal to 1 billion watts
“**HG**”	high grade; an international standard of grading for zinc ingots
“**hydrometallurgical**”	the treatment of metal or the separation of metal from ores and ore concentrates by liquid processes, such as leaching, extraction and precipitation to extract and recover metals from their ores
“**IPP**”	independent power plant
“**IsaProcess(TM)**”	an electrolytic refining process developed by MIM Holdings Ltd.’s Process Technologies
“**IsaSmelt(TM)**”	a lance-based intensive bath smelting technology developed by MIM Holdings Ltd.’s Process Technologies
“**JORC Code (2012)**”	Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 Edition, prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia
“**km**”	kilometres
“**km^2**”	square kilometres
“**kt**”	kilotons
“**ktpa**”	kilotons per annum
“**lb**”	imperial pound (mass) equivalent to 0.4536 kilograms
“**leaching**”	extracting a soluble metallic compound from an ore by selectively dissolving it in a suitable solvent
“**lead concentrate**”	product of the flotation process with a lead content typically ranging between 50% and 70%
“**life of mine**”	the remaining life of a mine in years calculated by deducting the scheduled production rates (i.e. the rate at which material will be removed from the mine, from the current defined reserves)
“**m^3**”	cubic metres
“**MAT**”	minimum alternate tax
“**mill**”	a plant in which ore is treated and metals are recovered or prepared for smelting; also a revolving drum used for the grinding of ores in preparation for treatment
“**million oz**” or “**moz**”	millions of ounces
“**mineral**”	a natural, inorganic, homogeneous material that can be expressed by a chemical formula
“**mineralisation**”	the process by which minerals are introduced into a rock. More generally, a term applied to accumulations of potentially economic or related minerals in quantities ranging from anomalous to economically recoverable

"**Million Units**"	Million kilo watt hours
"**mm**"	millimetres
"**mmbbls**"	million barrels
"**mmboe**"	million barrels of oil equivalent
"**mmscfd**"	million standard cubic feet per day
"**mt**"	metric tonnes
"**mtpa**"	million tonnes per annum
"**MW**"	megawatt, a unit of electrical energy equal to one million watts
"**open-pit mine**"	a mine that is entirely on the surface. Also referred to as an open-cut or opencast mine
"**ore**"	a mineral or mineral aggregate containing precious or useful minerals in such quantities, grade and chemical combination to make extraction economic
"**overburden**"	waste material overlying ore in an open-pit mine
"**pig iron**"	pig iron is raw iron that is the immediate product of smelting iron ore with coke and limestone in a blast furnace
"**plant**"	fixed or moveable equipment required in the process of winning or processing the ore
"**PLF**" or "**plant load factor**"	in relation to a given period, is expressed as the percentage of total kilowatt hours per unit (kWh) generated at generator terminals to installed capacity, expressed in kilowatts (kW) multiplied by number of hours in that period
"**PSC**"	production sharing contracts. These contracts are a common type of contract signed between a government and a resource extraction company (or group of companies) concerning how much of the resource (usually oil) extracted from the country each will receive
"**PW**"	Prime Western; an international standard of grading for zinc ingots
"**Pyrometallurgical**"	pertaining to metallurgical operations that involve processing temperatures above ambient conditions, generally involving chemical reactions as distinct from metal casting substantially which involves only a physical transformation, such as, solidification
"**Rc**"	refining charge; the price paid by mining companies to smelters for refining the contained precious metals (and copper) in their concentrates to produce a payable metal. The Rc is based on the payable metal content (after deductions)
"**refining**"	the final process of upgrading of the metal quality, although for aluminium, it is the intermediate stage of converting bauxite to alumina
"**refining charge**"	the fees charged by a refinery for purifying crude metallic products
"**RLE**"	roast-leach-electro win; a process utilised in many hydrometallurgical zinc smelters whereby zinc concentrate is first

	roasted to remove the Sulphur content, which comes out in the form of Sulphur Dioxide gas, and then subjected to leaching and electrolysis
"**SHG**"	Special High Grade; an international standard of grading for zinc ingots
"**slag**"	the vitreous mass separated from the fused metals in the smelting process
"**smelting**"	a thermal process whereby molten metal is liberated from a concentrate, with impurities separating into a lighter slag
"**spot market**"	a market in which commodities are bought and sold for cash and delivered immediately
"**spot price**"	the current price of a metal for immediate delivery
"**t**" or "**tonne**"	metric tonne equivalent to 2,204.62 lb or 1,000 kilograms
"**Tc**"	treatment charge
"**TcRc**"	treatment charge and refining charge levied by smelters and refineries for the smelting and refining of copper concentrate from mines into copper metal
"**TCu**"	total copper
"**total production**"	that part of production at mines and operations in which we have an interest; in this Offering Circular, unless expressly stated otherwise, production also refers to total production
"**total reserves**"	that part of the reserves from a mine in which we have an interest; in this Offering Circular, unless expressly stated otherwise, reserves also refer to total reserves
"**tpa**"	tonnes per annum
"**zinc concentrate**"	product of flotation process with a zinc content typically ranging between 45% and 60%

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Vedanta Resources Limited

* Certain references in the consolidated financial statements refer to sections in annual reports, which are not included or incorporated by reference in this Offering Circular.

Vedanta Limited

Fiscal years ended March 31, 2024

INDEPENDENT AUDITOR'S REPORT

To the Members of **Vedanta Resources Limited**

For the purpose of this report, the terms "we" and "our" denote MHA in relation to UK legal, professional and regulatory responsibilities and reporting obligations to the members of Vedanta Resources Limited. For the purposes of the table in this report that sets out the key audit matters and how our audit addressed the key audit matters, the terms "we" and "our" refer to MHA. The Group financial statements, as defined below, consolidate the accounts of Vedanta Resources Limited and its subsidiaries (the "Group"). The "Parent Company" is defined as Vedanta Resources Limited, as an individual entity. The relevant legislation governing the Company is the United Kingdom Companies Act 2006 ("Companies Act 2006").

Opinion

We have audited the financial statements of Vedanta Resources Limited for the year ended 31 March 2024.

The financial statements that we have audited comprise:

- the Consolidated Income Statement
- the Consolidated Statement of Comprehensive Income
- the Consolidated Statement of Financial Position
- the Consolidated Cash Flow Statement
- the Consolidated Statement of Changes in Equity
- Notes 1 to 39 to the consolidated financial statements, including significant accounting policies
- the Company Balance Sheet
- the Company Statement of Changes in Equity and
- Notes 1 to 12 to the company financial statements, including significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group's financial statements is applicable law and UK adopted International Financial Reporting Standards (IFRS) and International Accounting Standards as adopted in the United Kingdom (UK adopted IFRS). The financial reporting framework that has been applied in preparation of the Parent Company financial statements is United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 March 2024 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted IFRS;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Our opinion is consistent with our reporting to the Board of Directors.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the Directors' assessment of the Group's and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- The consideration of inherent risks to the Company's operations and specifically its business model.
- The evaluation of how those risks might impact on the Company's available financial resources.
- Where additional resources may be required the reasonableness and practicality of the assumptions made by the Directors when assessing the probability and likelihood of those resources becoming available.
- Liquidity and solvency considerations including examination of budgets and forecasts and their basis of preparation, including review and assessment of the model's mechanical accuracy and the reasonableness of assumptions included within.
- Consideration of terms and conditions attaching to financing facilities in place as at the date of the approval of the financial statements and compliance with covenants attaching to those facilities both up to the date of the approval of the financial statements and into the forecast period.
- Consideration of availability of funds required to settle funding facilities due for repayment during the going concern review period. Assessing the reasonableness and practicality of the mitigation measures identified by management in their conservative case scenario and considered by them in arriving at their conclusions about the existence of any uncertainties in respect of going concern.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Overview of our audit approachs

Scope	Our audit was scoped by obtaining an understanding of the Group, including the Parent Company, and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the directors that may have represented a risk of material misstatement. We, and our component auditors acting on specific Group instructions, undertook full scope audits on the complete financial information of 21 components, specified audit procedures on particular aspects and balances on another 5 components and analytical procedures were undertaken on the remaining components.

Overall materiality	**2024**	**2023**	**Benchmark used**
Group	$118m	$114m	2.5% (2023: 2.5%) of EBITDA
Parent Company	$31.8m	$17.8m	0.5% (2023: 0.25%) of gross assets

Key audit matters	
Recurring Group key audit matters	• Valuation of Konkola Copper Mines plc (KCM) receivables and equity investment • Taxation claims and exposures

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those matters which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of Konkola Copper Mines plc (KCM) receivables and equity investment

Key audit matter description	As at 31 March 2024, KCM related receivables with a carrying value of $682 million (2023: $682 million) were recognised in the financial statements of Vedanta Resources Limited, whilst the value of the equity investment in KCM was $Nil (2023: $Nil). We draw attention to note 3a of the accompanying consolidated financial statements which describes the uncertainty arising in respect of the valuation of KCM related receivables and equity interests, as a result of the liquidation proceedings initiated by KCM's minority shareholder, ZCCM Investments Holdings Plc ("ZCCM"), against KCM. Due to the high level of subjectivity and material nature of this receivable, we have designated this as a key audit matter.
How the scope of our audit responded to the key audit matter	We have obtained an understanding of the liquidation proceedings through inquiries of the Company's management and review of internal reports in relation to the matter. We have obtained and reviewed legal opinions obtained from management, and assessed the competency of those providing legal opinions, and have considered how this has impacted on the fair value calculation. We engaged in discussion and challenged the approach of management appointed experts appointed to perform a fair value exercise in relation to the KCM economic interest. We performed procedures to assess the reasonableness of the key assumptions included in the valuation report, and the view taken by management in respect of the final value to be included in the financial statements.
Key observations communicated to the Group's Board of Directors	We concluded that the value determined is reasonable and that the uncertainties surrounding the valuation have been appropriately disclosed in the financial statements. Our opinion is not modified in respect of this matter.

Taxation claims and exposures	
Key audit matter description	The Group is subject to various tax disputes, mainly with the Indian authorities, which have been ongoing for numerous years. A material risk exists that the provision for these disputes is insufficient, or the contingent liability disclosed is understated, due to the inherent uncertainty in such disputes and the requirement for management judgements on whether the tax risk is remote, possible, or probable. The most material disputes relate to: 1. Recomputed tax holiday claim on plants engaged in processing and casting zinc and lead ingots from zinc and lead cathodes and silver from silver mud. The majority of this dispute was classified as possible, which is the same classification as the prior year. 2. Rajasthan VAT Matter - Writ petition relating to sales tax. This was deemed as a remote tax risk by management.
How the scope of our audit responded to the key audit matter	We have engaged internal tax specialists to assist the audit team in performing work over all tax related matters. We have obtained an understanding of the processes in place to identify and assess risk in relation to tax disputes. We have critically reviewed detailed papers prepared by management assessing such risks and concluding on the appropriate accounting treatment of any potential liabilities. We have, along with local component auditors, reviewed the positions taken by management, and the relevant legal opinions, in respect of the major material taxation matters.
Key observations communicated to the Group's Board of Directors	We concluded that management's assessment is appropriate and as detailed in notes 11 and 32d.

Our application of materiality

Our definition of materiality considers the value of error or omission on the financial statements that, individually or in aggregate, would change or influence the economic decision of a reasonably knowledgeable user of those financial statements. Misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole. Materiality is used in planning the scope of our work, executing that work and evaluating the results.

Performance materiality is the application of materiality at the individual account or balance level, set at an amount to reduce, to an appropriately low level, the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

The determination of performance materiality reflects our assessment of the risk of undetected errors existing, the nature of the systems and controls and the level of misstatements arising in previous audits.

	Group financial statements	Parent Company financial statements
Overall materiality	US$ 118 million (2023: US$ 114 million)	US$ 31.8 million (2023: US$ 17.8 million)
How we determined it	2.5% of EBITDA (2023: 2.5% of EBITDA)	0.5% of Parent Company's gross assets (2023: 0.25% of Parent Company's gross assets)
Rationale for the benchmark applied	We consider the EBITDA to be a key indicator for the Group and is reflective of the current and future performance of the company. In our opinion EBITDA is the KPI of critical interest to the users of the financial statements of Vedanta Resources Limited as it is the key measure of the company's success, demonstrating profitable trading and the ability to service debt capital and interest payments.	The parent company is a holding company whose purpose is to consolidate the active trading entities and a number of other Group companies. We consider gross assets to be the most important balance to the users of the Parent Company financial statements.
Performance materiality	We set our 2024 performance materiality at 70% of overall materiality, amounting to $82.6m (2023: 60%, $68.7m) to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. In determining performance materiality, we considered a number of factors - the history of misstatements, our risk assessment and the strength and robustness of the control environment. Following assessment of these factors, we have increased our performance materiality from 60% to 70%.	We set our 2024 performance materiality at 70% of overall materiality, amounting to $11.1m (2023: 60%, $10.7m) to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. In determining performance materiality, we considered a number of factors - the history of misstatements, our risk assessment and the strength and robustness of the control environment. Following assessment of these factors, we have increased our performance materiality from 60% to 70%.
Reporting threshold	We agreed to report any corrected or uncorrected adjustments exceeding $5.9m (2023: $5.7m) in respect of the Group to the Board of Directors as well as differences below this threshold that in our view warranted reporting on qualitative grounds.	We agreed to report any corrected or uncorrected adjustments exceeding $0.8m (2023: $0.9m) in respect of the Parent Company to the Board of Directors as well as differences below this threshold that in our view warranted reporting on qualitative grounds.

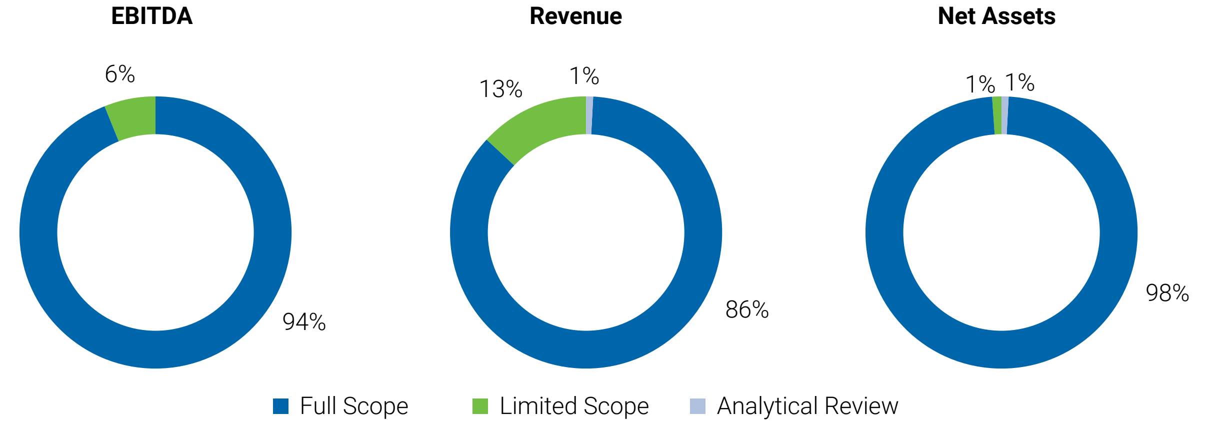
Overview of the scope of the Group and Parent Company audits

The Group's parent entity is UK based, whilst the primary location of operations is India.

Considering operational and financial performance and risk factors, we focused our assessment on the significant components and performed full scope audits of the UK parent company, certain other UK holding and financing companies and six significant operating companies being Vedanta Limited, Cairn Energy Hydrocarbons Limited, Talwandi Sabo Power Limited, Hindustan Zinc Limited, Bharat Aluminium Company Limited and ESL Steel Limited along with specified Group level audit procedures on the material external balances at the non-significant components.

Our audit of the Group financial statements also involved the use of component auditors. The Group audit team provided comprehensive instructions to those component auditors. These instructions included details of the identified risks of material misstatement including those risks identified above. Those instruction also included an assessment of component materiality.

The Group audit team discussed and agreed the proposed approach to addressing these risks with the component auditors and the nature and form of their reporting on the results of their work. The Group team conducted reviews of the working papers prepared by component auditors using remote file reviews. They also participated in face-to-face meetings and conference calls at various phases of the audit engagement as part of their management and control of the Group audit engagement.



Notes:

- Full scope refers to the conduct of an audit of the components underlying financial information in accordance with ISAs UK.
- Limited scope incorporates those circumstances where component auditors have been instructed to perform certain procedures on financial statements areas or specific financial statement line items for individual components.
- Component auditors of lower risk components will usually be instructed to conduct a review of the financial position and performance of the component comparing the actual performance of that component with their valid expectations based on their knowledge of the entity and any known changes in its operational environment and investigating any unusual or unexpected results.
- Some components have been identified as being immaterial to the Group individually and in aggregate.

Material subsidiaries were determined based on:

- financial significance of the component to the Group as a whole; and
- assessment of the risk of material misstatements applicable to each component.

At the parent company level we also tested the consolidation process and carried out analytical procedures to confirm that there were no significant risks of material misstatement of the aggregated financial information of the remaining components not subject to audit or audit of specified account balances.

The control environment

We evaluated the design and implementation of those internal controls of the Group, including the Parent Company, which are relevant to our audit, such as those relating to the financial reporting cycle.

Climate-related risks

In planning our audit and gaining an understanding of the Group and Parent Company we considered the potential impact of climate-related risks on the business and its financial statements. We obtained management's climate-related risk assessment, along with relevant documentation and reports relating to management's assessment and held discussions with management to understand their process for identifying and assessing those risks.

We engaged internal specialists to assess, amongst other factors, the benchmarks used by management, the nature of the Group's business activities, its processes and the geographic distribution of its activities.

We critically reviewed management's assessment and challenged the assumptions underlying their assessment. We made enquiries to understand the extent of the potential impact of climate change risks on the Group's financial statements. This has included a review of critical accounting estimates and judgements, and the effect on our audit approach. We also considered the ongoing viability of the business in respect both to direct climate risks and changes in legislation as nations grapple with their commitments to reduce emissions.

Reporting on other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received by branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Parent 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 the directors either intend to liquidate the Group or Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities . This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

Identifying and assessing potential risks arising from irregularities, including fraud

The extent of the procedures undertaken to identify and assess the risks of material misstatement in respect of irregularities, including fraud, included the following:

- We considered the nature of the industry and sector, the control environment, business performance including remuneration policies and the Group's, including the Parent Company's, own risk assessment that irregularities might occur as a result of fraud or error. From our sector experience and through discussion with the directors and component auditors, we obtained an understanding of the legal and regulatory frameworks applicable to the Group focusing on laws and regulations that could reasonably be expected to have a direct material effect on the financial statements, such as provisions of Indian corporate and tax law, the Companies Act 2006, UK tax legislation or those that had a fundamental effect on the operations of the Group.
- Obtained an understanding of the legal and regulatory frameworks that the Group operates in, focusing on those laws and regulations that had a direct effect on the financial statements. We considered the key UK laws and regulations including, the Companies Act 2006 and applicable tax legislation. In addition, we considered compliance with the UK Bribery Act and employee legislation, as fundamental to the Group's operations.
- We enquired of the directors and management concerning the Group's and the Parent Company's policies and procedures relating to:
  - identifying, evaluating and complying with the laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they had any knowledge of actual or suspected fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur by evaluating management's incentives and opportunities for manipulation of the financial statements. This included utilising the spectrum of inherent risk and an evaluation of the risk of management override of controls. The Group engagement team shared this risk assessment with the Component Auditors of Significant Subsidiaries so that they could include appropriate audit procedures in response to such risks in their work.

Audit response to the risks identified

In respect of the above procedures we:

- We reviewed and challenged component auditor workpapers in respect of compliance with local relevant laws in operation in India, including reviewing third party opinions obtained by the component auditors in respect of the most significant legal matters.
- Enquired of management to identify any instances of non-compliance with laws and regulations.
- Reviewed financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Enquired of management around actual and potential litigation and claims including review of professional legal opinions where appropriate.
- Enquired of management to identify any instances of known or suspected instances of fraud.
- Discussed among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.
- Reviewed minutes of meetings of those charged with governance.
- Reviewed internal audit reports.
- Reviewed the control systems in place and testing the effectiveness of certain controls.
- Performed audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business, and reviewing accounting estimates for bias; and
- Assessed the procedures performed by component auditors in respect of the capability of such procedures to detect irregularities including fraud, from a detailed review of their work.

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Rakesh Shaunak FCA
Senior Statutory Auditor
for and on behalf of MHA, Statutory Auditor
London, United Kingdom
May 30, 2024

MHA is a trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

CONSOLIDATED INCOME STATEMENT

(US$ million)

	Note	Year ended 31 March 2024 Before Special items	Special items (Note 6)	Total	Year ended 31 March 2023 Before Special items	Special items (Note 6)	Total
Revenue	5	17,128	-	17,128	18,141	142	18,283
Cost of sales		(12,959)	96	(12,863)	(14,178)	(259)	(14,437)
Gross profit / (loss)		**4,169**	**96**	**4,265**	**3,963**	**(117)**	**3,846**
Other operating income		247	-	247	239	-	239
Distribution costs		(473)	-	(473)	(476)	-	(476)
Administrative expenses		(596)	-	(596)	(530)	-	(530)
Impairment reversal / (charge) [net]	6	-	28	28	-	(61)	(61)
Operating profit / (loss)		**3,347**	**124**	**3,471**	**3,196**	**(178)**	**3,018**
Investment revenue	7	202	-	202	251	-	251
Finance costs	8	(1,882)	-	(1882)	(1,558)	-	(1,558)
Other gains and (losses) [net]	9	(37)	-	(37)	(79)	-	(79)
Profit / (loss) before taxation (a)		**1,630**	**124**	**1,754**	**1,810**	**(178)**	**1,632**
Net (expense)/tax credit (b)	11	(837)	(818)	(1,655)	(894)	100	(794)
Profit / (loss) for the year (a+b)		**793**	**(694)**	**99**	**916**	**(78)**	**838**
Attributable to:							
Equity holders of the parent		31	(431)	(400)	49	(54)	(5)
Non-controlling interests		762	(263)	499	867	(24)	843
Profit / (loss) for the year		**793**	**(694)**	**99**	**916**	**(78)**	**838**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(US$ million)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Profit for the year	99	**838**
Items that will not be reclassified subsequently to income statement:		
Remeasurement of net defined benefit plans (note 26)	(1)	(1)
Tax effects on net defined benefit plans	1	1
Loss on fair value of financial asset equity investment	(2)	(5)
Total (a)	**(2)**	**(5)**
Items that may be reclassified subsequently to income statement:		
Exchange differences arising on translation of foreign operations	(75)	(614)
Loss on fair value of financial asset debt investment	-	(4)
(Loss) / Gain on cash flow hedges	(7)	430
Tax effects arising on cash flow hedges	2	(149)
Gain on cash flow hedges recycled to income statement	(6)	(428)
Tax effects arising on cash flow hedges recycled to income statement	2	150
Total (b)	**(84)**	**(615)**
Other comprehensive loss for the year (a+b)	**(86)**	**(620)**
Total comprehensive income for the year	**13**	**218**
Attributable to:		
Equity holders of the parent	(446)	(301)
Non-controlling interests	459	519
Total comprehensive income for the year	**13**	**218**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(US$ million)

Particulars	Note	As at 31 March 2024	As at 31 March 2023*
Assets			
Non-current assets			
Goodwill	14	-	12
Intangible assets	15	84	64
Property, plant and equipment	16	13,452	12,786
Exploration and evaluation assets	16	282	284
Financial asset investments	17	118	63
Non-current tax assets	11(d)	458	382
Other non-current assets	18	1,529	1,680
Deferred tax assets	11(c)	422	1,095
		16,345	**16,366**
Current assets			
Inventories	19	1,560	1,830
Trade and other receivables	18	2,438	2,279
Financial instruments (derivatives)	24	20	26
Current tax assets		8	45
Short-term investments	20	1,575	1,728
Cash and cash equivalents	21	384	1,037
		5,985	**6,945**
Total assets		**22,330**	**23,311**
Liabilities			
Current liabilities			
Borrowings	22(a)	3,378	5,809
Operational buyer's credit/supplier's credit	22(c)	1,792	1,667
Trade and other payables	23	4,881	5,513
Financial instruments (derivatives)	24	17	23
Retirement benefits	26	6	8
Provisions	25	35	38
Current tax liabilities		299	72
		10,408	**13,130**
Net current liabilities		**(4,423)**	**(6,185)**
Non-current liabilities			
Borrowings	22(a)	10,952	9,549
Trade and other payables	23	240	219
Financial instruments (derivatives)	24	-	2
Deferred tax liabilities	11(c)	1,206	866
Retirement benefits	26	28	27
Provisions	25	344	390
		12,770	**11,053**
Total liabilities		**23,178**	**24,183**
Net liabilities		**(848)**	**(872)**

(US$ million)

Particulars	Note	As at 31 March 2024	As at 31 March 2023*
Equity			
Share capital	29	29	29
Hedging reserve		(94)	(90)
Other reserves		(792)	(750)
Retained earnings		(2,571)	(2,537)
Equity attributable to equity holders of the parent		**(3,428)**	**(3,348)**
Non-controlling interests	30	2,580	2,476
Total equity		**(848)**	**(872)**

**Restated. Refer note 3(b).*

Financial Statements of Vedanta Resources Limited with registration number 4740415 were approved and authorised for issue by the Board of Directors on 30 May 2024 and signed on their behalf by

AR Narayanaswamy
Director

Deepak Kumar
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT

(US$ million)

Particulars	Note	Year ended 31 March 2024	Year ended 31 March 2023
Operating activities			
Profit before taxation			
		1,754	1,632
Adjustments for:			
Depreciation and amortisation		1,283	1,382
Investment revenues	7	(202)	(251)
Finance costs		1,882	1,558
Other (gains) and losses (net)		37	79
Loss on disposal of Property plant and equipment		14	1
Share-based payment charge		14	11
Liabilities written back		(16)	(34)
Exploration costs written off		89	30
Capital creditor written back	6	(96)	-
Impairment charge/ (reversal) of assets (net)	6	(28)	61
Transfer of CSR Assets	15	-	15
Provision for doubtful debts /Expected credit loss (ECL)/bad debts written off		33	53
Other non cash items		(0)	(7)
Operating cash flows before movements in working capital		**4,764**	**4,530**
(Increase)/Decrease in inventories		204	(92)
(Increase)/Decrease in receivables		(35)	280
Increase/(Decrease) in payables		(415)	363
Cash generated from operations		**4,515**	**5,081**
Dividend received		5	2
Interest received		152	210
Interest paid		(1,840)	(1,503)
Income taxes paid (net of refunds)		(351)	(998)
Dividends paid		-	(16)
Refund of dividend distribution tax		-	10
Net cash inflow from operating activities		**2,484**	**2,786**
Cash flows from investing activities			
Purchases of property, plant and equipment, intangibles, exploration and evaluation assets		(2,019)	(1,700)
Proceeds on disposal of property, plant and equipment, intangibles, exploration and evaluation assets		23	16
Proceeds from redemption of short-term investments	22(b)	8,199	16,185
Purchases of short-term investments	22(b)	(8,028)	(15,092)
Proceeds from sale of stake in subsidiaries		904	-
Proceeds from sale of investment in subsidiary	3(e)	10	-
Purchase of long term investments	34	(59)	(3)
Proceeds from sale of long term investments		1	-
Payment made to site restoration fund		(25)	(16)
Net cash used in investing activities		**(994)**	**(637)**

CONSOLIDATED CASH FLOW STATEMENT

(US$ million)

Particulars	Note	Year ended 31 March 2024	Year ended 31 March 2023
Cash flows from financing activities			
Payment for acquiring non-controlling interest		-	(2)
Dividends paid to non-controlling interests of subsidiaries		(967)	(2,523)
Proceeds/(repayment of) working capital loan (net)	22(b)	(18)	(118)
Proceeds from other short-term borrowings	22(b)	1,301	2,971
Repayment of other short-term borrowings	22(b)	(2,367)	(2,281)
Proceeds from long-term borrowings	22(b)	4,764	3,819
Repayment of long-term borrowings	22(b)	(4,613)	(4,317)
Purchase of stock option		(24)	-
Payment of lease liabilities		(48)	(23)
Net cash used in financing activities		**(1,972)**	**(2,474)**
Net decrease in cash and cash equivalents		**(482)**	**(325)**
Effect of foreign exchange rate changes		(11)	(83)
Cash and cash equivalents at beginning of the year		**858**	**1,266**
Cash and cash equivalents at end of the year	21 & 22(b)	**365**	**858**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2024

(US$ million)

	Attributable to equity holders of the parent						
	Share capital (Note 29)	Hedging reserve[2]	Other reserves[1]	Retained earnings	Total	Non-controlling Interests	Total equity
At 01 April 2023	**29**	**(90)**	**(750)**	**(2,537)**	**(3,348)**	**2,476**	**(872)**
Profit/ (Loss) for the year	-	-	-	(400)	(400)	499	99
Other comprehensive income/ (loss) for the year	-	(4)	(42)	-	(46)	(40)	(86)
Total comprehensive income/ (loss) for the year	**-**	**(4)**	**(42)**	**(400)**	**(446)**	**459**	**13**
Dividends paid/ payable (note 13)	-	-	-	-	-	(676)	(676)
Exercise of stock options of subsidiary	-	-	-	10	10	2	12
Acquisition/sale of stake in Subsidiary[4]	-	-	-	376	376	325	701
Change in fair value of put option liability/ conversion option asset/derecognition of non-controlling interest	-	-	-	(0)	(0)	(4)	(4)
Other changes in non-controlling interests[3]	-	-	-	(20)	(20)	(2)	(22)
At 31 March 2024	**29**	**(94)**	**(792)**	**(2,571)**	**(3,428)**	**2,580**	**(848)**

1. Other reserves comprise the currency translation reserve, merger reserve, investment revaluation reserve, debenture redemption reserve, capital redemption reserve and the general reserves established in the statutory accounts of the Group's subsidiaries.

2. Hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of hedging instruments entered into for cash flow hedges, which is recognised in OCI and later reclassified to 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.

3. Includes purchase of shares by Vedanta Limited through ESOP trust for its stock options and share-based payment charge by subsidiaries.

4. During the current year ended 31 March 2024, VRL, through its subsidiary Vedanta Netherlands Investment B.V. (VNIB), Twinstar Holdings Limited (THL) and Finsider International Company Limited (FICL) reduced its shareholding by 229,018,600 equity shares of Vedanta Limited ("VEDL") thereby decreasing its overall stake from 68.10% to 61.95% of the total paid-up share capital of VEDL.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2023

(US$ million)

	Attributable to equity holders of the parent						
	Share capital (Note 29)	Hedging reserve[2]	Other reserves[1]	Retained earnings	Total	Non-controlling Interests	Total equity
At 01 April 2022	**29**	**(88)**	**(456)**	**(2,598)**	**(3,113)**	**4,648**	**1,535**
Profit for the year	-	-	-	(5)	(5)	843	838
Other comprehensive income/ (loss) for the year	-	(2)	(294)	-	(296)	(324)	(620)
Total comprehensive income/ (loss) for the year	-	**(2)**	**(294)**	**(5)**	**(301)**	**519**	**218**
Dividends paid/ payable (note 13)	-	-	-	(18)	(18)	(2,825)	(2,843)
Exercise of stock options of subsidiary	-	-	-	7	7	8	15
Acquisition/sale of stake in Subsidiary[4,5]	-	-	-	63	63	137	200
Change in fair value of put option liability/ conversion option asset/derecognition of non-controlling interest	-	-	-	7	7	(9)	(2)
Refund of Dividend Distribution Tax	-	-	-	7	7	3	10
Other changes in non-controlling interests[3]	-	-	-	-	-	(5)	(5)
At 31 March 2023	**29**	**(90)**	**(750)**	**(2,537)**	**(3,348)**	**2,476**	**(872)**

1. Other reserves comprise the currency translation reserve, merger reserve, investment revaluation reserve, debenture redemption reserve, capital redemption reserve and the general reserves established in the statutory accounts of the Group's subsidiaries.

2. Hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of hedging instruments entered into for cash flow hedges, which is recognised in OCI and later reclassified to 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.

3. Includes share-based payment charge by subsidiaries.

4. During the previous year ended 31 March 2023, Ferro Alloys Corporation Limited (FACOR), wholly owned subsidiary of Vedanta Limited, acquired 20,000,000 shares in its subsidiary, Facor Power Limited (FPL), increasing its stake from 90% to 98.69%. On 21 November 2022, FPL amalgamated with FACOR.

5. During the previous year ended 31 March 2023, VRL, through its subsidiary Vedanta Netherlands Investment B.V. (VNIB) reduced its shareholding from 63,514,714 shares to 5,014,714 equity shares of Vedanta Limited ("VEDL") thereby decreasing its overall stake from 69.68% to 68.10% of the total paid-up share capital of VEDL.

OTHER RESERVES COMPRISE

(US$ million)

	Currency translation reserve[1]	Merger reserve[2]	Financial asset investment revaluation reserve	Capital reserve[3]	Other reserves[4]	Total
At 01 April 2022	**(2,617)**	**4**	**12**	**29**	**2,116**	**(456)**
Exchange differences on translation of foreign operations	(289)	-	-	-	-	(289)
Loss on fair value of financial asset investments	-	-	(5)	-	-	(5)
Remeasurements	-	-	-	-	0	0
At 31 March 2023	**(2,906)**	**4**	**7**	**29**	**2,116**	**(750)**
Exchange differences on translation of foreign operations	(41)	-	-	-	-	(41)
Loss on fair value of financial asset investments	-	-	(1)	-	-	(1)
Remeasurements	-	-	-	-	0	0
At 31 March 2024	**(2,947)**	**4**	**6**	**29**	**2,116**	**(792)**

(1) Items in the consolidated statement of profit and loss of those businesses for which the US$ is not the functional currency are translated into US$ 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 US$ 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.

(2) The merger reserve arose on incorporation of the Company during the year ended 31 March 2004. The investment in Twinstar Holdings Limited (THL) had a carrying amount value of US$ 20 million in the accounts of Vedanta Incorporated (formerly known as Volcan Investments Limited) ("Vedanta Inc"). As required by the Companies Act 1985, Section 132, upon issue of 156,000,000 Ordinary shares to Vedanta Inc, THL's issued share capital and share premium account have been eliminated and a merger reserve of US$ 4 million arose, being the difference between the carrying value of the investment in THL in Vedanta Inc's accounts and the nominal value of the shares issued to Vedanta Inc.

(3) The balance in capital reserve has mainly arisen pursuant to extinguishment of non-controlling interests of subsidiaries.

(4) Other reserves include legal reserves of US$ 4 million (31 March 2023: US$ 4 million), debenture redemption reserve of US$ 36 million (31 March 2023 US$ 36 million) and balance mainly includes general reserve and capital redemption reserve. Debenture redemption reserve is required to be created under the Indian Companies Act from annual profits until such debentures are redeemed. Legal reserve is required to be created by Fujairah Gold by appropriation of 10 % of profits each year until the balance reaches 50% of the paid-up share capital. This reserve is not available for distribution except in circumstances stipulated by the Articles of Incorporation. Under the erstwhile Indian Companies Act, 1956, general reserve was created in relation to Group's Indian subsidiaries through an annual transfer of net income to general reserve at a specified percentage in accordance with applicable regulations. The purpose of these transfers is to ensure that the total dividend distribution is less than total distributable reserves for that year. The said requirement was dispensed with w.e.f. 01 April 2013 and there are no restrictions on use of these reserves.

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Group overview

Vedanta Resources Limited ("Vedanta" or "VRL" or "Company"), a company limited by shares and incorporated and domiciled in the United Kingdom. Registered address of the Company is C/O TMF Group 13th Floor, One Angel Court, London, United Kingdom, EC2R 7HJ. Vedanta 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.

Details of Group's various businesses are as follows. The Group's percentage holdings in each of the below businesses are disclosed in note 38.

- 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 Vedanta Limited ("VEDL") and its subsidiary, Cairn Energy Hydrocarbons Limited and consists of exploration, development and production of oil and gas.
- The Group's iron ore business is owned by the Vedanta Limited, 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 year ended 31 March 2023, the Government of Goa had initiated auction of mines in which the Group had participated. The Group has been declared as the principal bidder for the Bicholim mine and has received the Letter of Intent (LOI) from the Government of Goa. During the current year, the Group has received environmental clearance from Ministry of Environment, Forest and Climate Change ("MoEFCC") and Consent to Operate ("CTO") from Goa State Pollution Board followed by commencement of operations in March 2024.

  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 previous year, WCL has signed a Memorandum of Understanding with the Government of Liberia to re-start its mining operations in Liberia post which commercial production and shipments of saleable ore were commenced.
- The Group's copper business is owned and operated by Vedanta Limited, Copper Mines of Tasmania Pty Ltd ("CMT") and Fujairah Gold FZC and is principally one of custom smelting 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 Group'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 Group 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. The Group has filed a writ petition before the Madras High Court challenging the various orders passed against the Group 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 Group. Thereafter the Group has approached the Supreme Court and challenged the said High Court order by way of a Special Leave petition ('SLP"). During the year 31 March 2024, the Hon'ble Supreme Court, after hearing the parties to the proceedings has dismissed the SLP filed by the Group vide judgement dated 29 February 2024. On 01 April 2024, the Group preferred a review petition before the Hon'ble Supreme Court. [Refer note 2(c)(I)(iii)].

Further, the Group's copper business includes refinery and rod plant at Silvassa consisting of a 245,000 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.

In addition, the Group owns and operates a precious metal refinery and copper rod plant in Fujairah, UAE through its subsidiary Fujairah Gold FZC and the Mt. Lyell copper mine in Tasmania, Australia through its subsidiary, CMT. The operations of Mt Lyell copper mine were suspended in January 2014 following a mud slide incident and were put

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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. In November 2023, the Group has divested its 100% equity ownership in CMT at consideration agreed as per above arrangement [Refer note 3(e)].

- The Group's Aluminium business is owned and operated by Vedanta Limited and by Bharat Aluminium Company Limited ("BALCO"). The aluminium operations include a refinery and captive power plant at Lanjigarh, 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 Vedanta Limited and Meenakshi Energy Limited ("Meenakshi"), and Talwandi Sabo Power Limited ("TSPL"), wholly owned subsidiaries of the Vedanta Limited, which are engaged in the power generation business in India. Vedanta Limited power operations include a thermal coal- based commercial power facility of 600 MW at Jharsuguda in the State of Odisha in Eastern India and a 1,200 MW (two units of 600MW each) thermal coal-based power plant, in the state of Chhattisgarh in Eastern India. Talwandi Sabo Power Limited ("TSPL") power operations include 1,980 MW (three units of 660 MW each) thermal coal- based commercial power facilities. Meenakshi power operations include 1,000 MW coal-based power plant (two units of 150 MW each and two units of 350 MW each), located at Nellore, Andhra Pradesh. 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 and also deals in mining of iron ore and its supply.

The Group's other business also include Vizag General Cargo Berth Private Limited ("VGCB"). 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. VGCB commenced operations in the fourth quarter of fiscal 2013. The Group's other business also include AvanStrate Inc. ("ASI"), Vedanta Semiconductors Private Limited ("VSPL"), Vedanta Displays Limited ("VDL"), 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. The Group has acquired Vedanta Semiconductors Private Limited and Vedanta Displays Limited during the current year for manufacturing semiconductor and display glass panels, respectively. 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, 140,000 TPA, 100 MW power plant and a mine in Sukinda valley with current capacity of 290,000 TPA. DCCPL is involved in business of producing slag cements and owns three ball mills with capacity of 218,000 TPA.

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1. Basis of preparation and basis of measurement of financial statements

a) Basis of preparation

The consolidated financial statements have been prepared in accordance with those parts of the Companies Act, 2006 applicable to companies reporting under International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) as adopted in the United Kingdom ("UK adopted IFRS").

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. The application of UK adopted IFRS has had no impact on accounting policies.

These financial statements were approved for issue by the Board of Directors on 30 May 2024.

These financial statements are presented in US dollars being the functional currency of the Company and all values are rounded off to the nearest million except when indicated otherwise. Amounts less than US$ 0.5 million have been presented as "0".

Certain comparative amounts 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 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.

c) Going concern

The Group has prepared the consolidated financial statements on a going concern basis. The Directors have considered a number of factors in concluding on their going concern assessment.

The Group monitors and manages its funding position and liquidity requirements including its net current liability position and routinely forecasts its future cash flows and financial position. The key assumptions for these forecasts include production profiles, commodity prices and financing activities.

Prior to current period, the last going concern assessment carried out for the period ended 30 September 2023 was approved by the Board of Directors in December 2023. The Directors were confident that the Group will be able to operate within the levels of its current facilities for the foreseeable future, that the Group will be able to roll-over or obtain external financing as required and that prices will remain within their expected range.

While the mitigating actions as highlighted in the period ended 30 September 2023 financial statements remain available to the Group, following recent significant developments have had a positive bearing on the liquidity and Company's ability to continue as a going concern;

a. Vedanta has raised new term loans for refinancing of US$ 1,500 million and short-term loans of US$ 200 million for a period ranging from 1 year to 1.5 year.

The Directors consider that the expected operating cash flows of the Group combined with the current finance facilities which are in place give them confidence that the Group has adequate resources to continue as a going concern.

The Directors have considered the Group's ability to continue as a going concern in the period to 30 September 2025 ("the going concern period") under both a base case and a downside case.

The downside case assumes, amongst other sensitivities, delayed ramp-up and re-opening of projects, deferment of additional capital expenditure and a conservative assumption of uncommitted refinancing.

Covenant Compliance

The Group's financing facilities, including bank loans and bonds, contain covenants requiring the Group to maintain specified financial ratios. The Group has complied with all the covenant requirements till 31 March 2024.

The Directors of the Group are confident that the Group will be able to comply requisite covenants for the going concern period and will be able to execute mitigating actions as mentioned below, to ensure that the Group avoids, or secures waivers or relaxations for future period breaches, if any, of its covenants during the going concern period.

Mitigating actions

The mitigating options available to the Group and the Company to address the uncertainties in relation to going concern include:

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- Execution of an off-take agreement covering certain future production and amounting potentially to c. US$ 1 billion. The Group is currently negotiating with a number of interested bidders for an off-take agreement, under which the Group would receive an advance payment in return for supply of certain future production. However, no agreement has been concluded and there is a therefore uncertainty as to the Group's ability to access these funds.
- Extension of working capital facilities: As at 31 March 2024, the Group had unutilised working capital facilities amounting to c. US$ 1.1 billion. These facilities are not committed for the full duration of the going concern period to September 2025, but rather must be extended or rolled over. There is therefore a risk that, in adverse market conditions, the Group would not be able to extend or roll over these facilities. However, the Directors assess that the Group has a strong record of extending and rolling over these short-term facilities and has historically had significantly higher levels of commercial papers in issue.
- Access to buyers'/suppliers' credit and customer advances: As at 31 March 2024 the Group had c. US$ 1.8 billion of suppliers' credit and c. US$ 0.9 billion of advances from customers. These financing arrangements are integral to the business of certain Group divisions but are not committed for the full duration of the going concern period. There is therefore a risk that the Group will not be able to access these financing arrangements in the future. Nevertheless, the Directors note that the Group has in the past consistently obtained suppliers' credit and customer advances at current levels.

Conclusion

Notwithstanding the factors described above, the Directors have confidence in Group's ability to execute sufficient mitigating actions. Based on these considerations, the Directors have a reasonable expectation that the Group and the Company will meet its commitments as they fall due over the going concern period. Accordingly, the Directors continue to adopt the going concern basis in preparing the Group's consolidated financial statements and Company's standalone financial statements.

d) Parent Company financial statements

The financial statements of the parent company, Vedanta Resources Limited, incorporated in the United Kingdom, have been prepared in accordance with FRS 101 and The Companies Act 2006. the Company financial statements and associated notes have been presented separately.

2(a) Material Accounting Policies

(i) Basis of Consolidation

Subsidiaries:

The consolidated financial statements incorporate the results of the Company and all its subsidiaries (the "Group"), being the entities that it controls.

The financial statements of subsidiaries are prepared for the same reporting year as the 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 income statement, consolidated statement of comprehensive income and consolidated statement of financial position.

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 income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Intra-group balances and transactions, and any unrealised profits arising from intra-group transactions, are eliminated. Unrealised losses are eliminated unless costs cannot be recovered.

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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.

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 37.

Joint venture

The Group accounts for its interest in joint ventures using the equity method, after initially being recognised at cost in the consolidated statement of financial position. Goodwill arising on the acquisition of joint venture is included in the carrying value of investments in joint venture.

Investments in associates

An associate is an entity over which the Group has significant influence.

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 associate and joint ventures are recognised as a reduction in carrying amount of the investment.

The consolidated income statement and consolidated statement of comprehensive income 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 recognised. 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 2 (a)(x) below.

(ii) Business combination

Business combinations are accounted for under the acquisition method. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 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

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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 recognised 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 surplus is credited to the consolidated income statement in the period of acquisition.

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 as of 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 income statement in the periods in which the costs are incurred and the services are received except costs to issue debt or equity securities which shall be recognised in accordance with IAS 32 and IFRS 9.

If the Group acquires a group of assets in a company that does not constitute a business combination in accordance with IFRS 3 '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 scoped out of IFRS 3 and there is no authoritative literature for these transactions under IFRS. As a result, the Group adopted accounting principles similar to the pooling-of-interest method based on the predecessor values. The assets and liabilities of the acquired entity are recognised at the book values recorded in the ultimate parent entity's consolidated financial statements.

The components of equity of the acquired companies are added to the same components within Group equity except that any share capital and investments in the books of the acquiring entity is cancelled and the differences, if any, is adjusted in the opening retained earnings/ capital reserve. The Company's shares issued in consideration for the acquired companies are recognised 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 years' comparative information is only adjusted for periods during which the entities were under common control.

(iii) 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 IFRS 9 'Financial Instruments' rather than IFRS 15 'Revenue

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from contracts with customers' and therefore the IFRS 15 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 Consolidated Income Statement 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.

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 carried at amortised cost is recognised using the effective interest rate method as per IFRS 9.

Dividends

Dividend income is recognised in the consolidated income statement 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.

(iv) Special items

Special 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 years. No tax impact other than tax impact on exceptional items including change in tax regime are considered exceptional. Such items are material by nature or amount to the year's result and require separate disclosure in accordance with UK adopted IFRS. The determination as to which items should be disclosed separately requires a degree of judgement.

(v) Property, Plant and Equipment

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 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 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 the stripping costs are realised in the current period, the stripping

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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.

The estimates of hydrocarbon reserves and resources have been derived in accordance with the Society of Petroleum Engineers "Petroleum Resources Management System (2018)".

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 income statement.

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 income statement to the extent that the net proceeds exceed or are less than the appropriate portion of the net capitalised costs of the asset.

Exploration and evaluation 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 (property, plant and equipment) and stated at cost less impairment, if any. Exploration and evaluation assets are transferred to the appropriate category of property, plant and equipment when the technical feasibility and commercial viability has been determined. Exploration and evaluation assets 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 licences 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 exploratory drilling and equipping exploratory and appraisal wells.

Exploration expenditure incurred in the process of determining oil and gas exploration targets is capitalised within "exploration and evaluation 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

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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 & 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 income statement.

Expenditure incurred on the acquisition of a licence interest is initially capitalised on a licence-by-licence basis. Costs are held undepleted, within exploration and evaluation assets until such time as the exploration phase on the licence 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 income statement.

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 income statement 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 income statement when the asset is derecognised. Major inspection and overhaul expenditure is capitalised, if the recognition criteria are met.

(vi) 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. Asset under construction is carried at cost less accumulated impairment losses, if any.

(vii) Depreciation, depletion and amortisation expense

Mining properties and other assets in the course of development or construction, 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 assets

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 commercial 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.

Commercial reserves are proven and probable oil and gas reserves, which are defined as the estimated quantities of crude oil, natural gas and natural gas liquids which geological, geophysical and engineering data demonstrate with a specified degree of certainty to be recoverable in future years from known reservoirs and which are considered commercially producible.

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Costs used in the unit of production calculation comprise the net book value of capitalised costs plus the estimated future field development costs required to access the commercial reserves. Changes in the estimates of commercial reserves or future field development costs are dealt with 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 - operations and administration	3-60
Plant and machinery	15-40
Railway Sidings	15
Office equipment	3–6
Furniture and fixtures	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 income statement 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.

(viii) 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 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 IFRIC 12 "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 10 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 income statement when the asset is derecognised.

The amortisation period and the amortisation 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.

(ix) Impairment

Non-financial assets

Impairment charges and reversals are assessed at the level of cash-generating units.

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

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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 income statement.

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 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;
- 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 under-way or planned. To the extent that capitalised expenditure is no longer expected to be recovered, it is charged to the consolidated income statement.

(x) Financial Instruments

(a) 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 marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

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Trade receivables that do not contain a significant financing component are measured at transaction price as per IFRS 15.

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 income statement. The losses arising from impairment are recognised in consolidated income statement.

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 recognised in other comprehensive income (OCI). However, interest income, impairment losses and reversals and foreign exchange gain or loss are recognised in the consolidated income statement. On derecognition of the asset, cumulative gain or loss previously recognised in other comprehensive income is reclassified from the equity to consolidated income statement. 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 Group may make an irrevocable election to present subsequent changes in the fair value in OCI. The Group makes such election on an instrument-by-instrument basis. If the Group 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 consolidated income statement, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Financial assets at fair value through profit or loss (FVTPL)

Any debt instrument, which does not meet the criteria for categorization as at amortised cost or as FVOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortised 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 recognised in consolidated income statement.

Equity instruments

An equity instrument in the scope of IFRS 9 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies are classified as at FVTPL.

For equity instruments which are classified as FVTPL, all subsequent fair value changes are recognised in the consolidated income statement.

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.

(b) Impairment of financial assets

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables 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.

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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.

i) 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.

ii) 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.

(c) 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 IFRS 9. 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 income statement.

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 IFRS 9 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognised 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 income statement. 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 consolidated income statement 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 income statement.

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(d) 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 income statement.

(e) 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.

(f) 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 income statement, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to the consolidated income statement 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.

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 income statement 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 income statement. 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 income statement.

Amounts recognised in OCI are transferred to the consolidated income statement 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.

(xi) 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.

The Group as a lessee 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.

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(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 (vii) 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 as per IFRS 16 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 included in Trade and other payables.

(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.

(xii) 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 a 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.

Inventories of 'Fuel Stock' mainly consist of coal which is used for generating power. On consumption, the cost is charged off to 'Cost of sales' in the consolidated income statement.

(xiii) 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.

Government grants relating to tangible fixed assets are deducted in calculating the carrying amount of

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the assets and recognised in the consolidated income statement over the expected useful lives of the assets concerned as a reduced depreciation expense.

(xiv) 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; 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); at the time of the transaction, does not give rise to equal taxable and deductible temporary differences; 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.

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 income statement/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 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.

(xv) 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 income statement.

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 costs are recognised within cost of sales and administrative expenses and distribution expenses. Net interest expense or income is recognised within finance costs.

For defined contribution schemes, the amount charged to the consolidated income statement 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.

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(xvi) 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 the 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 share awards likely to vest is reviewed at each reporting 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.

(xvii) Provisions, contingent liabilities and contingent assets

The assessments undertaken in recognising provisions and contingencies have been made in accordance with the applicable UK adopted IFRS.

Provisions represent liabilities for which the amount or timing is uncertain. Provisions are recognised 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 recognised in the consolidated income statement 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 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 recognise a contingent liability but discloses its existence in the consolidated financial statements.

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 recognised in the consolidated statement of financial position.

(xviii) 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 income statement 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 a finance cost in the consolidated income statement.

Costs for 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 income statement as extraction progresses. Where the costs of site restoration are not anticipated to be material, they are expensed as incurred.

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(xix) 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 US dollars.

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 income statement 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 recognised in the other comprehensive income.

Exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings, are capitalised as part of borrowing costs in qualifying assets.

For the purposes of consolidation of financial statements, items in the consolidated income statement of those businesses for which the US dollar is not the functional currency are translated into US dollars at the average rates of exchange during the year/ exchange rates as on the date of transaction. The related consolidated statement of financial position is translated into US dollars at the rates as at the reporting date. Exchange differences arising on translation are recognised in the consolidated statement of 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 income statement.

(xx) 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 statement of financial position. 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.

(xxi) 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

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from such short-term investments is deducted from the total capitalised 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 income statement 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.

(xxii) Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash at bank and in 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 consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above and additionally includes unpaid dividend account.

2(b) Application of new and revised standards

The Group has adopted, with effect from 01 April 2023, the following new and revised standards and interpretations. Their adoption has not had any significant impact on the amounts reported in the consolidated financial statements.

1. Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2
2. Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12
3. Definition of Accounting Estimates - Amendments to IAS 8
4. IFRS 17 Insurance Contracts

Standards issued but not yet effective

The new and amended standards that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below:

New pronouncement	Effective date
Lease Liability in a Sale and Leaseback – Amendments to IFRS 16	01 January 2024
Classification of Liabilities as Current or Non-current - Amendments to IAS 1	01 January 2024
Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7	01 January 2024
The Effects of Changes in Foreign Exchange Rates - Amendments to IAS 21	01 January 2025
IFRS 18 – Presentation and Disclosures in Financial Statements	01 January 2027

The amendments are not expected to have a material impact on the Group. The Group has not early adopted any amendments which has been notified but is not yet effective.

2(c) Significant accounting estimates and judgements

The preparation of consolidated financial statements in conformity with UK adopted IFRS 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 recognised in the financial statements are as given below:

I. Significant Estimates:

(i) Carrying value of exploration and evaluation assets

The recoverability of a project is assessed under IFRS 6. Exploration assets are assessed by comparing the carrying value to higher of fair value

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less cost of disposal or value in use, if impairment indicators exist. 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 income statement 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 16.

(ii) Recoverability of deferred tax and other income tax assets

The Group has carried forward tax losses and unabsorbed depreciation 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 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 income statement.

During year ended 31 March 2024, based on financial projections and requirements of IAS 12, ESL derecognized deferred tax assets on business losses amounting to US$ 37 million (31 March 2023: US$ 35 million). Post said derecognition, deferred tax assets balance on carry forward unabsorbed depreciation as at 31 March 2024 is US$ 334 million, which based on management's estimate is probable to realise.

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 Group 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 Group 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 Group 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 Group 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 Group to file an appeal in High court.

The Group has filed a writ petition before the Madras High Court challenging the various orders passed against it 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 Group. Thereafter, the Group has approached the Supreme Court and challenged the said High Court order by way of a Special Leave Petition ("SLP").

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The Hon'ble Supreme Court, after hearing the parties to the proceedings had dismissed the SLP filed by the Company vide judgment dated 29 February 2024.

On 01 April 2024, The Group preferred a review petition before the Hon'ble Supreme Court. In the said review petition, the Company has also moved an application for open Court hearing of the review petition.

Expansion Plant:

Separately, the Group 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 Group 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 Group has approached Madras High Court by way of writ petition challenging the cancellation of lease deeds by SIPCOT pursuant to which an interim stay had been granted. The Company had also appealed this action before the TNPCB Appellate Authority. The matter was heard on 01 March 2023 and was adjourned until further notice.

As per the Group's assessment, they are in compliance with the applicable regulations and hence preferred a review petition before the Hon'ble Supreme Court.

Considering prolonged time of plant closure and uncertainties around opening of plant due to rejection of SLP by Hon'ble Supreme Court, the Group has carried out an impairment assessment, basis above development, on Tuticorin plant assets having carrying value of US$ 187 million (including PPE, CWIP and inventory) using Depreciated Replacement Cost / Scrap Value method for PPE and CWIP, and Net recoverable method for inventory. Accordingly, impairment on assets of US$ 81 million (including Goodwill of US$ 12 million, PPE of US$ 45 million, CWIP of US$ 16 million and loss on inventory of US$ 8 million) has been recorded during the year ended 31 March 2024.

Property, plant and equipment of US$ 51 million (31 March 2023: US$ 102 million) and inventories of US$ 26 million (31 March 2023: US$ 32 million), 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 - CTO

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

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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 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 $ 26 million as part of special item during the year ended 31 March 2021 with respect to the costs to be incurred by it for obtaining EC and additional $ 1 million has been provided against final order relating to wildlife conservation plan received during the previous year. Management believes no further provision is required.

(v) Discontinued operations - Copper Zambia (KCM)

The investment in KCM and loans, receivables, and obligations of KCM towards the Group are fair valued during the year. The Group employed third-party experts to undertake the valuations using the income approach method. In this approach, the discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of these assets. The resulting valuation is adjusted to reflect several factors, including the uncertainty and risks inherent in litigation and recovery. Details of significant estimates are disclosed in note 3(a).

(vi) Oil and Gas reserves

Significant technical and commercial judgements are required to determine the Group's estimated oil and natural gas reserves. Oil and Gas reserves are estimated on a proved and probable entitlement interest basis. Proven and probable reserves are estimated using standard recognised evaluation techniques. The estimate is reviewed annually. Future development costs are estimated taking into account the level of development required to produce the reserves by reference to operators, where applicable and internal engineers.

Net entitlement reserves estimates are subsequently calculated using the Group's current oil price and cost recovery assumptions, in line with the relevant agreements.

Changes in reserves as a result of factors such as production cost, recovery rates, grade of reserves or oil and gas prices could impact the depletion rates, carrying value of assets (refer note 16) and environmental and restoration provisions.

(vii) Carrying value of developing/producing oil and gas assets

Management performs impairment tests on the Group's developing/producing oil and gas assets where indicators of impairment are identified in accordance with IAS 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 and the assumptions used are disclosed in notes 16 and 6 respectively.

(viii) Climate Change

The Group aims to achieve net carbon neutrality by 2050, 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) recoverable amounts of existing assets and (c) review of estimates of useful lives of property, plant and equipment.

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, fuel switch, electrification of vehicles and mining fleet and energy efficiency opportunities. During the current year, work has progressed towards the construction renewable power delivery agreements in accordance with the Board approved plan. 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 group has also taken certain measures towards water management such as commissioning of sewage treatment plants, rainwater harvesting, and reducing fresh water consumption. Collectively these measures have led to an increase of our water positivity to 0.7 (FY23: 0.63). 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.

(ix) Refer note 25 for significant estimates on restoration, rehabilitation and environmental

II. Significant Judgements:

(i) Determining whether an arrangement contains a lease

The Group has ascertained that the Power Purchase Agreement (PPA) executed between one of the subsidiaries and a State Grid qualifies to be an operating lease under IFRS 16 "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 notes 4 and 5.

(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 a legal or tax cases as probable, possible or remote there is

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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 32. For other significant litigations where the possibility of an outflow of resources embodying economic benefits is remote, refer note 33.

(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 IFRS 15 and to assess the recoverability of withheld revenue currently accounted for as receivables.

In assessing this critical judgment management considered favourable external legal opinions the Group has obtained in relation to the claims and favourable court judgements in the related matter. In addition, the fact that the contracts are with government owned companies implies the credit risk is low. Refer note 18.

3. Discontinued operations, acquisitions and restructuring

(a) Discontinued operations - Copper Zambia (KCM):

In 2019, ZCCM Investments Holdings Plc (ZCCM), a company majority owned by the Government of the Republic of Zambia (GRZ), which owns 20.6% of the shares in Konkola Copper Mines Plc (KCM), filed a petition in the High Court of Zambia to wind up KCM ('the Petition') on "just and equitable" grounds. Subsequently, ZCCM amended the Petition to include an additional ground based on allegations that KCM is unable to pay its debts. ZCCM also obtained an ex parte order from the High Court of Zambia appointing a Provisional Liquidator ('PL') of KCM pending the hearing of the Petition. As a result of the appointment of the PL following ZCCM's ex parte application, the PL is the designated authority for exercising almost all the functions of the Board of Directors, to the exclusion of the Board.

The Group not only disputes the allegations and opposes the Petition, but also maintains that the complaints brought by ZCCM are in effect "disputes" between the shareholders. Per the KCM Shareholders' Agreement, the parties (including ZCCM and the Government of the Republic of Zambia) have agreed that any disputes must be resolved through international arbitration seated in Johannesburg, South Africa, applying the UNCITRAL Arbitration Rules; not the Zambian courts.

Proceedings in the Zambian Courts & Arbitration Application

In respect of the ongoing arbitration proceedings, further information in respect of which can be found in the Group's Integrated Report and Annual Accounts for the financial year ended 31 March 2022, on 07 September 2022, Vedanta Resources Limited ("VRL"), Vedanta Resources Holdings Limited ("VRHL"), ZCCM and the Official Receiver (who is currently acting as KCM's PL) entered into a further legal and arbitration proceedings suspension agreement for an initial period of 6 months. The arbitration hearing which was to commence on 09 January 2023 has been vacated.

A court date for the hearing of the judicial review application, as to whether a vacancy in the office of the Provisional Liquidator can automatically be filed by the Official Receiver without the requisite Court Order, has not yet been allocated. In light of the further legal and arbitration proceedings suspension agreement that was entered into on 07 September 2022, the judicial review application with regards to the Official Receiver will only resume if settlement talks between the parties fail.

KCM has recently instituted legal proceedings against the PL and his legal firm in the High Court of Zambia in which KCM aims to recover monies improperly drawn by the PL from KCM's accounts and damages for the PL's breach of fiduciary and statutory duties vis-à-vis KCM.

VRL, VRHL, ZCCM, the Official Receiver and KCM entered into an Extension and Amendment to the Legal Suspension Agreement on 14 February 2023, whereby the Parties agreed to an Additional Postponement Period in the suspension of legal proceedings up to 31 March 2023. The Legal Suspension Agreement has post 31 March 2023, been extended multiple times.

On 06 November 2023, the parties have signed a new shareholder agreement for KCM as well as an

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Implementation Agreement that sets out the terms for VRHL to re-gain control of KCM and re-start its operations.

Various ancillary agreements have been finalised and executed to enable the Creditor Scheme of Arrangement in the High Court of Zambia who vide its order dated 21 February 2024 directed to convey meeting of creditors to consider the Scheme of Arrangement. The Creditors meetings were scheduled on 24 May 2024 and 30 May 2024 and the results are pending review at the High Court of Zambia. Subsequently, VRHL will initiate necessary applications and implementation steps (including removal of PL) to reconstitute the Board of Directors of KCM, thereby regaining control of KCM.

At the date of approval of these financial statements, the PL continues to remain in office and the Petition remains stayed.

Accounting Considerations

As all the significant decision-making powers, including carrying on the business of KCM and taking control over all the assets of KCM, rests with the PL, the Group believes that the appointment of PL has caused loss of its control over KCM. Accordingly, the Group deconsolidated KCM with effect from 21 May 2019 and presented the same in the consolidated income statement as a discontinued operation.

The Group continues to account for its investment in KCM and loans, receivables and obligations of KCM towards the Group at cost, subject to impairment.

The loss with respect to KCM operations along with the loss on fair valuation of the Group's interest in KCM has been presented as a special item in the consolidated income statement of previous years.

The Group has total exposure of US$ 1,887 million (31 March 2023: US$ 1,887 million) (including equity investment in KCM of US$ 266 million) to KCM in the form of loans, receivables, investments and amounts relating to the guarantees issued by VRL, which have been accounted for at fair value on initial recognition and disclosed under non-current assets in the Consolidated Statement of Financial Position.

Key sources of estimation uncertainty

The investment in KCM and loans, receivables and obligations of KCM towards the Group recognised following deconsolidation of the subsidiary are initially recognized at fair value on the date of loss of control. Subsequently, the equity investment in KCM is measured at fair value through profit or loss and the loans, receivables and obligations of KCM towards the Group are measured at amortised cost, subject to impairment.

The Group employed third-party experts ("Expert") to undertake valuations of the investment in KCM and loans, receivables and obligations of KCM towards the Group. The income approach method was applied for the purposes of the valuation, as updated by the management during the year. In this approach, the discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of these assets. The resulting valuation is adjusted to reflect a number of factors, including the uncertainty and risks inherent in litigation and recovery. The valuation model provides a range of reasonable fair values, based on which management calculated the fair value as the mid-point of the range. The management believes that the litigation risk included in the model has reduced significantly on execution of the new shareholder agreement during the year. However, uncertainty remains in respect of the amount and timing of recovery of the receivables due from KCM, until successful implementation of the new shareholder agreement. During the year ended 31 March 2024, basis fair valuation model updated by the management, no further adjustments to the existing balances were identified. Therefore, carrying value as at 31 March 2024 remain unchanged at US$ 682 million (31 March 2024: US$ 682 million) (refer note 18(5)).

Cash flow projections are based on financial budgets and life of mine plans on a going concern basis and are sensitive to changes in input assumptions. Input assumptions into the valuation that involve management judgement include:

- Expected delay between recommencement of operations and receipt of any amounts due.
- Liquidity of the market in the event of a sale of KCM, which has been considered through benchmarking the resulting valuation against other recent transactions for similar mines.
- The discount rate used to discount the cash flow projection, which has been calculated on a post-tax basis at 13% (31 March 2023: 13%).
- To factor in the uncertainties, valuation under few scenarios in addition to the base case valuation, assuming equal likelihood, has been

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computed a) additional capex required to achieve the planned ramp up of production and b) future implied Zambian country risk premium.

The key sources of estimation uncertainty, to which the valuation is most sensitive, are:

- The long-term copper prices which are based on the median of analyst forecasts.
- Throughput at the Konkola concentrator: The timing of ramp up of through put at the Konkola concentrator is based on internal management forecasts. The forecasts incorporate management experience and expectations as well as the risks associated therewith (for example availability of required fleets, skill sets for level developments at critical areas).
- The potential proportion of the carrying value that may be expected to be recovered in the event of achieving a positive settlement outcome. This includes uncertainties around the timing of cashflows at KCM.

Where discounted cash flow models based on management's assumptions are used, the resulting fair value measurements are considered to be at level 3 in the fair value hierarchy, as defined in IFRS 13 Fair Value Measurement, as they depend to a significant extent on unobservable valuation inputs.

ii. Fair value measurements

The valuation of the investment in KCM and the loans, receivables and obligations of KCM towards the group is determined using discounted future cash flows and adjusted to reflect expert's current views on successful implementation and other unobservable inputs as described below. These assets are considered to be level 3 in the fair value hierarchy. Quantitative information about the significant unobservable inputs used in level 3 fair value measurements are set out in the table below:

(US$ million, unless stated otherwise)

Financial asset	Fair value at 31 March 2024	Fair value at 31 March 2023	Significant unobservable Inputs	Relationship of unobservable inputs to fair value
Investments and Loans, receivables and obligations of KCM towards the Group	756	751	Uncertainty in the debt maturity profile in the event of achieving a positive settlement outcome	An increase in the risk for the uncertainty of debt maturity profile would decrease the fair value. A 10% increase in the risk for uncertainty of the debt maturity profile would decrease the fair value by US$ 115 million. We have used a 10% assumption to calculate our exposure as it represents a change in the risk for the uncertainty of debt maturity profile.
			Potential proportion of the value that may expected to be recovered on successful implementation of new shareholder agreement	A decrease in the recovery percentage would decrease the fair value. A 10% decrease in the recovery percentage, with no change to any other inputs, would decrease the fair value by US$ 157 million (31 March 2023: US$ 156 million) We have used a 10% assumption to calculate our exposure as it represents a change in the recovery probability that we deem to be reasonably probable.
			Copper price Long term price	A decrease in the copper price would decrease the fair value. A 10% reduction in the long-term copper price, with no change to any other inputs, would decrease the fair value by US$ 39 million (31 March 2022: US$ 113 million). We have used a 10% assumption to calculate our exposure as it represents the annual copper price movement that we deem to be reasonably probable (on an annual basis over a long term).

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(b) Athena Chhattisgarh Power Limited

On 21 July 2022, the Group acquired Athena Chhattisgarh Power Limited ("ACPL"), an unrelated party, under the liquidation proceedings of the Insolvency and Bankruptcy Code, 2016 for a consideration of US$ 69 million (INR 5,647 million), 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 Group's aluminium business. VEDL 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 Group has requested various reliefs from the applicable legal and regulatory provisions as part of the above applications. The NCLT approval of the Group's resolution application is pending as on balance sheet date. On consolidation, the consideration paid for acquisition of ACPL represents mainly Capital work-in-progress.

The NCLT approved the VEDL's resolution application with an appointed date of 21 July 2022 ("appointed date"), in its July 2023 order ("NCLT Order"), In accordance with applicable IFRS, the Company has restated its financial results as at and for the year ended 31 March 2023 to record this merger.

The Scheme of merger as approved by the NCLT inter alia prescribes the following accounting treatment in the standalone financials of the Company: the difference between the fair value at the appointed date and the carrying value of the assets recorded pursuant to the amalgamation at their book value arrived at without considering any impairment/ write-off, would be written off by debit to the Statement of Profit and Loss of the Company and credited to the carrying value of the assets. This would be a permanent write-off of the carrying value of the assets and not a provision for diminution in the value of the assets. The charge on account of write off of the assets, as mentioned above, as recorded by the Company will be transferred from its Retained Earnings to its Capital Reserve and accordingly, the Capital Reserve will stand diminished by the said amount.

Pursuant to the NCLT Order, VEDL has merged ACPL by carrying forward the book values of ACPL's assets of US$ 1,150 million (INR 86,980 million) (as appearing in ACPL's financial statements as at 31 March 2022, which were audited by ACPL's auditors) at the appointed date without considering any impairment, applying IFRS 3 - Business Combinations, instead of recognising the assets at purchase consideration in accordance with IFRS 16. The difference between the values of assets acquired and the consideration paid was credited to Other Equity (Capital Reserve). The Company has written off the consequent loss of US$ 1,013 Million (INR 81,330 million) in the Statement of Profit and Loss for the year ended 31 March 2023, representing the difference between the book value of assets and consideration paid. The assets written off of US$ 1,013 million (INR 81,330 million), excluding tax consequences thereof, has been transferred from 'Retained Earnings' to 'Capital Reserve', in accordance with the Scheme. The above is in accordance with the NCLT Order, overriding the applicable IFRS requirements.

Consequent to the implementation of the merger, the carrying values of deferred tax assets (MAT credit) in the consolidated balance sheet as at 31 March 2023 was lower by US$ 173 million (INR 14,210 million) with a corresponding reduction in income tax liabilities by US$ 119 million (INR 9,790 million) and an increase in income tax assets by US$ 54 million (INR 4,420 million), on account of the lower MAT charge. These restated balances of 31 March 2023 have been carried to FY 2023-24.

(c) Meenakshi Energy Limited

Meenakshi Energy Limited ("Meenakshi") is a 1,000 MW coal-based power plant located at Nellore, Andhra Pradesh. NCLT vide its order dated 10 August 2023 has granted its approval for the Resolution Plan as submitted by VEDL for acquisition of Meenakshi under Corporate Insolvency Resolution Process in accordance with the provisions of Insolvency and Bankruptcy Code (IBC), 2016 for a total consideration of US$ 174 million (INR 14,440 million).

Pursuant to the approval of Resolution Plan, the Company has made a payment of upfront consideration of US$ 37 million (INR 3,120 million) and infused US$ 0.12 million (INR 10 million) through equity for the implementation of approved Resolution Plan. On 16 October 2023, zero coupon, secured, unlisted non-convertible debentures ("NCDs") of aggregate face value of US$ 135 million (INR 11,280 million) have been issued by Meenakshi to its financial creditors, redeemable

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in 5 equal annual instalments starting from 16 October 2025. Consequent to satisfaction of all conditions precedent of the Resolution Plan, the Company has acquired control of Meenakshi on 27 December 2023. The above acquisition meets the criterion of asset acquisition under IFRS 3 - Business Combinations. Accordingly, fair value of the total consideration amounting to US$ 130 million (INR 10,800 million) has been allocated to the identified assets and liabilities acquired on the basis of their relative fair values.

(d) Scheme of Arrangements for Demerger

The Board of Directors, in its meeting held on 29 September 2023, have approved a Scheme of Arrangement ("the Scheme") for demerger of various businesses of VEDL. The Scheme entails demerger of the Company's Aluminium (represented by the Aluminium segment), Merchant Power (represented by the Power segment), Oil & Gas (represented by the Oil and Gas segment), Base Metals (represented by the Copper and Zinc International segment) and Iron Ore (represented by Iron Ore segment and Steel business) Undertakings, into 6 separate companies with a mirrored shareholding and consequent listings at BSE Limited and National Stock Exchange of India Limited ('the Stock Exchanges'). VEDL has filed the Scheme with the Stock Exchanges. Upon receipt of necessary approvals from the Stock Exchanges, the Scheme will be filed with the NCLT. Pending regulatory and other approvals, no adjustments have been recorded in the financial statements of the Group for the year ended 31 March 2024.

(e) Disposal of Subsidiary

During the year ended 31 March 2024, Monte Cello BV ("MCBV"), a wholly owned subsidiary of Vedanta Limited, sold 100% of its equity ownership in its wholly owned subsidiary, Copper Mines of Tasmania ("CMT") which was previously engaged in copper mining operations in Australia. Consequently, upfront cash consideration of US$ 10 million (INR 840 million) received by the Group and de-recognition of net liabilities of US$ 12 million (INR 940 million) pertaining to CMT, has resulted in a total gain of US$ 22 million (INR 1,780 million) which has been included in investment revenue in consolidated financial statements for the year ended 31 March 2024. Further, as part of the transaction, the acquirer shall pay the Group additional consideration in future upto US$ 310 million by way of fee/ royalties, on achieving certain pre-agreed milestones.

4. Segment information

The Group is a diversified natural resources 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, Zambia, South Africa, Namibia, UAE, 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's reportable segments defined in accordance with IFRS 8 are as follows:

- Zinc- India (comprises zinc and lead India)
- Zinc-International
- Oil & Gas
- Iron Ore
- Copper-India/Australia
- Aluminium
- Power

'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").

Management monitors the operating results of reportable segments for the purpose of making decisions about resources to be allocated and for assessing performance. Segment performance is evaluated based on the Earnings Before Interest, Taxes, Depreciation, and Amortization ("EBITDA") of each segment. Business segment financial data includes certain corporate costs, which have been allocated on an appropriate basis. Inter-segment sales are charged based on prevailing market prices.

The following tables present revenue and profit information and certain asset and liability information regarding the Group's reportable segments for the years ended 31 March 2024 and 31 March 2023. Items after operating profit are not allocated by segment.

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(a) Reportable segments

Year ended 31 March 2024

(US$ million)

	Zinc-India	Zinc-International	Oil and gas	Iron Ore	Copper-India/ Australia	Aluminium	Power	Others	Elimination	Total operations
REVENUE										
Sales to external customers	3,369	430	2,155	1,080	2,383	5,837	743	1,131	-	17,128
Inter-segment sales	4	-	-	15	-	6	-	87	(112)	-
Segment revenue	**3,373**	**430**	**2,155**	**1,095**	**2,383**	**5,843**	**743**	**1,218**	**(112)**	**17,128**
Results										
Segment Results (EBITDA)(1)	1,638	84	1,184	200	(9)	1,167	117	337	-	4,718
Less: Depreciation and amortisation (2)	399	55	327	39	26	291	65	80	-	1,282
Other Expenses *	-	-	89	-	-	-	-	-	-	89
Operating profit / (loss) before special items	**1,239**	**29**	**768**	**161**	**(35)**	**876**	**52**	**257**	**-**	**3,347**
Investment revenue										202
Finance costs										(1,882)
Other gains and (losses) [net]										(37)
Special items (Refer Note 6)										124
Profit before taxation										**1,754**
Segments assets	2,567	955	3,272	689	446	7,388	1,749	1,274	-	18,340
Financial asset investments										118
Deferred tax assets										422
Short-term investments										1,575
Cash and cash equivalents										384
Tax assets										466
Others										1,025
TOTAL ASSETS										**22,330**
Segment liabilities	746	252	1,738	415	646	2,653	92	454	-	6,996
Borrowings										14,330
Current tax liabilities										299
Deferred tax liabilities										1,206
Others										347
TOTAL LIABILITIES										**23,178**
Other segment information										
Additions to property, plant and equipment, exploration and evaluation assets and intangible assets (4)	462	259	367	89	14	926	165	134	-	2,418
Impairment charge/ (reversal) (3)	-	14	(157)	18	81	16	-	-	-	(28)

** Exploration costs written off*

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Year ended 31 March 2023

(US$ million)

	Zinc-India	Zinc-International	Oil and gas	Iron Ore	Copper-India/ Australia	Aluminium	Power	Others	Elimination	Total operations
REVENUE										
Sales to external customers	4,126	649	1,873	753	2,179	6,582	838	1,141	-	18,141
Inter-segment sales	-	-	-	56	-	33	0	11	(100)	-
Segment revenue	**4,126**	**649**	**1,873**	**809**	**2,179**	**6,615**	**838**	**1,152**	**(100)**	**18,141**
Results										
Segment Results (EBITDA)(1)	2,177	241	972	124	(7)	699	114	288	-	4,608
Less: Depreciation and amortisation (2)	389	61	442	33	18	285	68	86	-	1,382
Other Expenses *	-	-	30	-	-	-	-	-	-	30
Operating profit / (loss) before special items	**1,788**	**180**	**500**	**91**	**(25)**	**414**	**46**	**202**	**-**	**3,196**
Investment revenue										251
Finance costs										(1,558)
Other gains and (losses) [net]										(79)
Special items (Refer Note 6)										(178)
Profit before taxation										**1,632**
Segments assets	2,617	833	2,896	679	610	6,947	1,875	1,323	-	17,780
Financial asset investments										63
Deferred tax assets *										1,095
Short-term investments										1,728
Cash and cash equivalents										1,037
Tax assets *										427
Others										1,181
TOTAL ASSETS										**23,311**
Segment liabilities	625	131	1,809	312	632	2,867	248	445	-	7,069
Borrowings										15,358
Current tax liabilities *										72
Deferred tax liabilities										866
Others										818
TOTAL LIABILITIES										**24,183**
Other segment information										
Additions to property, plant and equipment, exploration and evaluation assets and intangible assets (4)	475	158	433	70	18	708	74	182	-	2,121
Impairment charge/ (reversal) (3)	-	-	157	(82)	-	-	-	(14)	-	61

** Exploration costs written off*

*** Restated. Refer note 3(b)*

(1) EBITDA is a non-IFRS measure and represents earnings before special items, depreciation, amortisation, other gains and losses, interest and tax.

(2) Depreciation and amortisation are also provided to the chief operating decision maker on a regular basis.

(3) Included under special items (Note 6).

(4) Additions to property, plant and equipment, exploration and evaluation assets and intangible assets includes US$ 2 million (31 March 2023: US$ 3 million) not allocated to any segment.

(5) Pursuant to conversion of one of the 300 MW Captive Power Plant ("CPP") unit to Independent Power Plant ("IPP") with effect from 01 April 2023, and considering the usability of units interchangeably as IPP or CPP based on the annual declaration to Chief Electricity Inspector and the annual consumption criteria as per the Electricity Act, 2003 and the Electricity Rules, 2005, the Chief Operating Decision Maker ("CODM") has decided to review the operating results of aluminium and power segments together in a combined manner for one of its subsidiaries, Bharat Aluminium Company Limited ("BALCO"). Consequently, with effect from 01 April 2023, these have been reported as a single Operating Segment, i.e., "Aluminium Segment". Corresponding segment information for the year ended 31 March 2023, i.e., Segment revenue of US$ 32 million, including intersegment revenue of US$ 27 million, EBITDA of (US$ 8 million), Depreciation and amortisation of US$ 4 million and operating loss of (US$ 12 million) for the year ended 31 March 2023 and Segment assets of US$ 12 million and Segment liabilities of US$ 1 million as at 31 March 2023 have been restated in accordance with Ind AS 108 "Operating Segments".

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B) Geographical segment analysis

The Group's operations are located in India, Zambia, Namibia, South Africa, UAE, Ireland, Australia, Japan, South Korea, Taiwan and Liberia. The following table provides an analysis of the Group's revenue by region in which the customer is located, irrespective of the origin of the goods.

(US$ million)

	Revenue by geographical segment	
	Year ended 31 March 2024	Year ended 31 March 2023
India	11,009	10,851
Europe	907	1,985
China	641	661
The United States of America	283	481
Mexico	189	579
Malaysia	819	595
Singapore	826	497
United Kingdom	20	76
Others	2,434	2,416
Total	**17,128**	**18,141**

The following is an analysis of the carrying amount of non-current assets, excluding deferred tax assets, derivative financial assets, financial asset investments and other non-current financial assets analysed by the geographical area in which the assets are located:

(US$ million)

	Revenue by geographical segment	
	As at 31 March 2024	As at 31 March 2023*
India	13,350	12,629
South Africa	816	647
Taiwan	101	127
Namibia	79	108
Others	186	264
Total	**14,532**	**13,775**

**Restated. Refer note 3(b).*

Information about major customer

No single customer has accounted for 10% or more of the Group's revenue for the year ended 31 March 2024 and 31 March 2023.

Disaggregation of Revenue

Below table summarises the disaggregated revenue from contracts with customers:

(US$ million)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Zinc Metal	2,595	3,613
Lead Metal	591	601
Silver Bars	665	570
Oil	1,797	1,551
Gas	348	350
Iron Ore	652	290
Pig Iron	494	506
Metallurgical Coke	28	58
Copper Products	2,335	2,127
Aluminium Products	5,671	6,550
Power	553	659
Steel Products	778	781
Ferro Alloys	98	96
Others	610	461
Revenue from contracts with customers*	**17,215**	**18,213**
Revenue from contingent rents	172	192
Losses on provisionally priced contracts under IFRS 9 (refer note 5)	(259)	(264)
Total Revenue	**17,128**	**18,141**

**Includes revenues from sale of services aggregating to US$ 39 million (31 March 2023: US$ 41 million) which is recorded over a period of time and the balance revenue is recognised at a point in time.*

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5. Total Revenue

(US$ million)

	Year ended 31 March 2024	Year ended 31 March 2023
Sale of products [a]	16,917	17,908
Sale of services [a]	39	41
Revenue from contingent rents	172	192
Total Revenue	**17,128**	**18,141**

a) Revenue from sale of products and from sale of services for the year ended 31 March 2024 includes revenue from contracts with customers of US$ 17,198 million (31 March 2023: US$ 18,213 million) and a net loss on mark-to-market of US$ 256 million (31 March 2023: US$ 264 million) on account of gains/ losses relating to sales that were provisionally priced as at 31 March 2024 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 2024.

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 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 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 IFRS 15 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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6. Special items

(US$ million)

Particulars	Year ended 31 March 2024			Year ended 31 March 2023		
	Special items	Tax effect of Special items	Special items after tax	Special items	Tax effect of Special items	Special items after tax
Capital creditors written back in Power segment [4]	96	(24)	72	-	-	-
SAED on Oil and Gas business [5]	-	-	-	(117)	44	(73)
Gross profit special items [(a)]	**96**	**(24)**	**72**	**(117)**	**44**	**(73)**
Impairment reversal / (charge) in oil and gas properties [1]	152	(50)	102	(82)	32	(50)
Impairment reversal / (charge) of exploration & evaluation assets[1]	5	(2)	3	(75)	29	(46)
Impairment reversal of asset under construction	-	-	-	14	(5)	9
Impairment (charge) in copper assets (refer note 2(c)(I)(iii))	(81)	20	(61)	-	-	-
Impairment (charge) in aluminium assets[2]	(16)	4	(12)	-	-	-
Impairment (charge) in zinc international assets	(14)	-	(14)	-	-	-
Impairment (charge) in iron ore assets	(18)	5	(13)	-	-	-
Reversal of previously recorded impairment of assets in Liberia on commencement of mining operations [3]	-	-	-	82	-	82
Total impairment (charge)/ reversal (net) (b)	**28**	**(23)**	**5**	**(61)**	**56**	**(5)**
Operating special items (a+b)	**124**	**(47)**	**77**	**(178)**	**100**	**(78)**
Total of Special items	**124**	**(47)**	**77**	**(178)**	**100**	**(78)**

1.(a) During the year ended 31 March 2024, the Government of India ("GoI"), acting through the Directorate General of Hydrocarbons ("DGH"), had raised demand 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 US$ 1,162 million and applicable interest thereon representing share of Vedanta Limited and its subsidiary.

The Group had disputed the aforesaid demand and invoked arbitration as per the provisions of the Production Sharing Contract. The Group had received the Final Partial Award dated 22 August 2023 from the Arbitration Tribunal ('the Tribunal') as amended by order dated 15 November 2023 and 08 December 2023 ("the Award"), dismissing the Government's contention of additional Profit Petroleum in relation to allocation of common development costs across Development Areas and certain other matters in accordance with terms of the Production Sharing Contract for Rajasthan Block, while disallowing some matters. Further, the Tribunal had decided that the Group was allowed to claim cost recovery of exploration cost for the purpose of computation of Profit Oil.

Pursuant to the Award, the Group has recognized a benefit of US$ 578 million in revenue from operations and reversed previously recognized impairment on PPE of US$ 157 million during the year ended 31 March 2024.

GoI has sought an additional award or interpretation/ clarification on certain matters decided by the Tribunal under the Indian Arbitration and Conciliation Act, 1996 ("the Act") ("GoI Application"). The Tribunal vide its order dated 15 November 2023 and 08 December 2023 has dismissed GoI's interpretation and additional award applications in favour of the Group. The Group has adjusted the liability during the current year of US$ 233 million against the aforesaid benefits recognized as per the Award.

GoI has filed interim relief application on 03 February 2024 stating that the Group has unilaterally enforced the award although the quantification of the same is pending. The Group is of the view that it is bound to implement the award.

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Further, the application by GoI does not meet the strict criteria for grant of interim injunction. The matter was heard on 26 March 2024 and order of the Tribunal is awaited.

GoI also has filed an appeal on 07 March 2024 against the Award in Delhi High Court and the matter was heard on 14 March 2024 and 21 May 2024. No stay was granted and petition was not admitted. Next date of hearing is 09 July 2024. The Group is of the view that there is no merit in the challenge filed by GoI, as the Court cannot re-appreciate the evidence in Section 34 appeal as the interpretation by the Tribunal is plausible.

In the interim, vide letter dated 06 May 2024, GoI has submitted its calculation of the quantum basis the Award. GoI has claimed a sum of US$ 224 million from the Group. The Group is of the view that the computation is prima-facie contrary to the Award and clarifications issued by the Tribunal since certain costs were allowed for cost recovery by the Tribunal but were not considered by GoI. The Group is evaluating the computation shared by GoI in detail and is confident that it can defend against the quantum raised by GoI.

(b) (i) During the year ended 31 March 2023, the Group has recognized net impairment charge of US$ 82 million (after considering impairment reversal of US$ 155 million on account of ONGC partial arbitration award Refer footnote (ii) for details) on its assets in the oil and gas properties and US$ 75 million on exploration and evaluation assets mainly due to revision of reserves and capex estimates. The recoverable amount of the Group's share in Rajasthan Oil and Gas cash generating unit "RJ CGU" was determined to be 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 Group'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 Group , change in crude price assumptions by US$ 1/bbl and changes to discount rate by 1% would lead to a change in recoverable value US$ 9 million and 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 Group raises cash calls to ensure the smooth functioning of the petroleum operations.

During the 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 US$ 155 million has been recognised against capitalised development costs. The Group had a liability towards ONGC of 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 amounted to US$ 34 million.

2. Represents certain items of CWIP, which have been written off during the year ended 31 March 2024 as they are no longer expected to be used.

3. During the year ended 31 March 2023, WCL had 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 had been assessed US$ 108 million 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 was 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.

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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 US$ 6 million and an increase in the discount rate by 1% would lead to a decrease in the recoverable value by US$ 9 million.

Accordingly, the impairment recorded in previous years had been reversed, to an extent of US$ 82 million pertaining only to the assets of the Bomi Mine.

4. During the year, the Group has terminated its contract with one of its capital contractor due to its continuing failure in fulfilling contractual obligations impacting plant performance since inception and written back creditors amounting to US$ 151 million pertaining to the contract, as amount is no longer payable. The management has assessed that the amount written back comprises US$ 96 million toward loss of profit due to plant performance in the current and earlier years and therefore recognised the same as exceptional gain in the statement of profit and loss and adjusted the balance amount towards the cost of spares and ancillaries capitalised in PPE in earlier years.

5. 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 was effective from 01 July 2022. The consequential net impact of the said duty is US$ 117 million (Revenue US$ 142 million and Cost of sales US$ 259 million) for the year ended 31 March 2023. SAED is continuing as levy like other duty of excise, that forms part of ordinary business of production of crude oil and hence, consequential impact of the said duty has been presented as an ordinary item during the year ended 31 March 2024.

7. Investment revenue

(US$ million)

	Year ended 31 March 2024	Year ended 31 March 2023
Net gain on financial assets held at fair value through profit or loss (FVTPL)	20	6,078
Gain on sale of investment in subsidiary (refer note 3(e))	22	0
Interest Income:		
Interest income- financial assets held at FVTPL	37	63
Interest income- financial assets held at FVOCI	44	35
Interest income- bank deposits at amortised cost	29	48
Interest income- loans and receivables at amortised cost	37	60
Interest income- others	6	21
Dividend Income:		
Dividend income- financial assets held at FVOCI	5	3
Foreign exchange gain/ (loss) (net)	2	11
Total	**202**	**251**

8. Finance costs

(US$ million)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Interest expense – financial liabilities at amortised cost	1,756	1,484
Other finance costs (including bank charges)	223	119
Total interest cost	**1,979**	**1,603**
Unwinding of discount on provisions (note 25)	16	12
Net interest on defined benefit arrangements	3	3
Capitalisation of finance costs/borrowing costs (note 16)	(116)	(60)
Total	**1,882**	**1,558**

All borrowing costs are capitalised using rates based on specific borrowings and general borrowings with the interest rate of 8.65% (6.75% for 31 March 2023) per annum for the year ended 31 March 2024.

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9. Other gains and (losses), (net)

(US$ million)

	Year ended 31 March 2024	Year ended 31 March 2023
Foreign exchange gain/ (loss) (net)	(31)	(88)
Change in fair value of financial liabilities measured at fair value	0	0
Net gain/(loss) arising on qualifying hedges and non-qualifying hedges	(6)	9
Total	**(37)**	**(79)**

10(a). Profit/ (Loss) for the year has been stated after charging/ (crediting):

(US$ million)

	Year ended 31 March 2024	Year ended 31 March 2023
Depreciation & amortization	1,283	1,382
Costs of inventories recognised as an expense	5,366	5,519
Auditor's remuneration for audit services (refer note 36)	5	3
Research and development	1	1
Net loss on disposal of Property plant and equipment	14	1
ECL allowance on receivables	31	52
Impairment charge/(reversal) & assets written off (refer note 6)	(28)	61
Exploration costs written off (refer note 16)	89	30
Employee costs (refer note 27)	414	395
Rent*	7	8

** Rent represents expense on short term/ low value leases.*

10(b). Exchange gain/ (loss) recognised in the consolidated income statement:

(US$ million)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Cost of sales	(0)	(8)
Investment revenue (refer note 7)	2	11
Other gains and (losses) (refer note 9)	(37)	(79)
Total	**(35)**	**(76)**

11. Tax

(a) Tax charge/ (credit) recognised in Consolidated Income Statement (including on special items)

(US$ million)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023*
Current tax:		
Current tax	839	1,151
Credit in respect of current tax for earlier years	3	(14)
Credit in respect of Special items (refer note 6)	(4)	(190)
Effect of change in tax regime***	(218)	-
Total current tax (a)	**620**	**947**
Deferred tax:		
Origination of temporary differences	1	(233)
Charge in respect of deferred tax for earlier years	(6)	(10)
Credit in respect of Special items (refer note 6)	51	90
Effect of change in tax regime***	989	
Total deferred tax (b)	**1,035**	**(153)**
Total Income tax expense for the year((a)+(b))	**1,655**	**794**
Profit before tax from continuing operations	**1,754**	**1,632**
Effective Income tax rate (%)	**94.4%**	**48.7%**

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Tax expense/ (benefit)

(US$ million)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023*
Tax effect on special items	47	(100)
Tax effect of change in regime***	771	-
Tax expense – others	837	894
Net tax expense	**1,655**	**794**

(b) A reconciliation of income tax expense/ (credit) applicable to profit/ (loss) before tax at the Indian statutory income

(US$ million)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Profit/ (Loss) before tax from continuing operations	**1,754**	**1,632**
Indian statutory income tax rate	25.168%	34.944%
Tax at statutory income tax rate	**442**	**570**
Non-taxable income	10	(9)
Tax holidays and similar exemptions	0	(67)
Effect of tax rate differences of subsidiaries operating at other tax rates	(43)	19
Tax on distributable reserve of/ dividend from subsidiary	51	149
Unrecognized tax assets (Net)**	25	(6)
Change in deferred tax balances due to change in tax law	1	(22)
Capital Gains/ Other income subject to lower tax rate	(3)	(65)
Credit in respect of earlier years	(3)	(28)
Other permanent differences	404	253
Effect of change in tax regime***	771	-
Total	**1,655**	**794**

**Restated Refer Note 3(b)*

*** Includes Deferred Tax Assets written off in ESL Steel Limited refer note 2(c)(I)(iii)*

****Pursuant to the introduction of Section 115BAA of the Income-tax Act, 1961 ("New Tax Regime"), the Company has an option to pay corporate income tax at a lower rate of 22% plus applicable surcharge and cess as against the currently applicable rate of 30% plus surcharge and cess. Under the New Tax Regime, provisions of Section 115 JB-Minimum Alternate Tax (MAT) are no longer applicable.*

During the year ended 31 March 2024, the Company has elected to adopt New Tax Regime from FY 2022-23 onwards due to expected corporate actions and other considerations and the first tax return under the New Tax Regime has been filed for FY 2022-23 on 29 November 2023. Upon adoption of New Tax Regime for FY 2022-23, the current tax charge is lower by US$ 218 million (mainly on account of section 80M benefit not available under MAT) and deferred tax charge is higher by US$ 46 million. Further, the MAT credit balance of US$ 943 million, for periods up to 31 March 2023, has been expensed. Consequently, the net impact of the above amounting to US$ 771 million is accounted for as special item in the year ended 31 March 2024.

Accordingly, current year tax expense is not comparable with the reported tax expense for the year ended 31 March 2023.

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(c) Deferred tax assets/liabilities

The Group has accrued significant amounts of deferred tax. The majority of the deferred tax liability represents accelerated tax relief for the depreciation of property, plant and equipment, depreciation of mining reserves and the fair value uplifts created on acquisitions net of deferred tax assets representing unabsorbed depreciation and carried forward losses. Significant components of Deferred tax (assets) and liabilities recognized in the Consolidated Statement of financial position are as follows:

For the year ended 31 March 2024:

(US$ million)

Significant components of deferred tax (assets)/ liabilities	Opening balance as at 01 April 2023*	Charged/ (credited) to Income Statement	Charged/ (credited) to other comprehensive income	Charged to Equity	Exchange difference transferred to translation of foreign operation	Closing balance as at 31 March 2024
Property, plant and equipment, Exploration and Evaluation and other intangible assets	1,317	(20)	-	-	(23)	1,274
Voluntary retirement scheme	(2)	1	-	-	-	(1)
Employee benefits	(13)	(1)	(1)	-	(1)	(16)
Fair value of derivative asset/ liability	(8)	3	(3)	-	1	(7)
Fair valuation of other asset/liability	104	32	-	-	(14)	122
MAT credit entitlement	(975)	966	-	-	9	-
Unabsorbed depreciation and business losses	(597)	64	-	-	(58)	(591)
Other temporary differences	(55)	(10)	-	-	68	3
Total	**(229)**	**1,035**	**(4)**	**-**	**(18)**	**784**

For the year ended 31 March 2023:

(US$ million)

Significant components of deferred tax (assets)/ liabilities	Opening balance as at 01 April 2022	Charged/ (credited) to Income Statement	Charged/ (credited) to other comprehensive income	Charged to Equity	Exchange difference transferred to translation of foreign operation	Closing balance as at 31 March 2023
Property, plant and equipment, Exploration and Evaluation and other intangible assets	1,445	20	-	-	(148)	1,317
Voluntary retirement scheme	(6)	2	-	-	2	(2)
Employee benefits	(50)	3	(1)	-	35	(13)
Fair value of derivative asset/ liability	(19)	3	1	-	7	(8)
Fair valuation of other asset/liability	93	16	-	-	(5)	104
MAT credit entitlement	(894)	(159)	-	-	78	(975)
Unabsorbed depreciation and business losses	(593)	(50)	-	-	46	(597)
Other temporary differences	(72)	12	-	-	5	(55)
Total	**(96)**	**(153)**	**0**	**-**	**20**	**(229)**

Restated Refer Note 3(b)

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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 Statement of financial position as follows:

(US$ million)

	As at 31 March 2024	As at 31 March 2023*
Deferred tax assets	(422)	(1,095)
Deferred tax liabilities	1,206	866
Net Deferred tax (assets) / Liabilities	**784**	**(229)**

**Restated Refer Note 3(b)*

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 US$ 4,128 million and US$ 4,630 million as at 31 March 2024 and 31 March 2023 respectively.

As at 31 March 2024

(US$ million)

Unused tax losses/ Unused tax credit Particulars	Within one year	Greater than one year, less than five years	Greater than five years	No expiry date	Total
Unutilized business losses	38	437	337	1,233	2,045
Unabsorbed depreciation	-	-	0	301	301
Unutilized R&D credit	-	-	-	-	-
Unabsorbed interest allowance*	-	-	-	1,782	1,782
Total	**38**	**437**	**337**	**3,316**	**4,128**

As at 31 March 2023

(US$ million)

Unused tax losses/ Unused tax credit Particulars	Within one year	Greater than one year, less than five years	Greater than five years	No expiry date	Total
Unutilized business losses	88	661	493	1,434	2,676
Unabsorbed depreciation	-	-	-	241	241
Unutilized R&D credit	-	-	-	1	1
Unabsorbed interest allowance*	-	-	-	1,712	1,712
Total	**88**	**661**	**493**	**3,388**	**4,630**

** As per UK's corporate interest restriction rules, the disallowed interest expense for any year can be carried forward and claimed in future years for unlimited life subject to specified conditions*

No deferred tax assets have 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 is US$ 2,544 million and US$ 3,120 million as at 31 March 2024 and 31 March 2023 respectively.

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(d) Non-current tax assets

Non-current tax assets of US$ 458 million (31 March 2023: US$ 382 million) mainly represents income tax receivable from Indian Tax authorities by Vedanta Limited owing to shift in tax regime and 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 80IC of the Income-tax Act, 1961. For AY 2009-10 to 2012-13, 2017-18 & 2018-19, Hon'ble Income Tax Appellate Tribunal (ITAT) has allowed these claims. For AY 2013-14 to 2016-17, the cases are pending before Hon'ble ITAT. Against the Tribunal order, the department had filed an appeal in Hon'ble Rajasthan High Court in financial year 2017-18 (for AY 2009-10 to AY 2012-13) and in FY 2023-24 (for AY 2017-18 and AY 2018-19) which are 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 Group. The amount involved in this dispute as of 31 March 2024 is US$ 1,494 million (31March 2023: US$ 1,515 million) plus applicable interest up to the date of settlement of the dispute.

(f) The UK adopted global minimum tax rules (BEPS Pillar Two) in July 2023. These rules are effective for accounting periods starting after 31 December 2023 and applies to profits earned by the Group in each jurisdiction where it operates. A top-up tax may be imposed if the Group's effective tax rate in a jurisdiction falls below 15% (as defined by OECD). Overseas jurisdictions may impose payment of the top-up tax within their own jurisdiction.

Our initial assessment arising for the accounting period starting from 01 April 2024 indicates no material expected top-up tax liability. The Group will continue monitoring BEPS Pillar Two developments to assess any future financial impact. In addition, the group is taking advantage of the temporary deferred tax exception within the "International Tax Reform — Pillar Two Model Rules (Amendments to IAS 12)" in relation to the current year and retrospectively in accordance with IAS 8. This means the Group does not recognise and does not disclose information about deferred tax assets and liabilities related to OECD pillar two income taxes.

12. Underlying Attributable Profit/(Loss) for the year

Underlying earnings is an alternative earnings measure, which the management considers to be a useful additional measure of the Group's performance. The Group's Underlying profit/ loss is the profit/ loss for the year after adding back special items, other losses/(gains) [net] (note 9) and their resultant tax (including taxes classified as special items) and non-controlling interest effects and (Gain)/loss on discontinued operations. This is a non-IFRS measure.

(US$ million)

Particulars	Note	Year ended 31 March 2024	Year ended 31 March 2023
(Loss)/Profit for the year attributable to equity holders of the parent		(400)	(5)
Special items (gains)/losses	6	(124)	178
Other (gains)/losses [net]	9	37	79
Tax effect of special items (including taxes classified as special items) and other gains/ (losses) [net]		810	(120)
Non-controlling interest on special items and other gains/ (losses)		(278)	(45)
Underlying attributable profit for the year		**45**	**87**

13. Dividends

(US$ million)

	Year ended 31 March 2024	Year ended 31 March 2023
Amounts recognized as distributions to equity holders:		
Equity dividends on ordinary shares:		
First Interim Dividend for 2022-23: 2.28 US cents per share	-	6
Second Interim Dividend for 2022-23: 2.45 US cents per share	-	7
Third Interim Dividend for 2022-23: 1.8 US cents per share	-	5

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14. Goodwill

(US$ million)

Copper India CGU	As at 31 March 2024	As at 31 March 2023
At 01 April	12	12
Impairment during the year (refer note 2(c)(I)(iii))	(12)	-
At 31 March	**-**	**12**

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired. Accordingly, during the year, the Company has impaired the goodwill of Copper India CGU as of 31 March 2024.

15. Intangible assets

Intangible assets include Port concession rights to operate a general cargo berth for handling coal at the outer harbour of the Visakhapatnam port on the east coast of India, software licences, technological know-how, acquired brand and others.

(US$ million)

Intangible assets	Port concession rights (1)	Software license	Others (2)	Total
Cost				
As at 01 April 2022	**79**	**9**	**49**	**137**
Additions	-	1	-	1
Disposals	-	-	(18)	(18)
Transfers	1	1	-	2
Exchange differences	(6)	(2)	(4)	(12)
As at 01 April 2023	**74**	**9**	**27**	**110**
Additions	-	1	32	33
Disposals	-	(1)	-	(1)
Transfers	1	1	-	2
Exchange differences	(2)	-	(3)	(5)
As at 31 March 2024	**73**	**10**	**56**	**139**
Accumulated amortisation				
As at 01 April 2022	**26**	**6**	**15**	**47**
Charge for the year	3	1	3	7
Disposals	-	-	(4)	(4)
Exchange differences	(1)	(2)	(1)	(4)
As at 01 April 2023	**28**	**5**	**13**	**46**
Charge for the year	3	2	6	11
Disposals	-	(1)	-	(1)
Exchange differences	0	-	(1)	(1)
As at 31 March 2024	**31**	**6**	**18**	**55**
Net book value				
As at 01 April 2022	53	3	34	90
As at 01 April 2023	46	4	14	64
As at 31 March 2024	**42**	**4**	**38**	**84**

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(1) *Vizag General Cargo Berth Private Limited (VGCB), a special purpose vehicle, was incorporated for the coal berth mechanization and upgrades at Visakhapatnam port in Eastern India. VGCB is wholly owned by Vedanta Limited. The project is to be carried out on a design, build, finance, operate, transfer basis and the concession agreement between Visakhapatnam Port Trust ('VPT') and the VGCB was signed in June 2010. In October 2010, the VGCB was awarded with the concession after fulfilling conditions stipulated as a precedent to the concession agreement. VPT has provided, in lieu of license fee an exclusive license to VGCB 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 VPT would be entitled to receive 38.10% share of the gross revenue as royalty. VGCB 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 VGCB at the project site and/or in the port's assets pursuant to concession agreement would be with VGCB until expiry of this concession agreement. The cost of any repair, replacement or restoration of the project facilities and services shall be borne by VGCB during the concession period. VGCB 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 Group 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 represent 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 year ended 31 March 2024 and 31 March 2023.*

(2) (i) *Others include technological know-how and acquired brand relating to acquisition of AvanStrate Inc.*

(ii) *Consequent to the Indian Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 ("the Rules"), the Group, during the previous year ended 31 March 2023, has transferred its CSR assets, after obtaining regulatory approvals, having carrying value of US$ 15 million as on the date of transfer, at nominal consideration to Zinc India Foundation (Wholly owned subsidiary of HZL), incorporated during the previous year under Section 8 of the Indian 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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16. Property, plant and equipment

(US$ million)

	Mining property and leases	Freehold Land and buildings	Plant and equipment	Assets under construction	Oil & Gas properties [3]	ROU Assets [6]	Others	Total Property, plant and equipment	Exploration and evaluation assets[3]	Grand Total
Cost										
At 01 April 2022	**3,426**	**1,889**	**12,544**	**1,795**	**19,807**	**159**	**176**	**39,796**	**1,328**	**41,124**
Additions*	193	22	212	1,210	256	28	11	1,932	189	2,121
Transfers (4),(5)	301	29	436	(669)	-	-	1	98	(18)	80
Exploration costs written off	-	-	-	-	-	-	-	-	(30)	(30)
Disposals	(2)	(1)	(270)	(32)	(160)	(1)	(4)	(470)	-	(470)
Exchange differences	(360)	(164)	(1,061)	(159)	-	(12)	(20)	(1,776)	(2)	(1,778)
At 01 April 2023*	**3,558**	**1,775**	**11,861**	**2,145**	**19,903**	**174**	**164**	**39,580**	**1,467**	**41,047**
Additions	60	39	209	1,608	243	97	9	2,265	120	2,385
Transfers (4)	249	30	738	(1,012)	25	-	2	32	(34)	(2)
CWIP written off (note 6)	-	-	-	(16)	-	-	-	(16)	-	(16)
Exploration costs written off	-	-	-	-	-	-	-	-	(89)	(89)
Disposals	(66)	(4)	(255)	(25)	(35)	(2)	(6)	(393)	(8)	(401)
Exchange differences	(79)	(38)	(207)	(45)	-	(3)	(5)	(377)	-	(377)
At 31 March 2024	**3,722**	**1,802**	**12,346**	**2,655**	**20,136**	**266**	**164**	**41,091**	**1,456**	**42,547**
Accumulated depreciation, amortization and impairment										-
At 01 April 2022	**2,603**	**552**	**4,683**	**244**	**18,136**	**25**	**69**	**26,312**	**1,108**	**27,420**
Charge for the year	314	51	541	-	443	12	19	1,380	-	1,380
Disposals	-	-	(219)	-	(4)	(1)	(3)	(227)	-	(227)
Transfers (4)	-	-	1	82	-	-	(1)	82	-	82
Impairment Charge/ (reversal) of assets (note 6)	-	-	-	(96)	82	-	-	(14)	75	61
Exchange differences	(225)	(61)	(422)	(13)	-	(2)	(16)	(739)	-	(739)
At 01 April 2023	**2,692**	**542**	**4,584**	**217**	**18,657**	**34**	**68**	**26,794**	**1,183**	**27,977**
Charge for the year	291	51	568	-	323	24	18	1,275	-	1,275
Disposals	(55)	(1)	(151)	5	(1)	(1)	(6)	(210)	-	(210)
Transfers	-	(3)	3	-	4	-	-	4	(4)	-
Impairment Charge/ (reversal) of assets (note 6)	18	20	21	28	(152)	3	-	(62)	(5)	(67)
Exchange differences	(47)	(19)	(88)	(3)	-	(1)	(4)	(162)	-	(162)
At 31 March 2024	**2,899**	**590**	**4,937**	**247**	**18,831**	**59**	**76**	**27,639**	**1,174**	**28,813**
Net book value										
At 01 April 2022	823	1,337	7,861	1,551	1,671	134	107	13,484	220	13,704
At 01 April 2023	866	1,233	7,277	1,928	1,246	140	96	12,786	284	13,070
At 31 March 2024	**823**	**1,212**	**7,409**	**2,408**	**1,305**	**207**	**88**	**13,452**	**282**	**13,734**

1) *During the year ended 31 March 2024, interest capitalised was US$ 116 million (31 March 2023: US$ 60 million).*

2) *Oil and Gas properties includes development assets under construction of carrying value US$ 240 million (31 March 2023: US$ 267 million).*

3) *Oil and Gas properties and exploration and evaluation assets net block includes share of jointly owned assets with the joint venture partners US$ 1,362 million (31 March 2023: US$ 1,289 million).*

4) *Transfers/reclassification majorly includes capitalisation of CWIP to respective class of assets.*

5) *Transfer/reclassification from CWIP Accumulated Impairment to Mining Property Gross block amounting to US$ 82 million.*

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(6) Disclosure of Right of Use (ROU) Assets as per IFRS 16 "Leases"

(US$ million)

Particulars	Land & Building	Plant and Equipment	Total
Cost			
At 01 April 2022	**150**	**9**	**159**
Additions*	23	5	28
Disposals	(1)	-	(1)
Exchange difference	(11)	(1)	(12)
At 01 April 2023*	**161**	**13**	**174**
Additions	31	66	97
Disposals	(2)	-	(2)
Exchange difference	(2)	(1)	(3)
At 31 March 2024	**188**	**78**	**266**
Accumulated depreciation			
At 01 April 2022	**21**	**4**	**25**
Charge for the year	9	3	12
Disposals	(1)	-	(1)
Exchange difference	(2)	-	(2)
At 01 April 2023	**27**	**7**	**34**
Charge for the year	8	16	24
Disposals	(1)	-	(1)
Transfers	(4)	4	-
Impairment of assets	3	-	3
Exchange difference	(1)	-	(1)
At 31 March 2024	**32**	**27**	**59**
Net book value			
At 01 April 2022	129	5	134
At 01 April 2023	134	6	140
At 31 March 2024	**156**	**51**	**207**

17. Financial asset investments

Financial asset investments represent investments classified and accounted for at fair value through profit or loss or through other comprehensive income (refer note 25).

Financial Asset Investments

(US$ million)

Particulars	As at 31 March 2024	As at 31 March 2023
At 01 April	63	20
Movements in fair value	(2)	(5)
Investment in Optionally Convertible Redeemable Preference Shares at FVTPL - unquoted		
- Serentica Renewable Power Companies (Refer note 32)	58	30
Investment in Bonds at FVOCI - quoted	0	19
Exchange difference	(1)	(1)
At 31 March	**118**	**63**

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Financial asset investment represents quoted investments in equity shares, debentures and other investments that present the Group with an opportunity for returns through dividend income and gains in value. These securities are held at fair value. These are classified as non-current as at 31 March 2024 and 31 March 2023.

18. Other non-current assets and trade and other receivables

(US$ million)

Particulars	As at 31 March 2024			As at 31 March 2023		
	Non-Current	Current	Total	Non-Current	Current	Total
Bank deposits (2)	97	-	97	84	-	84
Site restoration assets	171	-	171	149	-	149
Trade receivables (1)	289	455	744	308	488	796
Others (3)	62	594	656	237	267	504
Trade receivables from related parties	-	27	27	-	3	3
Cash call / receivables from joint operations(4)	-	934	934	-	928	928
Receivable from KCM (5)	654	-	654	655	-	655
Financial (A)	**1,273**	**2,010**	**3,283**	**1,433**	**1,686**	**3,119**
Balance with Government authorities	111	155	266	98	186	284
Advance for supplies	7	186	193	5	258	263
Others (3)	112	87	199	117	149	266
Receivable from KCM (5)	26	-	26	27	-	27
Non-financial (B)	**256**	**428**	**684**	**247**	**593**	**840**
Total (A+B)	**1,529**	**2,438**	**3,967**	**1,680**	**2,279**	**3,959**

The credit period given to customers is upto 180 days. Also refer note 24(d)

(1) *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 US$ 194 million as of 31 March 2024 (31 March 2023: US$ 180 Million). 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.

Additionally, trade receivables include US$ 88 Million (net of Provision for expected credit loss ("ECL") recognised during the year on account of time value of money) as at 31 March 2024 (31 March 2023: US$ 107 million) 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, US$ 44 million (net of ECL 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 US$ 28 million (net of ECL) relates to alleged short supply of power for which the Group's appeal on certain grounds are pending before APTEL.

(2) *Includes US$ 36 million (31 March 2023: US$ 28 million) and US$ 1 million (31 March 2023: US$ 1 million) under lien with banks and Others respectively, US$ 0 million (31 March 2023: US$ 5 million) under margin money, US$ 49 million (31 March 2023: US$ 43 million) maintained as debt service reserve account and US$ 8 million (31 March 2023: US$ 7 million) held as margin money against bank guarantee*

(3) *Includes claim receivables, advance recoverable (oil and gas business), prepaid expenses, export incentive receivables and others.*

(4) *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 Costs 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 recognized 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. During the year, the Arbitration Tribunal has issued Final Partial Award which allowed for recovery of exploration costs (refer note 36(a)). Accordingly, the Group has recognized additional US$ 58 million. At year end, an amount of US$ 267 million (31 March 2023: 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.*

(5) *Out of total receivables from KCM of US$ 682 million, US$ 27 million is on account of advance for supplies and hence classified as non-financial (Refer Note 3(a)).*

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19. Inventories

(US$ million)

Particulars	As at 31 March 2024	As at 31 March 2023
Raw materials and consumables	885	1,083
Work-in-progress	560	618
Finished goods	115	129
Total	**1,560**	**1,830**

Inventory held at net realizable value amounted to US$ 220 million (31 March 2023: US$ 250 million). A write down of inventories amounting to US$ 20 million (31 March 2023: US$ 14 million) has been charged to the Consolidated Income Statement.

20. Short-term investments

(US$ million)

Particulars	As at 31 March 2024	As at 31 March 2023
Bank deposits [1,2]	221	161
Other investments		
Investments at FVOCI / quoted bonds [3]	531	516
Investments at FVTPL	823	1,051
Total	**1,575**	**1,728**

(1) The above bank deposits include US$ 18 million (31 March 2023: US$ 15 million) on lien with banks, US$ 14 million (31 March 2023: US$ 5 million) of margin money, US$ 58 million (31 March 2023: US$ 56 million) maintained as debt service reserve account.

(2) Restricted funds of US$ 3 million (31 March 2023: US$ 3 million) on lien with Others, US$ 5 million (31 March 2023: US$ 5 million) of restricted funds held as collateral in respect of closure costs and US$ 31 million (31 March 2023: US$ 8 million) held as margin money against bank guarantee.

(3) Includes investments amounting to US$ 244 million (31 March 2023: $ 221 million) are pledged as security for repurchase liability (Refer Note 22(a)). 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 IFRS 7.

Bank deposits are made for periods of between three months and one year depending on the cash requirements of the companies within the Group and earn interest at the respective fixed deposit rates.

Other investments include mutual fund investments and investments in bonds which are recorded at fair value with changes in fair value reported through the consolidated income statement. These investments do not qualify for recognition as cash and cash equivalents due to their maturity period and risk of change in value of the investments. Refer Note 24 for further details.

21. Cash and cash equivalents

(US$ million)

Particulars	As at 31 March 2024	As at 31 March 2023
Cash and cash equivalents consist of the following		
Cash at bank and in hand (1)	349	755
Short-term deposits (2)	16	103
Restricted cash and cash equivalents (3)	19	179
Total	**384**	**1,037**

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(1) Including foreign inward remittances aggregating US$ 2 million (31 March 2023: US$ 40 million) held by banks in their Nostro accounts on behalf of the Group.

(2) Short-term deposits are made for periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

(3) Restricted cash and cash equivalents include US$ 19 million (31 March 2023: US$ 179 million) that are kept in a specified bank account to be utilised solely for the purpose of the payment of dividends to non-controlling shareholders, which are being carried as a current liability.

(4) Cash and cash equivalents for the purpose of Statement of Cash Flows comprise the following:

(US$ million)

Particulars	As at 31 March 2024	As at 31 March 2023
Cash and cash equivalents as above	384	1,037
Less: Restricted cash and cash equivalents	(19)	(179)
Total	**365**	**858**

22(a) Borrowings

(US$ million)

Particulars	As at 31 March 2024	As at 31 March 2023
Current borrowings consist of:		
Banks and financial institutions	320	1,616
Non-convertible debentures	192	-
Total short-term borrowings	**512**	**1,616**
Add: Current maturities of long-term borrowings	2,866	4,193
Current borrowings (A)	**3,378**	**5,809**
Non-current borrowings consist of:		
Banks and financial institutions	8,813	7,813
Non- convertible bonds	2,952	4,641
Non-convertible debentures	1,608	1,223
Redeemable Preference shares	0	0
Others	445	65
Total long-term borrowings	**13,818**	**13,742**
Less: Current maturities of long-term borrowings	(2,866)	(4,193)
Non-current borrowings (B)	**10,952**	**9,549**
Total (A+B)	**14,330**	**15,358**

The Group facilities are subject to certain financial and non-financial covenants. The primary covenants which must be complied with include fixed charge cover ratio, net borrowing to EBITDA ratio, total net assets to borrowings ratio, attributable leverage ratio and EBITDA to net interest expense ratio.

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Details of the non-convertible bonds and non-convertible debentures issued by the Group have been provided below (carrying value):

(US$ million)

Particulars	As at 31 March 2024	As at 31 March 2023
Non-Convertible Bonds:		
0.28 % bonds due October 2032	4	4
13.875% bonds due December 2028*	1,008	-
13.875% bonds due December 2028*	894	-
13.875% bonds due January 2027*	453	-
9.25% bonds due April 2026	593	596
8.95 % bonds due March 2025*	-	1,196
6.13 % bonds due August 2024*	-	947
13.88% bonds due January 2024*	-	998
7.13 % bonds due June 2023	-	500
7.99 % bonds due April 2023	-	400
	2,952	**4,641**

** During the year ended 31 March 2024, the Management has undertaken a Liquidity Management Exercise ("LM Exercise"), owing to which terms of the bonds have been restructured as below:*

Original bonds	Restructured bonds
8.95 % bonds due March 2025	13.875% bonds due December 2028
6.13 % bonds due August 2024	13.875% bonds due December 2028
13.88% bonds due January 2024	13.875% bonds due January 2027

Further, the Management has tested whether this restructuring leads to a substantial modification in accordance with IFRS 9 "Financial Instruments". As a result, 8.95 % bonds due March 2025 and 6.13 % bonds due August 2024 have satisfied the criteria of substantial modification and accordingly, a loss of US$ 4 million has been recognized as a modification loss in the Consolidated Income Statement for the year ended 31 March 2024.

(US$ million)

	As at 31 March 2024	As at 31 March 2023
Non-Convertible Debentures		
8.74% due June 2032	491	498
9.20% due February 2030	240	243
0.00% due October 2029 (refer note 3(c))	93	-
12% NCDs due June 2025	380	-
12% due March 2025	284	-
7.68% due December 2024	120	121
11.85% due May 2024	192	-
3m T-bill rate + 240 bp due March 2024*	-	97
0.00% NCDs due March-2024	-	7
5.35% due September 2023	-	257
	1,800	**1,223**

**The 3-month treasury bill rate in India as at 31 March 2023 was 6.34%.*

Security Details

The Group has taken borrowings in various countries towards funding of its acquisitions, capital expenditure and working capital requirements. The borrowings comprise funding arrangements from various banks and financial institutions taken by the parent and subsidiaries. Out of the total borrowings of US$ 14,330 million (31 March 2023: US$ 15,358 million) shown above, total secured borrowings are US$ 7,901 million (31 March 2023: US$ 6,126 million) and unsecured borrowings are US$ 6,429 million (31 March 2023: US$ 9,232 million). The details and carrying amount of security provided by the Group in various countries, to various lenders on the assets of Parent and subsidiaries are as follows:

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(US$ million)

Facility Category	Security details	As at 31 March 2024	As at 31 March 2023
Working Capital Loans (grouped under banks and financial institutions)	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	52	13
	First ranking pari passu charge by deed of Hypothecation on 28 March 2023 in favour of Vistra ITCL (India) Limited, security trustees	8	-
	First pari passu charge on current assets of FACOR	3	3
	Other Secured Working Capital loans	-	50
External commercial borrowings (grouped under banks and financial institutions)	A First pari passu charge by way of hypothecation on the specified movable fixed assets of Vedanta Limited 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	219	248
	First pari passu charge by way of hypothecation on all present and future movable assets of Vedanta Limited 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.	131	149
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.	240	243
	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 Vedanta Limited 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.	120	121
	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.	491	499
	Secured by :- i. first ranking pari passu charge, by way of hypothecation, over the movable fixed assets of the Company to be more particularly set out in the deed of hypothecation; ii. first ranking exclusive charge, by way of hypothecation, over certain charged receivables and designated cash account to be more particularly set out in the deed of hypothecation; and iii. a pledge over shares constituting 100 per cent of the share capital of Sesa Iron and Steel Limited (Pledged Shares); and iv. any other security as may be agreed between the Company and the Trustee, ((i) to (iv) above are collectively referred to as Transaction Security)	380	-

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(US$ million)

Facility Category	Security details	As at 31 March 2024	As at 31 March 2023
	Secured by i) 1.6 MTPA aluminium smelter plant along with 1,215 MW (9*135 MW) captive power plant in Jharsuguda, Odisha; ii) 6 MTPA Alumina refinery along with 90 MW co-generation captive power plant (operating capacity) in Lanjigarh, Odisha; iii) 2,400 MW power plant (1,800 MW CPP and 600 MW IPP) located at Jharsuguda, Odisha; iv) Copper plant assets at Silvasaincluding 245,000 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; v) Oil & gas division comprising of RJ-ON-90/i Oil & Gas Block (Rajasthan); Cambay oil fields and Ravva oil & gas Fields (under PKGM-1 block); OALP blocks; vi) all assets, business and undertaking of every kind (tangible movable assets constituting fixed assets) of the Company related to exploration, mining, processing, and manufacturing of iron ore and its derivatives in Karnataka and Goa. These assets include pig iron plants, metallurgical coke plants, and power plants in Goa.	284	-
	Secured by: first pari-passu charge on all existing fixed assets of the Meenakshi Energy Limited as on the last available audited accounts of the Closing Date, as more particularly set out in, and pursuant to the terms of, the Security Documents (hereinafter referred to as the "Security", with each asset (which shall also include each of the Sale Deeds that may be executed by the Issuer in relation to the relevant Agreement to Sell Assets and the Patta Land). The Security specified above, shall be created as a first ranking security ranking pari passu amongst: (a) the Debenture Holders, to secure the due repayment of the Outstanding Amounts; and (b) the Persons who have provided/shall provide any Additional Financial Indebtedness, to secure such Additional Financial Indebtedness.	93	-
	Secured by: (i) Pledge of shares of Sesa Resources Limited held by the Company (ii) Corporate Guarantee from the Company backed by asset security (movable fixed asset of the Company and certain intangible assets) (iii) Movable fixed assets of Sesa Resources Limited	192	-
	Other Secured Non-Convertible Debentures	-	7
Term loan from banks (grouped under banks and financial institutions)	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	674	751
	Secured by a pari passu charge by way of hypothecation of all the movable fixed assets of Vedanta limited 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.	172	195
	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 Group along with 90 MW power plant in Lanjigarh and all its related expansions.	37	44
	Secured by a pari passu charge by way of hypothecation on the movable fixed assets of Vedanta Limited 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.	332	413

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(US$ million)

Facility Category	Security details	As at 31 March 2024	As at 31 March 2023
	First pari passu charge by way of hypothecation/ equitable mortgage on the movable/ immovable assets of the aluminium Division of Vedanta Limited 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.	56	95
	Secured by a pari passu charge by way of hypothecation/ equitable mortgage of the movable/ immovable fixed assets of Vedanta Limited 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.	591	714
	Secured by: (i) floating charge on borrower collection account and associated permitted investments and (ii) corporate guarantee from CEHL and floating charge on collection account and current assets of CEHL	220	324
	Secured by first pari passu charge on all present and future movable fixed assets including but not limited to plant & machinery, spares, tools and accessories of BALCO (excluding of coal block assets) by way of a deed of hypothecation	246	101
Term loan from banks (grouped under banks and financial institutions)	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.	221	277
	Secured by a first pari passu charge on the identified fixed assets of Vedanta Limited 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 Vedanta limited, and the debt service reserve account to be opened for the facility along with the amount lying to the credit thereof#	766	878
	Secured by first pari passu charge by way of movable fixed assets of the aluminium division of Vedanta Limited 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	87	90
	A first pari passu charge by way of mortgage/ hypothecation over the specified movable fixed assets of Vedanta Limited. Security shall comprise of assets of the aluminium and power division of Vedanta limited, 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.	118	144
	A first pari passu first charge by way of hypothecation on the specified movable fixed assets of Vedanta Limited 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.	113	138
	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 Vedanta Limited 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 up to 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	45	58

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(US$ million)

Facility Category	Security details	As at 31 March 2024	As at 31 March 2023
	A first pari passu charge by way of mortgage/ hypothecation over the specified immovable and movable fixed assets of Vedanta Limited. Security shall comprise of assets of the aluminium and power division of Vedanta limited, 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	98	113
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 Vedanta Limited 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	51	83
	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 Vedanta Limited with a minimum fixed asset coverage ratio of 1.10 times as more particularly described as below: (i) Alumina refinery up to 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) 2400 MW Power Plant (1800 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)	24	30
	A first pari passu first charge by way of hypothecation on the Specified movable fixed assets of Vedanta Limited 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	56	60
	Secured by tax free perpetual bonds*	180	182
	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 currency of the facility comprising of – i. 6 MTPA alumina refinery along with 90 MW co-generation captive power plant (operating capacity) in Lanjigarh, Odisha. ii. 1.6 MTPA aluminium smelter plant along with 1215 MW (9*135 MW) captive power plant in Jharsuguda, Odisha. iii. 2,400 MW Power Plant (1,800 MW CPP and 600 MW IPP) located at Jharsuguda, Odisha. 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.	102	-
	Secondary charge by way of hypothecation on all present and future movable assets of the Company comprising - (i) Aluminium business of the Company at its Jharsuguda Plant and Lanjigarh Plant; (ii) 2,400 MW power plant of the Company at Jharsuguda; (iii) Copper Plant of the Company at Silvasa; (iv) Iron ore business of the Company in the state of Goa; and (v) Oil & Gas business of the Company in the states of Rajasthan, Gujarat, Andhra Pradesh and OALP blocks. Pledge of shares of HZL held by the Company with a minimum coverage of 2.29X of the outstanding loan value	131	-
	Exclusive charge by way of hypothecation on all present and future movable assets of the Company comprising - (i) 400 KTPA Copper Smelter Plant along with 246 KTPA Refinery and Ancillary Plants including 96 KTPA Copper Rod Plant, 1,300 KTPA Sulphuric Acid plant and 230 KTPA Phosphoric Acid Plant at Tuticorin; (ii) 160 MW Thermal Power Plant (TPP) at Tuticorin. Pledge of shares of HZL held by the Company with a minimum coverage of 2.2X of the outstanding loan value	179	-

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(US$ million)

Facility Category	Security details	As at 31 March 2024	As at 31 March 2023
	Secured by first pari pasu charge on all bank accounts, insurance policies and trade receivables of Black Mountain Mining (Pty) Ltd by way of a deed of hypothecation	52	-
	Secured by: i) Exclusive pledge on 3.3% of Hindustan Zinc Limited ("HZL") shares; ii) 100% share pledge of THL Zinc Ventures Limited, THL Zinc Limited, THL Zinc Holding BV and THL Zinc Namibia Holdings (pty) Limited; iii) 100% share pledge of Zinc holding in Black Mountain Mining (Pty) Ltd	892	-
	Secured by: i) Non-deposit Undertaking by FICL on the shares held by it in the Vedanta Limited; ii) Pledge over the shares in FICL held by Richter Holding Limited and Westglobe Limited.	192	-
Others (grouped under banks and financial institutions)	Secured by Fixed asset (platinum) of AvanStrate Inc.	53	60
	Total	**7,901**	**6,126**

**Repurchase liability as on March 31, 2024 are secured by current investments amounting to US$ 244 million (March 31, 2023: US$ 221 million) and are repayable in 365 days (March 31, 2023: 102 to 109 days) from the date of borrowings through repurchase obligation.*

 # In December 2021, Vedanta Limited executed a US$ 959 million facility agreement with Union Bank of India Limited to take over a long term syndicated facility of US$ 1,200 million. This loan is secured by the way of pledge over the shares held by Vedanta Limited in HZL equal to minimum 1x outstanding loan value (calculated quarterly at Value Weighted Average Price), currently representing 6.10% (31 March 2023: 6.77%) of the paid-up shares of HZL. Further, Vedanta Limited 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 2024, the outstanding loan amount under the facility is US$ 768 million (31 March 2023: US$ 881 million).

22(b). Movement in net debt (1)

(US$ million)

	Cash and cash equivalents	Short term investments and Non-current Bank Deposits	Total cash and short-term investments	Short-term borrowing Debt carrying value	Long-term borrowing* Debt carrying value	Total Net Debt (4)*
At 01 April 2022	**1,266**	**3,130**	**4,396**	**(1,350)**	**(14,732)**	**(11,686)**
Cash flow from continuing operations (3)	(325)	(1,093)	(1,418)	(572)	498	(1,492)
Other non-cash changes (2)	-	(60)	(60)	(3)	(34)	(97)
Foreign exchange currency translation differences	(83)	(207)	(290)	309	526	545
At 31 March 2023	**858**	**1,770**	**2,628**	**(1,616)**	**(13,742)**	**(12,730)**
Cash flow from continuing operations (3)	(482)	(171)	(653)	1084	(151)	280
Other non-cash changes (2)	-	(2)	(2)	5	(25)	(22)
Foreign exchange currency translation differences	(11)	19	8	15	100	123
At 31 March 2024	**365**	**1,616**	**1,981**	**(512)**	**(13,818)**	**(12,349)**

** Includes current maturities of long-term borrowings of US$ 2,866 million as at 31 March 2024 (31 March 2023: US$ 4,193 million)*

(1) Net debt is a non-IFRS measure and represents total debt after fair value adjustments under IAS 32 and IFRS 9 as reduced by cash and cash equivalents and short-term investments and changes in liabilities arising from financing activities as per requirements of IAS 7.

(2) Other non-cash changes comprise amortisation of borrowing costs, foreign exchange difference on net debt. It also includes US$ 2 million (31 March 2023: US$ 60 million) of fair value movement in investments and accrued interest on investments.

(3) Consists of net repayment of working capital loan, proceeds and repayments of short-term and long-term borrowings.

(4) Total net debt excludes movement in lease liabilities which is separately disclosed in Note 23.

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22(c). Operational buyer's/Supplier's Credit

Operational Buyers' /Suppliers' Credit is availed in foreign currency from offshore branches of Indian banks or foreign banks at an interest rate ranging from 4.85% to 8.43% per annum and in rupee from domestic banks at interest rate ranging from 6.25%-10.00% 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.

23. Trade and other payables

(US$ million)

	As at 31 March 2024			As at 31 March 2023		
Financial Assets	Non- Current	Current	Total	Non- Current	Current	Total
Lease liability [4]	68	59	127	23	39	62
Dividend payable to NCI	-	21	21	-	426	426
Trade payables	-	1,211	1,211	-	1,344	1,344
Liabilities for capital expenditure	19	1,222	1,241	151	1,225	1,376
Profit petroleum payable	-	408	408	-	349	349
Security deposits and retentions	-	39	39	-	37	37
Put option liability with non-controlling interests [1]	-	30	30	5	25	30
Other payables [3]	41	546	587	40	492	532
Financial (A)	**128**	**3,536**	**3,664**	**219**	**3,937**	**4,156**
Statutory liabilities	-	342	342	-	463	463
Advance from customers [2]	112	969	1,081	-	1,087	1,087
Other payables	-	34	34	-	26	26
Non-financial (B)	112	1,345	1,457	-	1,576	1,576
Total (A+B)	**240**	**4,881**	**5,121**	**219**	**5,513**	**5,732**

Trade payables are majorly non-interest bearing and are normally settled upto 180 days terms.

The fair value of trade and other payables is not materially different from the carrying value presented.

(1) The non-controlling shareholders of ASI have an option to offload 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 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.

(2) Advance from customers are contract liabilities to be settled through delivery of goods. The amount of such balances as on 01 April 2023: US$ 1,087 million. During the current year, the Group has recognised revenue of US$ 1,082 million (31 March 2023: US$ 546 million) out of such opening balances. All other changes are either due to receipt of fresh advances or exchange differences.

(3) Includes revenue received in excess of entitlement interest of US$ 58 million (31 March 2023: US$ 61 million) of which US$ 35 million is payable to ONGC, and reimbursement of expenses, interest accrued on other than borrowings, liabilities related to claim, liability for stock options etc.

(4) Movement in lease liabilities is as follows:

(US$ million)

At 01 April 2023	**62**
Payments made	(48)
Other non-cash changes:	
Additions during the year	125
Interest on lease liabilities	7
Deletions	(19)
At 31 March 2024	**127**

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24 Financial instruments

Financial Assets and Liabilities

The following tables present the carrying value and fair value of each category of financial assets and liabilities as at 31 March 2024 and 31 March 2023:

(US$ million)

As at 31 March 2024	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
Financial Assets						
Financial instruments (derivatives)	8	-	12	-	20	20
Financial asset investments held at fair value	80	38	-	-	118	118
Short term investments						
- Bank deposits	-	-	-	221	221	221
- Other investments	823	531	-	-	1,354	1,354
C;ash and cash equivalents	-	-	-	384	384	384
Other non-current assets and trade and other receivables	24	-	-	3,259	3,283	3,384
Total	**935**	**569**	**12**	**3,864**	**5,380**	**5,481**

(US$ million)

As at 31 March 2024	Fair value through profit or loss	Derivatives designated as hedging instruments	Amortised cost	Others***	Total carrying value	Total fair value
Financial Liabilities						
Financial instruments (derivatives)	7	10	-	-	17	17
Trade and other payables**	67	-	5,359	30	5,456	5,456
Borrowings	-	-	14,330	-	14,330	14,035
Total	**74**	**10**	**19,689**	**30**	**19,803**	**19,508**

**Represents put option liability accounted for at fair value*

***Includes operational buyers' credit/suppliers' credit of US$ 1,792 million*

(US$ million)

As at 31 March 2023	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
Financial Assets						
Financial instruments (derivatives)	11	-	15	-	26	26
Financial asset investments held at fair value	35	28	-	-	63	63
Short term investments						
- Bank deposits	-	-	-	161	161	161
- Other investments	1,051	516	-	-	1,567	1,567
Cash and cash equivalents	-	-	-	1,037	1,037	1,037
Other non-current assets and trade and other receivables	47	-	-	3,072	3,119	3,215
Total	**1,144**	**544**	**15**	**4,270**	**5,973**	**6,069**

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(US$ million)

As at 31 March 2023	Fair value through profit or loss	Derivatives designated as hedging instruments	Amortised cost	Others***	Total carrying value	Total fair value
Financial Liabilities						
Financial instruments (derivatives)	9	16	-	-	25	25
Trade and other payables**	120	-	5,673	30	5,823	5,823
Borrowings	-	-	15,358	-	15,358	14,024
Total	**129**	**16**	**21,031**	**30**	**21,206**	**19,872**

*Represents put option liability accounted for at fair value

**Includes operational buyers' credit/suppliers' credit of US$ 1,667 million

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- 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)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The below tables summarise the categories of financial assets and liabilities as at 31 March 2024 and 31 March 2023 measured at fair value:

As at 31 March 2024

(US$ million)

Financial Assets	Level 1	Level 2	Level 3
At fair value through profit or loss			
- Short term investments	319	504	-
- Financial asset investments held at fair value	-	-	80
- Financial instruments (derivatives)	-	8	-
- Other non-current assets and trade and other receivables	-	24	-
At fair value through other comprehensive income			
- Financial asset investments held at fair value	6	551	12
Derivatives designated as hedging instruments			
- Financial instruments (derivatives)	-	12	-
Total	**325**	**1,099**	**92**

(US$ million)

Financial Liabilities	Level 1	Level 2	Level 3
At fair value through profit or loss			
- Financial instruments (derivatives)	-	7	-
- Trade and other payables	-	67	-
Derivatives designated as hedging instruments			
- Financial instruments (derivatives)	-	10	-
- Trade and other payables- Put option liability with non- controlling interest	-	-	30
Total	**-**	**84**	**30**

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As at 31 March 2023

(US$ million)

Financial Assets	Level 1	Level 2	Level 3
At fair value through profit or loss			
- Short term investments	556	495	-
- Financial asset investments held at fair value	-	-	35
- Financial instruments (derivatives)	-	11	-
- Other non-current assets and trade and other receivables	-	47	-
At fair value through other comprehensive income			
- Financial asset investments held at fair value	9	534	1
Derivatives designated as hedging instruments			
- Financial instruments (derivatives)	-	15	-
Total	**565**	**1,102**	**36**

(US$ million)

Financial Liabilities	Level 1	Level 2	Level 3
At fair value through profit or loss			
- Financial instruments (derivatives)	-	9	-
- Trade and other payables	-	120	-
Derivatives designated as hedging instruments			
- Financial instruments (derivatives)	-	16	-
Trade and other payables- Put option liability with non- controlling interest	-	-	30
Total	**-**	**145**	**30**

The below table summarizes the fair value of borrowings and Loans, receivables and obligations relating to KCM which are carried at amortised cost as at 31 March 2024 and 31 March 2023:

(US$ million)

Particulars	As at 31 March 2024		As at 31 March 2023	
	Level 1	Level 2	Level 1	Level 2
Borrowings	2,645	11,390	3,306	10,718
Total	**2,645**	**11,390**	**3,306**	**10,718**

(US$ million)

Particulars	As at 31 March 2024			As at 31 March 2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Loans, receivables and obligations of KCM towards the Group	-	-	756	-	-	751
Total	**-**	**-**	**756**	**-**	**-**	**751**

The changes in fair value of Level 3 items for the year ended 31 March 2024 and 31 March 2023 are set out in the table below:

Loans, receivables and obligations of KCM towards the Group

(US$ million)

Particulars	As at 31 March 2024	As at 31 March 2023
01 April	751	720
Fair value change during the year	5	31
31 March	**756**	**751**

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Reconciliation of Level 3 financial assets fair value measurement

(US$ million)

Particulars	As at 31 March 2023
At 01 April 2022	**5**
Investments made during the year	31
At 31 March 2023	**36**
Investments made during the year	58
Investments redeemed during the year	(1)
Exchange difference during the year	(1)
At 31 March 2024	**92**

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 quoted prices in an active market in case of listed securities and by 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 investments, inputs for which are not based on observable market data (unobservable inputs), are valued on the basis of net assets value method.

  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).Financial assets forming part of Trade and other receivables, cash and cash equivalents (including restricted cash and cash equivalents), bank deposits, financial liabilities forming part of trade and other payables and short-term borrowings: Approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Other non-current financial assets and financial 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.
- Long-term fixed-rate and variable rate borrowings: Listed bonds are fair valued based on the prevailing market price. For all other long-term fixed-rate and variable-rate borrowings, fair value has been determined using discounted cash flow model based on parameters such as interest rates, specific country risk factors, and the risk characteristics of the financed project.
- Quoted financial asset investments: Fair value is derived from quoted market prices in active markets.
- Derivative financial assets/liabilities: The Group enters into 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 by the Group include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the 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 (UK).

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 2024 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 current year.

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Risk management framework

The Group's businesses are subject to several risks and uncertainties including financial risks.

The Group's documented risk management polices act as an effective tool in mitigating the various financial risks to which the businesses are exposed to 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 Group's Management Assurance function and is regularly reviewed by the Board. The Board is aided by the other Group committees 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 Risk Management Committee and Finance Management committee. The Company's independent non-executive director meets the auditors to discuss the audit process and audit findings and observations.

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

Treasury management

Treasury management focuses on liability management, capital protection, liquidity maintenance and yield maximization. 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 import of input commodities such as Copper Concentrate & Alumina, for our Copper and Aluminium 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.

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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 into hedging arrangements for its aluminium sales to realise average month of sale LME prices.

Copper

The Group's custom smelting 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 concentrate and the sale of finished copper. The Group'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 Group 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.

RC is a major source of income for the Indian copper smelting operations. Fluctuation in RC is influenced by factors including demand and supply conditions prevailing in the market for mine output. The Group's copper business has a strategy of securing a majority of its anodes/blisters requirement under long-term contracts with mines.

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.

Zinc International

Raw material for zinc and lead is mined in 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 crudes with a premium or discount over the benchmark based upon quality differential and competitiveness of various grades.

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 2024, the value of net financial liabilities linked to commodities (excluding derivatives) accounted for on provisional prices was US$ 43 million (31 March 2023: liabilities of US$ 73 million). 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.

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Set out below is the impact of 10% increase in LME prices on pre-tax profit/ (loss) for the year and pre-tax equity as a result of changes in value of the Group's commodity financial instruments:

For the year ended 31 March 2024

(US$ million)

Commodity price sensitivity	Total Exposure	Effect on pre-tax profit/(loss) of a 10% increase in the LME	Effect on pre-tax equity of a 10% increase in the LME
Copper	(71)	(7)	-

For the year ended 31 March 2023

(US$ million)

Commodity price sensitivity	Total Exposure	Effect on pre-tax profit/(loss) of a 10% increase in the LME	Effect on pre-tax equity of a 10% increase in the LME
Copper	(106)	(11)	-

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 Vedanta Limited Copper division custom smelting operations of US$ 12 million (31 March 2023: US$ 16 million), which is pass through in nature and as such will not have any impact on the profitability.

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 optimise interest and commodity pricing through proven financial instruments.

(a) Liquidity risk

The Group requires funds both for short-term operational needs as well as for long-term investment programmes mainly in growth projects. The Group is currently forecasting to generate 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 (refer note 1(c)). Anticipated future cash flows, together with undrawn fund based committed facilities of US$ 809 million, and cash and short-term investments of US$ 1,981 million as at 31 March 2024, are expected to be sufficient to meet the liquidity requirement of the Group in the near future.

As on 31 March 2024, credit ratings of Vedanta Resources Ltd is 'CCC+ with stable outlook'. On 03 August 2023, S&P Global Ratings revised outlook of the ratings from 'B- with stable outlook' to 'B- with negative outlook'. On 29 September 2023, the ratings were revised to 'CCC with Watch Negative' and on 13 December 2023 to 'CC with Watch negative'. The long-term issuer credit ratings were further revised to 'SD' on 11 January 2024 while the ratings on the Company's bonds due in January 2024, August 2024 and March 2025 were revised to 'D' due to the successful completion of the liability management exercise to extend the maturities of three US $ denominated bonds as this transaction was considered distressed under S&P's criteria. On 15 January 2024, the credit ratings were upgraded to 'CCC+ with Stable outlook' with the view that Vedanta Resources Ltd has a more manageable debt maturity profile following the extension of three bond maturities in liability management exercise and the stable outlook reflects the high prospects that the Company will meet its debt obligations.

The Group remains in a very comfortable position to address all its debt maturities with a strong balance sheet, robust liquidity at its operating subsidiaries and strong track record of raising funds through relationship banks. The Group remains committed to maintaining a healthy liquidity, a low gearing ratio, deleveraging and strengthening our balance sheet. The maturity profile of the Group's financial liabilities based on the remaining period from the balance sheet date 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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At 31 March 2024

(US$ million)

Payment due by period	<1 year	1-3 years	3-5 years	>5 years	Total
Trade and other payables (1)	5,094	57	-	-	5,151
Bank and other borrowings (2)	6,911	6,745	4,233	2,759	20,648
Lease liability	56	55	12	15	138
Derivative liabilities	17	0	-	-	17
Total	**12,078**	**6,857**	**4,245**	**2,774**	**25,954**

At 31 March 2023

(US$ million)

Payments due by year	<1 year	1-3 years	3-5 years	>5 years	Total
Trade and other payables (1)	5,407	43	-	-	5,450
Bank and other borrowings (2)	6,945	6,738	3,122	1,723	18,528
Lease liability	39	17	2	4	62
Derivative liabilities	23	2	-	-	25
Total	**12,414**	**6,800**	**3,124**	**1,727**	**24,065**

(1) *Excludes accrued interest which has been included with borrowings*

(2) *Includes current and non-current borrowings and committed interest payments*

At 31 March 2024, the Group had access to following funding facilities:

(US$ million)

As at 31 March 2024	Total facility	Drawn	Undrawn
Fund/non-fund based	14,376	12,592	1,784

(US$ million)

As at 31 March 2023	Total facility	Drawn	Undrawn
Fund/Non-fund based	14,342	12,526	1,816

(b) Foreign exchange risk

Fluctuations in foreign currency exchange rates may have an impact on the consolidated income statement, the consolidated statements 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 (USD), Australian dollar (AUD), Namibian dollar (NAD), Emirati Dirham (AED), South African Rand (ZAR), Great British Pound (GBP), Indian Rupee (INR), Japanese Yen (JPY) and Euro against the functional currencies of 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 US dollar. 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 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.

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The following analysis is based on the gross exposure as at the reporting date which could affect the consolidated income statement. The exposure summarised below 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:

(US$ million)

Particulars	As at 31 March 2024		As at 31 March 2023	
	Financial Asset	Financial liabilities	Financial Asset	Financial liabilities
USD	2,342	9,662	1,823	11,117
INR	2,898	9,623	4,025	9,697
Others	140	518	125	392
Total	**5,380**	**19,803**	**5,973**	**21,206**

The Group's exposure to foreign currency arises where a Group company holds monetary assets and liabilities denominated in a currency different to the functional currency of that entity, with USD (US Dollar) being the major non-functional currency of the Group's main operating subsidiaries.

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 currencies by 10 % against the functional currencies of the respective entities.

Set out below is the impact of a 10% strengthening in the functional currencies of the respective entities on pre-tax profit/(loss) 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 2024

(US$ million)

	Closing exchange rate	Effect on pre-tax profit/(loss) of 10% strengthening in currency	Effect on pre-tax equity of 10% increase in currency
USD	83.3416	142	-

For the year ended 31 March 2023

(US$ million)

	Closing exchange rate	Effect on pre-tax profit/(loss) of 10% strengthening in currency	Effect on pre-tax equity of 10% increase in currency
USD	82.1643	186	-

A 10% weakening of the functional currencies of the respective entities would have an equal and opposite effect on the Group's financial statements.

(c) Interest rate risk

At 31 March 2024, the Group's net debt of US$ 12,349 million (31 March 2023: US$ 12,730 million net debt) comprises debt of US$ 14,330 million (31 March 2023: US$ 15,358 million) offset by cash, cash equivalents, short-term investments and non-current bank deposit of US$ 1,981 million (31 March 2023: US$ 2,628 million).

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.

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The Group invests cash and short-term 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 to interest rate risk is as follows:

(US$ million)

	As at 31 March 2024			As at 31 March 2023		
	Floating rate financial assets	Fixed rate financial assets	Non-interest bearing financial assets	Floating rate financial assets	Fixed rate financial assets	Non-interest bearing financial assets
Financial assets	323	1,964	3,093	569	1,596	3,808

The exposure of the Group's financial liabilities to interest rate risk is as follows:

(US$ million)

	As at 31 March 2024			As at 31 March 2023		
	Floating rate financial liabilities	Fixed rate financial liabilities	Non-interest bearing financial liabilities	Floating rate financial liabilities	Fixed rate financial liabilities	Non-interest bearing financial liabilities
Financial liabilities	7,415	8,802	3,586	7,780	9,270	4,156

Considering the net debt position as at 31 March 2024 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 below table illustrates the impact of a 0.5% to 2.0% movement in interest rate of 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 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.

(US$ million)

Increase in interest rates	Effect on pre-tax profit/(loss) during the year ended 31 March 2024	Effect on pre-tax profit/(loss) during the year ended 31 March 2023
0.5%	(35)	(36)
1.0%	(71)	(72)
2.0%	(142)	(144)

A reduction in interest rates would have an equal and opposite effect on the Group's financial statements.

(d) 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 collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Group is exposed to credit risk from trade receivables, cash and cash equivalents, short term investments and other financial instruments.

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.

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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. No single customer accounted for 10% or more of revenue on a consolidated basis in the current year and previous year. The history of trade receivables shows a negligible expected credit loss for bad and doubtful debts. Therefore, the Group does not expect any material risk on account of non-performance by any of our counterparties.

The Group's maximum gross exposure to credit risk as at 31 March 2024 is US$ 5,380 million (31 March 2023: US$ 5,973 million).

Of the year end trade and other receivable balances, the following, though overdue, are expected to be realised in the normal course of business and hence, are not considered impaired as at:

(US$ million)

Particulars	As at 31 March 2024	As at 31 March 2023
Neither past due nor impaired	1,792	2,142
Past due but not impaired		
- Less than 1 month	149	136
- Between 1 - 3 months	56	29
- Between 3 - 12 months	400	40
- Greater than 12 months	618	539
Total	**3,015**	**2,886**

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 table are those that have not been settled within the terms and conditions that have been agreed with that customer.

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 (other non-current assets, loans and trade and other receivables)

Particulars	US$ million
As at 01 April 2022	**263**
Allowance made during the year	44
Reversals/write off during the year	(28)
Foreign Exchange difference	(17)
As at 01 April 2023	**262**
Allowance made during the year	60
Reversals/write off during the year	(70)
Foreign Exchange difference	0
As at 31 March 2024	**252**

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.

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The fair values of all derivatives are separately recorded on the balance sheet within other financial assets (derivatives) and other financial liabilities (derivatives), current and non-current. 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 recognised in consolidated statement of comprehensive income until the hedged transaction occurs, at which time, the respective gain or losses are reclassified to the consolidated income statement. These hedges have been effective for the year ended 31 March 2024.

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 fiscal year 2024. Fair value changes on such forward contracts are recognised in the consolidated statement of comprehensive income.

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 2025 and consequently may impact the consolidated income statement 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 the consolidated income statement 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 recognised in the consolidated income statement.

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 recognised in the consolidated income statement.

Non-qualifying/economic hedge

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 and zinc future contracts on the LME and certain other derivative instruments. Fair value changes on such derivative instruments are recognised in the consolidated income statement.

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The fair value of the Group's open derivative positions as at the year end, recorded within financial instruments (derivative) is as follows:

(US$ million)

Derivative Financial Instruments	As at 31 March 2024		As at 31 March 2023	
	Liability	Asset	Liability	Asset
Current				
Cash flow hedges				
- Commodity contracts	3	0	4	5
- Interest rate swap	-	-	-	-
Fair value hedges				
- Commodity contracts	6	11	8	10
- Forward foreign currency contracts	1	1	2	0
Non-Qualifying hedges				
- Commodity contracts	-	7	-	6
- Forward foreign currency contracts	**7**	**1**	**9**	**5**
Total	**17**	**20**	**23**	**26**
Non-current				
Fair value hedges				
- Forward foreign currency contracts	-	0	2	-
Total	**-**	**0**	**2**	**-**
Grand Total	**17**	**20**	**25**	**26**

** 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.*

25 Provisions

(US$ million)

Particulars	As at 31 March 2024			As at 31 March 2023		
	Current	Non-current	Total	Current	Non-current	Total
Provision for restoration, rehabilitation and environmental	3	343	346	4	388	392
Provision for employee benefits	22	1	23	20	2	22
Others	10	0	10	14	0	14
Total	**35**	**344**	**379**	**38**	**390**	**428**

(US$ million)

Particulars	Restoration, rehabilitation and environmental*	Other
As at 01 April 2022	**429**	**14**
Additions	6	1
Utilized	(2)	-
Unwinding of discount (note 8)	12	-
Revision in estimates	(37)	-
Exchange differences	(16)	(1)
As at 01 April 2023	**392**	**14**
Additions	1	1
Utilized	(2)	-
Unwinding of discount (note 8)	16	-
Revision in estimates	(40)	-
Exchange differences	(4)	(1)
Reclassifications	-	-
Disposals	(17)	(4)
As at 31 March 2024	**346**	**10**

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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 mining and other licences and contractual arrangements.

Within India, the principal restoration and rehabilitation provisions are recorded within Cairn India 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 15% and are payable upon mine closure These costs are expected to be spread out over a period of one to forty-seven years. The lower end of the discount rate is seen at ASI, Oil and Gas business, and Zinc International operations in Ireland, while the higher end is observed at ESL Steels and 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.

Other

Others mainly include provision for disputed cases and claims.

26. Retirement benefits

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 income statement 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. Re-measurement gains and losses arising in the year are recognized in full in Consolidated Statement of Comprehensive Income for the year.

(i) Defined contribution plans

The Group contributed a total of US$ 18 million and US$ 18 million for the years ended 31 March 2024 and 31 March 2023 respectively, to the following defined contribution plans.

(US$ million)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Employer's contribution to recognized Provident fund and family pension fund	14	15
Employer's contribution to superannuation	3	2
Employer's contribution to National Pension Scheme	1	1
Total	**18**	**18**

Indian pension plans

Central recognised provident fund

In accordance with the Employees' 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 2024 and 31 March 2023) of an employee's basic salary and includes contributions 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 income statement 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 (included in the 12% rate specified above) subject to a specified ceiling per employee. 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 applicable in India, is applicable only to executives above certain grade. However, in case of oil & gas (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 policy with the 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 the 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 income statement 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 income statement in the year they are incurred.

Non-Indian plans

Australian pension scheme

The Group also participates in defined contribution superannuation schemes in Australia. The contribution of a proportion of an employee's salary into a superannuation fund is a compulsory legal requirement in Australia. The employer contributes, into the employee's fund of choice 10.00% (2023: 10.00%) of the employee's gross remuneration where the employee is covered by the industrial agreement and 13.00% (2023: 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 income statement 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 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.

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 income statement in the year they are incurred.

Black Mountain (Pty) Limited, South Africa Pension & 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. Group contributes at a fixed percentage of 15% for for pension fund and 12.5% for provident fund.

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Membership of both funds is compulsory for all permanent employees under the age of 60 years.

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 income statement 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 IAS 19 and Guidance note issued by Institute of Actuaries of India for interest rate guarantee of exempted provident fund liability of employees. Having regard to the assets of the fund and the return on investments, the Group does not expect any deficiency in the foreseeable future except as mentioned below. The Group contributed a total of US$ 8 million and US$ 10 million for the years ended 31 March 2024 and 2023 respectively 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 summarized below.

(US$ million)

Particulars	As at 31 March 2024	As at 31 March 2023
Fair value of plan assets of trusts	324	318
Present value of defined benefit obligation	(318)	(317)
Net liability arising from defined benefit obligation	**-**	**-**

Percentage allocation of Plan assets of the trust

(US$ million)

Assets by Category	As at 31 March 2024	As at 31 March 2023
Government Securities	21.09%	45.15%
Debentures / Bonds	69.67%	38.32%
Equity	8.70%	16.53%
Money Market Instruments	0.00%	0.00%
Fixed Deposits	0.54%	-

(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 employee's spouses as well. Based on an actuarial valuation conducted as at year-end, a provision is recognised in full for the benefit obligation. The obligation relating to post-retirement medical benefits as at 31 March 2024 was US$ 11 million (31 March 2023: US$ 13 million). 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 IAS 19 'Employee benefits'. The current service cost for the year ending 31 March 2024 of US$ 0 million (31 March 2023: US$ 0 million) has been recognised in consolidated income statement. The remeasurement (gain)/loss and net interest on the obligation of post-retirement medical benefits of US$ (1) million (31 March 2023: US$ 0 million) and US$ 1 million (31 March 2023: US$ 1 million) for the year ended 31 March 2024 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.

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Based on actuarial valuations conducted as at year end using the projected unit credit method, a provision is recognized 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 recognized in the consolidated statements of financial position.

The iron ore and oil & gas division of Vedanta Limited, SRL, SMCL, HZL and FACOR have constituted a trust recognized by Indian Income Tax Authorities for gratuity to employees, contributions to the trust are funded with the LIC, ICICI Prudential Life Insurance Company Limited ("ICICI PL") and HDFC Standard Life Insurance Company Limited ("HDFC SL").

Principal actuarial assumptions

Principal actuarial assumptions used to determine the present value of Other post-employment benefit plan obligation are as follows:

(US$ million)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Discount rate	7.10%	7.39%
Expected rate of increase in compensation level of covered employees	2.0%-15.0%	2.0%-15.0%

Assumptions regarding mortality for Indian entities are based on mortality table of 'Indian Assured Lives Mortality (2012-2014) published by the Institute of Actuaries of India.

Amount recognised in the Consolidated Statement of Financial Position consists of:

(US$ million)

Particulars	As at 31 March 2024	As at 31 March 2023
Fair value of plan assets	55	53
Present value of defined benefit obligation	(78)	(75)
Net liability arising from defined benefit obligation	**(23)**	**(22)**

Amounts recognised in Consolidated income statement in respect of Other post-employment benefit plan are as follows:

(US$ million)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Current service cost	6	5
Net Interest cost	2	1
Components of defined benefit costs recognised in consolidated income statement	**8**	**6**

Amounts recognised in the Consolidated Statement of Comprehensive Income in respect of Other post-employment benefit plan are as follows:

(US$ million)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Remeasurement of the net defined benefit obligation:		
Actuarial losses/ (gains) arising from changes in demographic assumptions	0	(0)
Actuarial losses arising from changes in financial assumptions	1	0
Actuarial losses arising from experience adjustments	1	1
Actuarial losses on plan assets (excluding amounts included in net interest cost)	0	0
Components of defined benefit costs recognised in consolidated statement of comprehensive income- losses	**2**	**1**

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The movement of the present value of Other post-employment benefit plan obligation is as follows:

(US$ million)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Opening balance	(75)	(81)
Current service cost	(6)	(5)
Benefits paid	10	9
Interest cost	(6)	(5)
Actuarial loss arising from changes in assumptions	(2)	(1)
Foreign currency translation	1	8
Closing balance	**(78)**	**(75)**

The movement in the fair value of Other post-employment benefit plan assets is as follows:

(US$ million)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Opening balance	53	59
Contributions received	8	4
Benefits paid	(9)	(7)
Remeasurement (loss)/ gain arising from return on plan assets	(0)	0
Interest income	4	4
Foreign currency translation	(1)	(7)
Closing balance	**55**	**53**

The above plan assets have been invested in the qualified insurance policies.

The actual return on plan assets was US$ 4 million and US$ 3 million for the year ended 31 March 2024 and 31 March 2023 respectively.

The weighted average duration of the defined benefit obligation is 12.45 years and 11.58 years as at 31 March 2024 and 31 March 2023 respectively.

The Group expects to contribute US$ 4 million to the funded Gratuity plan during the year ending 31 March 2025.

Sensitivity analysis for Defined Benefit Plan

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 reporting year while holding all other assumptions constant.

(US$ million)

	Increase/(Decrease) in defined benefit obligation
Discount rate	
Increase by 0.50 %	(3)
Decrease by 0.50%	4
Change in salary assumption	
Increase by 0.50 %	3
Decrease by 0.50%	(3)

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 statement of financial position.

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Maturity analysis of defined benefit obligation

(US$ million)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Less than 1 year	8	9
1-2 years	7	8
2-5 years	17	19
More than 5 years	46	40
	78	**75**

Risk analysis

The Group is exposed to a number of risks in the defined benefit plans. Most significant risks pertaining to defined benefits 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 PL and HDFC SL. The Group does not have any liberty to manage the fund provided to the LIC, ICICI PL and HDFC SL.

The present value of the defined benefit plan obligation is calculated using a discount rate determined by reference to the 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.

27. Employee numbers and costs

Average number of persons employed by the Group in the year*

Class of business	Year ended 31 March 2024	Year ended 31 March 2023
Zinc	4,536	4,541
- India	3,537	3,567
- International	999	974
Iron ore	2,323	2,361
Copper India/Australia	541	539
Aluminium	6,179	5,547
Power	132	65
Oil & Gas	1,475	1,459
Other	3,108	3,215
	18,294	**17,727**

**Non IFRS measure*

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Costs incurred during the year in respect of Employees and Executive Directors recognized in the Consolidated Income Statement:

(US$ million)

Class of business	Year ended 31 March 2024	Year ended 31 March 2023
Salaries and wages	435	422
Defined contribution pension scheme costs (refer note 26)	18	18
Defined benefit pension scheme costs (refer note 26)	14	15
Share- based payments charge (refer note 28)	14	11
Voluntary retirement scheme cost	0	0
Less: Cost allocated/directly booked in joint ventures	(67)	(71)
	414	**395**

28. Share-based payments

Employee share schemesThe Group aims to provide superior rewards for outstanding performance and a high proportion of 'at risk' remuneration for Executive Directors. The Group offers equity based and cash based option plans to its employees, officers and directors through Vedanta Limited (VEDL) Employee Stock Option Scheme 2016 ("ESOS"), which was introduced and approved by the VEDL shareholders in 2016.

The Vedanta Limited Plans

Employee Stock Option Scheme (ESOS) 2016

During the year 2016, VEDL introduced an Employee Stock Option Scheme 2016 ("ESOS"), which was approved by the VEDL shareholders to provide equity settled incentive to all employees of the Group including subsidiary companies. The ESOS scheme includes tenure based, business performance based (EBITDA) and market performance-based stock options. The maximum value of shares that can be conditionally awarded to an Executive Committee in a year is 125% of annual salary. 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 award is measured by comparing VEDL's performance in terms of TSR over the performance period with the performance of the companies as defined in the scheme. The extent to which an award vests will depend on the VEDL'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. Dependent on the level of employee, part of these awards will be subject to a continued service condition only with the remainder measured in terms of TSR. Further in some schemes under the plan, business performance set against business plan for the financial year is included as an additional condition.

Options granted during the year ended 31 March 2024 and 31 March 2023 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 2024 and 31 March 2023 is presented below:

Financial Year of Grant	Exercise Period	Options outstanding 01 April 2023	Options granted during the year	Options forfeited during the year	Options exercised during the year	Options outstanding 31 March 2024	Options exercisable 31 March 2024
2018-19	01 November 2021 – 30 April 2022	41,450	-	-	1,094	40,356	40,356*
2019-20	29 November 2022 – 28 May 2023	1,152,087	-	70,526	1,081,561	-	-
2020-21	06 November 2023 – 05 May 2024	8,325,751	-	4,153,161	2,654,818	1,517,772	1,517,772
2020-21	Cash settled	1,836,011	-	305,955	1,530,056	-	-
2021-22	01 November 2024 – 30 April 2025	9,521,390	-	1,296,015	-	8,225,375	-
2021-22	Cash settled	1,570,000	-	96,000	-	1,474,000	-
2022-23	01 November 2025 – 30 April 2026	13,526,444	-	1,859,759	-	11,666,685	
2022-23	Cash settled	2,182,171	-	302,791	-	1,879,380	-
2023-24	04 November 2026 - 04 May 2027	-	18,138,912	961,371	-	17,177,541	-
2023-24	Cash Settled		5,116,353	308,056	-	4,808,297	-
		38,155,304	**23,255,265**	**9,353,634**	**5,267,529**	**46,789,406**	**1,558,128**

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Financial Year of Grant	Exercise Period	Options outstanding 01 April 2022	Options granted during the year	Options forfeited 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	323,015	-	-	281,565	41,450	41,450*
2019-20	29 November 2022 – 28 May 2023	11,481,718	-	6,153,328	4,176,303	1,152,087	1,152,087
2019-20	Cash settled	2,025,891	-	807,752	1,218,139	-	-
2020-21	06 November 2023 – 05 May 2024	10,807,521	-	2,481,770	-	8,325,751	-
2020-21	Cash settled	1,943,293	-	107,282	-	1,836,011	-
2021-22	01 November 2024 – 30 April 2025	11,304,599	-	1,783,209	-	9,521,390	-
2021-22	Cash settled	1,704,067	-	134,067	-	1,570,000	-
2022-23	01 November 2025 – 30 April 2026	-	14,437,268	910,824	-	13,526,444	-
2022-23	Cash settled	-	2,317,332	135,161	-	2,182,171	-
		39,590,104	**16,754,600**	**12,513,393**	**5,676,007**	**38,155,304**	**1,193,537**

**Options for some employees could not be exercised within exercise period due to technical issues.*

The fair value of all awards has been determined at the date of grant of the award allowing for the effect of any market-based performance conditions. This fair value, adjusted by the Group's estimate of the number of awards that will eventually vest as a result of non-market conditions, is expensed on a straight-line basis over the vesting period.

Business Performance-Based and Sustained Individual Performance-Based Options:

The fair value of stock options following these types of vesting conditions have been estimated 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.

The assumptions used in the calculations of the charge in respect of the ESOS awards granted during the year ended 31 March 2024 and 31 March 2023 are set out below:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
	ESOS 2023	ESOS 2022
Number of instruments	51,16,353 (Cash settled) 18,138,912 (Equity Settled)	2,317,332 (Cash settled) 14,437,268 (Equity Settled)
Exercise price	₹ 1	₹ 1
Share price at the date of grant	₹ 232.75	₹ 286.09
Contractual life	3 years	3 years
Expected volatility	41.16%	50.95%
Expected option life	3 years	3 years
Expected dividends	14.94%	7.11%
Risk free interest rate	7.18%	7.07%
Expected annual forfeitures	10%p.a.	10%p.a.
Fair value per option granted (Non-market performance based)	₹ 121.98	₹ 182.46

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Weighted average share price at the date of exercise of stock options was ₹ 210.15 (2023: ₹ 303.80)

The weighted average remaining contractual life for the share options outstanding was 1.87 years (2023: 1.74 years).

The Group recognized total expenses of US$ 11 million (2023: US$ 11 million) related to equity settled share-based plans under the above scheme in the year ended 31 March 2024.

The total expense recognised on account of the cash settled option plans during the year ended 31 March 2024 is US$ 4 million (2023: US$ 1 million) and the carrying value of cash settled share based compensation liability as at 31 March 2024 is sUS$ 4 million (2023: US$ 4 million).

The Group has awarded certain other cash settled option plans indexed to shares of its subsidiaries. As the amounts under these plans are not material, accordingly no further disclosures have been provided.

Out of the total expense pertaining to equity settled and cash settled options for the year ended 31 March 2024, the Group has capitalised US$ 0 million (2023: US$ 0 million) expense for the year ended 31 March 2024.

29. Share capital

CIESOP Plan	Year ended 31 March 2024		Year ended 31 March 2023	
	Number	Paid up amount (US$ million)	Number	Paid up amount (US$ million)
Ordinary shares of 10 US cents each	285,246,698	29	285,246,698	29
Deferred shares of £1 each	50,000	0	50,000	0
Total	**285,296,698**	**29**	**285,296,698**	**29**

Rights and obligations attaching to shares

The rights and obligations attaching to the ordinary and deferred shares are set out in the Articles.

Each ordinary share carries the right to one vote at general meetings of the Company and is entitled to dividends. the Company did not issue any shares during the year ended 31 March 2024.

The holders of deferred shares do not have the right to receive notice of any general meeting of the Company nor the right to attend, speak or vote at any such general meeting. The deferred shares have no rights to dividends and, on a winding-up or other return of capital, entitle the holder only to the payment of the amounts paid on such shares after repayment to the holders of Ordinary Shares of the nominal amount paid up on the Ordinary Shares plus the payment of £100,000 per Ordinary Share. Of the 50,000 deferred shares, one deferred share was issued at par and has been fully paid, and 49,999 deferred shares were each paid up as to one-quarter of their nominal value.

30. Non-controlling interests ('NCI')

The Group consists of a parent Company, Vedanta Resources Limited, incorporated in UK and a number of subsidiaries held directly and indirectly by the Group which operate and are incorporated around the world. Note 38 to the financial statements lists details of the interests in the subsidiaries.

Non-controlling interests that are material to the Group relate to Hindustan Zinc Limited (HZL), Cairn India Holdings Limited (CIHL) and its subsidiaries and Vedanta Limited.

As at 31 March 2024, NCIs hold an economic interest of 59.71%, 37.94%, 68.35%, 54.08%, 67.96%, 40.74%, 37.94% and 37.94% respectively in HZL, CIHL and its wholly owned subsidiaries, Bharat Aluminium Company Limited (BALCO), Black Mountain Mining (BMM), ASI (partly owned subsidiary of CIHL), ESL Steel Limited (ESL), Facor Alloys Corporation Limited (FACOR) and Vedanta Limited.

As at 31 March 2023, NCIs hold an economic interest of 55.74%, 31.82%, 65.23%, 49.55%, 64.80%, 34.89%, 31.82% and 31.82% respectively in HZL, CIHL and its wholly owned subsidiaries, Bharat Aluminium Company Limited (BALCO), Black Mountain Mining (BMM), ASI (partly owned subsidiary of CIHL), ESL Steel Limited (ESL), Facor Alloys Corporation Limited (FACOR) and Vedanta Limited.

Principal place of business of HZL, CIHL and its subsidiaries and Vedanta Limited is set out under note 38.

The table below shows summarised financial information of subsidiaries of the Group that have material non-controlling interests. The amounts are presented before intercompany elimination.

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(US$ million)

Particulars	Year ended 31 March 2024					Year ended 31 March 2023				
	HZL	CIHL and its subsidiaries	Vedanta Limited	Others*	Total	HZL	CIHL and its subsidiaries	Vedanta Limited	Others*	Total
Profit/ (loss) Attributable to NCI	540	76	253	(370)	499	714	20	995	(886)	843
Equity Attributable to NCI **	1,106	323	3,300	(2,149)	2,580	895	322	2,895	(1,636)	2,476
Dividends paid / payable to NCI	(233)	-	(443)	-	(676)	(1,394)	-	(1,431)	-	(2,825)

** Others consist of investment subsidiaries of Vedanta Limited, other individual non-material subsidiaries and consolidation adjustments.*

*** Loss of US$ 2 million (31 March 2023: loss of US$ 5 million) attributable to NCI of ASI transferred to put option liability. Refer note 23.*

(US$ million)

Particulars	Year ended 31 March 2024					Year ended 31 March 2023				
	HZL	CIHL and its subsidiaries	Vedanta Limited	Others*	Total	HZL	CIHL and its subsidiaries	Vedanta Limited	Others*	Total
Non-current assets	2,461	938	15,456	(2,510)	16,345	2,411	1,189	15,836	(2,951)	16,485
Current assets	1,515	1,331	3,071	68	5,985	1,802	1,237	4,031	(125)	6,945
Current liabilities	1,280	740	6,002	2,386	10,408	2,104	686	6,626	3,833	13,249
Non-current liabilities	845	600	3,825	7,500	12,770	503	701	4,144	5,705	11,053
Net assets	**1,851**	**929**	**8,700**	**(12,328)**	**(848)**	**1,606**	**1,039**	**9,097**	**(12,614)**	**(872)**

** Others consist of investment subsidiaries of Vedanta Limited, Vedanta Resources Limited, other individual non-material subsidiaries and consolidation adjustments.*

(US$ million)

Particulars	Year ended 31 March 2024					Year ended 31 March 2023				
	HZL	CIHL and its subsidiaries	Vedanta Limited	Others*	Total	HZL	CIHL and its subsidiaries	Vedanta Limited	Others*	Total
Revenue	3,392	1,029	8,415	4,292	17,128	4,145	962	8,474	4,702	18,283
Profit/ (loss) for the year	934	217	776	(1,828)	99	1,306	53	3,299	(3,820)	838
Other comprehensive income / (loss)**	(0)	1	(11)	(1)	(11)	5	-	(17)	6	(6)
Net cash inflow/ (outflow) from operating activities	1,552	224	(699)	1,407	2,484	2,032	106	(188)	836	2,786
Net cash inflow/ (outflow) from investing activities	(477)	(175)	113	(455)	(994)	634	81	(501)	(851)	(637)
Net cash inflow/ (outflow) from financing activities	(1,075)	(101)	145	(941)	(1,972)	(2,857)	(159)	642	(100)	(2,474)

** Others consist of investment subsidiaries of Vedanta Limited, Vedanta Resources Limited, other Individual non-material subsidiaries and consolidation adjustments.*

***Excluding exchange differences arising on translation of foreign operations.*

The effect of changes in ownership interests in subsidiaries that did not result in a loss of control is as follows:

(US$ million)

For the year ended 31 March 2024	HZL	CIHL and its subsidiaries	Vedanta Limited	Others	Total
Other changes in non-controlling interests	**-**	**-**	**323**	**0**	**323**

(US$ million)

For the year ended 31 March 2023	HZL	CIHL and its subsidiaries	Vedanta Limited	Others	Total
Changes in NCI due to merger	-	-	-	6	6
Other changes in non-controlling interests	**-**	**-**	**126**	**5**	**131**

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31. Capital management

The Group's objectives when managing capital are 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 requirement is met through a mixture of equity, internal accruals and other borrowings. The Group's policy is to use current and non-current borrowings to meet anticipated funding requirements.

The Group monitors capital using a gearing ratio, being the ratio of net debt as a percentage of total capital. The Group is not subject to any externally imposed capital requirements.

(US$ million)

Particulars	As at 31 March 2024	As at 31 March 2023
Total equity	(848)	(872)
Net debt (Refer note 22(b))	12,349	12,730
Total capital	11,501	11,858
Gearing Ratio	**107%**	**107%**

32. Commitments, guarantees, contingencies and other disclosures

A. Commitments

The Group has a number of continuing 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.

(US$ million)

	As at 31 March 2024	As at 31 March 2023
Capital commitments contracted but not provided	2,784	2,730

Estimated amounts of contracts remaining to be executed on capital accounts and not provided for:

(US$ million)

Particulars	As at 31 March 2024	As at 31 March 2023
Oil & Gas sector		
Cairn Oil & Gas	129	172
Aluminium sector		
Lanjigarh Refinery (Phase II)	187	297
Jharsuguda 1.25 MTPA smelter	65	154
BALCO Smelter Expansion from 0.57 MTPA to 1 MTPA	622	816
Zinc sector		
Zinc India (mines expansion, solar and smelter)	241	213
Gamsberg mining and milling project (Phase II)	196	237
Copper sector		
Tuticorin Smelter 400 KTPA*	-	373
Others	798	468
Total	**2,238**	**2,730**

**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):

(US$ million)

	As at 31 March 2024	As at 31 March 2023
Oil & Gas sector		
Cairn Oil & Gas (OALP blocks)	609	631

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, in addition 5%/7% of the power to be supplied 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 Odisha Electricity Regulatory Commission ("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 has filed an appeal against the said order before APTEL.

(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 year ended 31 March 2023, the Group has executed 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, Serentica Renewables India 8 Private Limited and Serentica Renewables India 9 Private Limited), which are associates of Vedanta Inc, 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 1,826 MW (31 March 2023: 1246 MW). During the current year, the Group has invested US$ 58 million in Optionally Convertible Redeemable Preference shares ("OCRPS") of US$ 1 (INR 10) each of Serentica group companies. These OCRPS will be converted into equity basis conversion terms of the PDA, resulting in Vedanta Group holding twenty six percent stake in its equity. As at 31 March 2024, total outstanding commitments related to PDA with Serentica Group Companies are US$ 147 million (31 March 2023: US$ 194 million).

B. Guarantees

The aggregate amount of indemnities and other guarantees on which the Group does not expect any material losses, was US$ 1,122 million (31 March 2023: US$ 1,031 million).

The Group has given guarantees in the normal course of business as stated below:

i. Guarantees and bonds advanced to the Indian customs authorities of US$ 206 million (31 March 2023: US$ 163 million) relating to the export and payment of import duties on purchases of raw material and capital goods.

ii. Guarantees issued for the Group's share of minimum work programme commitments of US$ 368 million (31 March 2023: US$ 334 million).

iii. Guarantees of US$ 19 million (31 March 2023: US$ 10 million) issued under bid bond for placing bids.

iv. Bank guarantees of US$ 15 million (31 March 2023: US$ 14 million) has been provided by the Group on behalf of Vedanta Inc to the Indian Income tax department, as a collateral in respect of certain tax disputes.

v. Other guarantees worth US$ 515 million (31 March 2023: US$ 510 million) 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.

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C. Export Obligations

The Indian entities of the Group have export obligations of US$ 323 million (31 March 2023: US$ 168 million) 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 prescribed by the Government of India.

In the event of the Group's inability to meet its obligations, the Group's liability would be US$ 70 million (31 March 2023: US$ 39 million) plus applicable interest.

The Group has given bonds of US$ 124 million (31 March 2023: US$ 98 million) to custom authorities against these export obligations.

D. Contingencies

The Group discloses the following legal and tax cases as contingent liabilities.

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 US$ 41 million as at 31 March 2023 (31 March 2023: US$ 41 million) 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 the financial statements.

Ravva Joint Operations arbitration proceedings

ONGC Carry

The Ravva Production Sharing Contract (PSC) obliges the contractor parties 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 (including Vedanta Limited (Cairn India Limited which subsequently merged with Vedanta Limited, accordingly now referred to as Vedanta Limited)) 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 Vedanta Limited'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. Vedanta Limited 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 US$ 64 million plus interest (31 March 2023: US$ 64 million plus interest).

Proceedings related to the imposition of entry tax

Vedanta Limited and other Group companies, challenged the constitutional validity of the local statutes and related notifications in the states of Chhattisgarh, Odisha and Rajasthan pertaining to the levy of entry tax on the entry of goods brought into the respective states from outside.

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Post some contradictory orders of High Courts across India adjudicating on similar challenges, the Supreme Court referred the matters to a nine judge bench. Consequent to 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 proceeded with hearing the matters. The regular bench 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, 1999 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 Vedanta Limited and its subsidiaries (net of provisions made) are US$ 96 million (31 March 2023: US$ 100 million) including interest and penalty till the date of order. Further interest and penalty if any, would be additional.

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 US$ 4 million.

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 started before the Supreme Court. In case the Supreme Court overturns the decision of the High Court, the Group would be liable to pay an additional amount of US$ 141 million (31 March 2023: US$ 133 million). As at 31 March 2024, an amount of US$ 146 million relating to principal has been considered as a contingent liability (31 March 2023: US$ 137 million).

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 ("CEI") issued a demand notice for electricity duty and interest thereon of US$ 108 million and US$ 72 million respectively for the period March 2015 to March 2021.

The Group carries an accrual for electricity duty of US$ 55 million (31 March 2023: US$ 77 million), net of US$ 113 million (31 March 2023: US$ 69 million) paid under protest. The Group has requested the CEI to allow payment of the principal amount over a period of 5 years along with a waiver of interest demand. BALCO has received the reply from CIE that the matter will be discussed with appropriate authorities. As at 31 March 2024, no confirmation has been received on this matter and therefore, amount of US$ 126 million (INR 10,510 million) (31 March 2023: US$ 111 million (INR 9,160 million)) relating to interest has been considered as a contingent liability.

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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 US$ 208 million (INR 17,078 million) 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 US$ 6 million 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 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 US$ 211 million (31 March 2023: US$ 214 million) have been disclosed as contingent liability in the financial statements.

Miscellaneous disputes- Income tax

The Group is involved in various tax disputes amounting to US$ 162 million (31 March 2023: US$ 177 million) 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 disallowance 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.

Miscellaneous disputes- Others

The Group 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 companies' returns or other claims.

The approximate value of claims (excluding the items as set out separately above) against the Group companies total US$ 562 million (31 March 2023: US$ 598 million).

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.

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33. Other matters

i) Share transactions Call options

a. HZL

Pursuant to the Government of India's policy of divestment, the Group in April 2002 acquired 26% equity interest in HZL from the Government of India. Under the terms of the Shareholder's Agreement ('SHA'), the Group had two call options to purchase all of the Government of India's shares in HZL at fair market value. The Group also acquired an additional 20% of the equity capital in HZL through an open offer. The Group 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 Group 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 Group 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 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. Meanwhile, the Supreme Court has, in January 2016, 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.

b. BALCO

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 has a call option to purchase the Government of India's remaining ownership interest in BALCO at any point from 02 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 (erstwhile) 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 Group, the arbitral tribunal by a majority award rejected the claims of the Group 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 said Act and are not enforceable.

The Group has challenged the validity of the majority award before the 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 will be listed for hearing in due course. 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 9 January 2012, the Group offered to acquire the Government of India's interests in HZL and BALCO for US$ 1,885 million and US$ 217 million respectively. This offer was separate from the contested exercise of the call options, and 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 recognised in the financial statements.

ii) 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 US$ 234 million (INR 19,250 million), further an additional demand was issued vide an office order dated 14 December 2020 for US$ 38 million on similar questions of law. The Group has challenged (the show cause notice or/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.

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State Government has also been directed to not take any coercive action in order to recover such miscomputed dues. Further, Revisionary Authority (RA), has granted a stay on the recovery under the March 2022 notice of US$ 173 million and recovery of US$ 38 million vide its order dated 15 June 2022. and 07 September 2022, respectively. Based on the opinion of external council, the Group believes that it has strong grounds of a successful appeal, and the chances of an outcome which is not in favour of the Group is remote.

iii) Vedanta Limited is purchasing bauxite under long term linkage arrangement ("LTL") with Orissa Mining Corporation Ltd (OMC) at provisional price of US$ 12/MT (INR 1000/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 Vedanta Limited.

The last successful e-auction based price discovery was done by OMC in April 2019 at US$ 8/MT (INR 673/MT) and supplied bauxite at this rate from September 2019 to September 2020 with an undertaking from Vedanta Limited to compensate the differential price discovered through successful national e-auction. Though the OMC conducted the next e-auction on 31 August 2020 with floor price of US$ 21/MT (INR 1707/MT) determined on the basis of Rule 45 of Minerals Concession Rules, 2016 (hereafter referred as the Rules), there was no bidder at that floor price and hence, the auction could not be conducted. However, OMC issued a demand of US$ 34 million on Vedanta Limited towards differential pricing and interest for bauxite supplied till September 2020 considering the auction base price of US$ 21/MT (INR 1707/MT).

Vedanta Limited had then filed a writ petition before Hon'ble High Court of Odisha in September 2020 which issued interim Order dated 8 October 2020 directing that the petitioner shall be permitted to lift the quantity of bauxite mutually agreed on payment of US$ 12/MT (INR 1000/MT) and furnishing an undertaking for the differential amount with the floor price arrived at by OMC under the Rules, subject to final outcome of the writ petition.

OMC re-conducted e-auction on 09 March 2021 with floor price of US$ 25/MT (INR 2,011/MT) which was not successful. On 18 March 2021, Cuttack HC issued an order disposing off the writ petition, directing that the current arrangement of bauxite price at US$ 12/MT (INR 1,000/MT) will continue for FY 2021-22. Further, on 06 April 2022, the Hon'ble Cuttack HC directed that the current arrangement will continue for FY 2022-23 also.

An interim application was filed on 11 May 2023 in Odisha High Court seeking directions for OMC to continue the supplies for FY 2023-24 and extend the LTL agreement. The Honorable High Court vide order dated 15 May 2023, passed an order that unless the fresh agreement is not executed interim arrangement cannot be granted. Accordingly, post the direction of honorable court, LTL was executed with OMC on 16 of May for supply of 2.4 MnT bauxite annually at US$ 12/MT – (INR 1,000/MT). On 26 September 2023, OMC conducted the 10th National E-auction tender for sale of 300 KT bauxite at floor price of US$ 29.24/MT (INR 2,429/MT) after considering the pricing as per Rule 45. On 27th March 2024, OMC conducted the 11th National E-auction tender for sale of 300 KT bauxite at floor price of Rs. 2,740/MT after considering the pricing as per Rule 45. The said auction failed since no participation was observed in the bidding. Supported by legal opinions obtained, management believes that the provisions of Rule 45 of the Rules are not applicable to sale of bauxite and hence, it is not probable that Vedanta Limited will have any material obligation towards the aforesaid commitments over and above the price of US$ 8/MT (INR 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 US$ 12/MT (INR 1,000/MT).

iv) 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 Company Limited ('Malco') and Vedanta Limited (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 the Commissioner of Income Tax, Goa and the Ministry of Corporate Affairs through a Special Leave Petition before the Honourable Supreme Court and also by a creditor and a shareholder of Vedanta Limited. The said petitions are currently pending for hearing.

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v) Flue-gas desulfurization (FGD) implementation:

The Ministry of Environment, Forest and Climate Change (MOEFCC) 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 MoEFCC 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 MoEFCC 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 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. TSPL filed Counter Affidavit on 09 November 2022. PSPCL filed Stay Application seeking relief to stay PSERC proceedings. On 7 August 2023, the stay application was listed, and the bench directed the PSERC proceedings to continue however, the execution of the proceedings have been stayed. PSPCL filed its Rejoinder and Application to file Additional Documents on 22 April 2024. The next date is yet to be notified.

34. Related party Disclosures

Related party transactions

The information below sets out transactions and balances between the Group and various related parties in the normal course of business for the year ended 31 March 2024.

HOLDING COMPANIES

Vedanta Incorporated (formerly known as Volcan Investments Limited) *

Volcan Investments Cyprus Limited

FELLOW SUBSIDIARY (with whom transactions have taken place)

Sterlite Technologies Limited
Sterlite Power Transmission limited
Sterlite Iron and Steel Company Limited
Sterlite Convergence Limited
Twin Star Technologies Limited
Sterlite Power Grid Ventures Limited
Sterlite Grid 16 Limited
STL Digital Limited

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 5 Private Limited#
Serentica Renewables India 6 Private Limited#
Serentica Renewables India 7 Private Limited#
Serentica Renewables India 8 Private Limited#
Serentica Renewables India 9 Private Limited#

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ASSOCIATES / 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

Post-retirement benefit plan

Sesa Group Employees Provident Fund Trust
Sesa Group Employees Gratuity Fund and Sesa Group Executives Gratuity Fund
Sesa Group Executives Superannuation Scheme Fund
Sesa Resources Limited Employees Provident Fund Trust
Sesa Resources Limited Employees Gratuity Fund
Sesa Mining Corporation Limited Employees Provident Fund Trust
Sesa Mining Corporation Limited Employees Gratuity Fund
Sesa Resources Limited and Sesa Mining Corporation Limited Employees Superannuation Fund
Hindustan Zinc Limited Employees Contributory Provident Fund Trust
HZL Employee Group Gratuity Trust
HZL Superannuation Trust
Balco Employees Provident Fund Trust
FACOR Superannuation Trust
FACOR Employees Gratuity Scheme

OTHERS (with whom transactions have taken place)

Enterprises over which key management personnel / their relatives have control or significant influence

Anil Agarwal Foundation
Cairn Foundation
Caitlyn India Private Limited
Fujairah Metals LLC
Janhit Electoral Trust
Minova Runaya Private Limited
Runaya Refining LLP
Runaya Green Tech Limited
Sesa Community Development Foundation
Vedanta Foundation
Vedanta Limited ESOS Trust
Radha Madhav Investments Private Limited
Vedanta Medical Research Foundation
Voorspoed Trust

** The name of ultimate holding Company "Volcan Investments Limited" has been changed to 'Vedanta Incorporated' effective 13 October 2023.*

 # During the year ended 31 March 2023, due to change in shareholding of the intermediate holding company of Serentica group companies, the relationship of Vedanta group with these companies was changed from fellow subsidiaries to associates of Vedanta Inc.

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Details of transactions for the year ended 31 March 2024 are as follows:

(US$ million)

	Particulars	Holding Company/ Fellow Subsidiaries	Associates / Joint Ventures	Others	Total
	Income:				
(i)	Revenue from operations	207	-	13	220
(ii)	Dividend income	0	-	-	0
(iii)	Net interest received	3	-	0	3
(iv)	Miscellaneous income	-	-	0	0
	Expenditure:				
(i)	Purchases of goods/services	14	0	47	61
(ii)	Purchase/(sale) of fixed assets	0	-	(5)	(5)
(iii)	Management fees paid	1	-	-	1
(iv)	Reimbursement for other expenses (net of recovery)	0	-	(1)	(1)
(v)	Donation	-	-	18	18
(vi)	Interest paid	1	-	-	1
(vii)	Contribution to post retirement employees benefit trust/fund	-	-	12	12
	Other transactions during the year:				
(i)	Loans given/ (repayment thereof)	0	-	-	0
(ii)	Loans taken during the year	1	-	-	1
(iii)	Bond redeemed during the year	2	-	-	2
(iv)	Investments made during the year (refer note 32)	-	-	58	58

Details of balances as at 31 March 2024 are as follows:

(US$ million)

	Particulars	Holding Company/ Fellow Subsidiaries	Associates / Joint Ventures	Others	Total
(i)	Net amounts receivable at year end	2	1	4	7
(ii)	Net amounts payable at year end	1	-	12	13
(iii)	Investment in equity Share and OCRPS	8	-	88	96
(iv)	Value of bonds held by Vedanta Inc	7	-	-	7
(v)	Interest payable	0	-	-	0
(vi)	Dividend payable	2	-	-	2
(vii)	Net advance given at year end	1	1	7	9
(viii)	Bank guarantee given *	14	-	-	14
(x)	Loans given**	0	1	-	1
(xi)	Loan taken	1	-	-	1

** Bank guarantee has been provided by the Group on behalf of Vedanta Incorporated ("Vedanta Inc") in favour of Income tax department, India as collateral in respect of certain tax disputes of Vedanta Inc. The guarantee amount is US$ 14 million (31 March 2023: US$ 14 million).*

*** During the current year ended 31 March 2024, 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 2024 is US$ 1 million (31 March 2023: US$ 1 million). The loan is unsecured in nature and carries an interest rate of 12.80% per annum. The said loan including accrued interest thereon have been fully provided for in the books of accounts.*

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Details of transactions for the year ended 31 March 2023 are as follows:

(US$ million)

	Particulars	Holding Company/ Fellow Subsidiaries	Associates / Joint Ventures	Others	Total
	Income:				
(i)	Revenue from operations	228	-	6	234
(ii)	Dividend income	0	-	-	0
(iii)	Net interest received	4	-	-	4
(iv)	Miscellaneous income	-	-	0	0
	Expenditure:				
(i)	Purchases of goods/services	1	0	35	36
(ii)	Purchase/(sale) of fixed assets	2	-	-	2
(iii)	Management fees paid	1	-	-	1
(iv)	Reimbursement for other expenses (net of recovery)	0	-	(0)	(0)
(v)	Donation	-	-	10	10
(vi)	Interest paid	1	-	-	1
(vii)	Dividend Paid	19	-	0	19
(viii)	Contribution to post retirement employees benefit trust/fund	-	-	10	10
	Other transactions during the year:				
(i)	Loans given/ (repayment thereof)	-	1	-	1
(ii)	Loans taken during the year	-	-	(0)	(0)
(iii)	Bond redeemed during the year	2	-	-	2
(iv)	Investments made during the year (refer note 32)	-	-	30	30

Details of balances as at 31 March 2023 are as follows:

(US$ million)

	Particulars	Holding Company/ Fellow Subsidiaries	Associates / Joint Ventures	Others	Total
(i)	Net amounts receivable at year end *	2	-	0	2
(ii)	Net amounts payable at year end	2	-	9	11
(iii)	Investment in equity Share	10	-	30	40
(iv)	Value of bonds held by Vedanta Inc	9	-	-	9
(v)	Interest payable	0	-	-	0
(vi)	Dividend payable	2	-	-	2
(vii)	Net advance given at year end	-	1	4	5
(viii)	Financial guarantee given *	14	-	-	14
(x)	Loans given**	-	1	-	1

Remuneration of Key Management Personnel

(US$ million)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Short-term employee benefits	12	8
Post-employment benefits*	0	1
Share-based payments	0	4
	12	**13**
Compensation for Non-Executive Directors	0	0
Commission/Sitting Fees to KMP	0	0

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise).

**Does not include the provision made for gratuity and leave benefits, as they are determined on an actuarial basis for all the employees together.*

Other related party#

(US$ million)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Remuneration to relatives	3	3
Commission/ sitting fees to relatives of KMP	0	0

close relatives of the Executive Chairman

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35. Subsequent events

(i) Subsequent to the year end, the Board of Directors of Vedanta Limited approved the acquisition of an additional 46.57% stake in AvanStrate Inc. ('ASI') from HOYA Corporation, Japan ('HOYA') through Cairn India Holdings Limited ('CIHL'), a wholly-owned subsidiary of the Company, on May 10, 2024. Following the completion of this transaction, CIHL will hold 98.2% of ASI, resulting in VRL holding 60.94% of ASI.

There are no other material adjusting or non-adjusting subsequent events, except already disclosed.

36. Auditor's remuneration

The table below shows the fees payable globally to the Company's auditor, MHA and their associate firms, for statutory external audit and audit related services, as well as fees paid to other accountancy firms for statutory external audit and audit related services for the year ended 31 March 2024:

(US$ million)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Fees payable to the Company's auditor for the audit of Vedanta Resources Limited annual accounts	1	1
The audit of the Company's subsidiaries pursuant to legislation	0	0
Total audit fees	**1**	**1**
Fees payable to the Company's auditor and their associates for other services to the Group	0	0
Other services pursuant to legislation (1)	0	0
Corporate finance services (2)	0	-
Total non-audit fees	**0**	**0**
Total fees paid to the Company's auditor	**1**	**1**
Audit fees payable to other auditors of the Group's subsidiaries	4	2
Non-audit fees payable to other auditors of the Group's subsidiaries	1	1
Total fees paid to other auditors	**5**	**3**

(1) Other services pursuant to legislation principally comprise assurance services and the half year review of the Group's results.

(2) Corporate finance services principally comprise services in connection with debt raising transactions. These assurance-related services are ordinarily provided by the auditor.

37. Joint Arrangements

Joint Operations

The Group's principal licence interests in oil and gas business are joint operations. The principal licence interests for the years ended 31 March 2024 and 31 March 2023 are as follows:

Oil & Gas blocks/ fields (a)	Area	Participating Interest
Operating blocks		
Ravva block-Exploration, Development & production	Krishna Godavari	22.50%
CB-OS/2 – Exploration	Cambay Offshore	60.00%
CB-OS/2 - Development & production	Cambay Offshore	40.00%
RJ-ON-90/1 – Exploration	Rajasthan Onshore	100.00%
RJ-ON-90/1 – Development & production	Rajasthan Onshore	70.00%
KG-OSN-2009/3 – Exploration	Krishna Godavari Offshore	100.00%
Non-operating blocks		
KG-ONN-2003/1	Krishna Godavari Onshore	49.00%

38. List of Subsidiaries

The Group owns directly or indirectly through subsidiaries, more than half of the voting power of all of its subsidiaries as mentioned in the list below, and has power over the subsidiaries, is exposed or has rights, to variable returns from its involvement with the subsidiaries and has the ability to affect those returns through its power over the subsidiaries.

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Subsidiaries	Principal activities	Registered Address	Country of incorporation	The Company's economic percentage holding		Immediate holding company	The Company's immediate percentage holding	
				31 March 2024	31 March 2023		31 March 2024	31 March 2023
Direct Subsidiaries of the Parent Company								
Vedanta Resources Jersey Limited ('VRJL')	Investment company	47 Esplanade, St Helier JE1 0BD	Jersey (CI)	100%	100%	VRL	100%	100%
Vedanta Resources Jersey II Limited ('VRJL-II')	Investment company	47 Esplanade, St Helier JE1 0BD	Jersey (CI)	100%	100%	VRL	100%	100%
Vedanta Holdings Jersey Limited	Investment company	47 Esplanade, St Helier JE1 0BD	Jersey (CI)	100%	100%	VRL	100%	100%
Vedanta Resources Holdings Limited ('VRHL')	Holding company	8th Floor, 20 Farringdon Street, London EC4A 4AB, United Kingdom	United Kingdom	100%	100%	VRL	100%	100%
Vedanta UK Holdings Limited ('VUHL') (a)	Investment Company	8th Floor, 20 Farringdon Street, London EC4A 4AB, United Kingdom	United Kingdom	100%	-	VRL	100%	-
Vedanta Resources Investments Limited ('VRIL') (b)	Investment Company	8th Floor, 20 Farringdon Street, London EC4A 4AB, United Kingdom	United Kingdom	100%	-	VRL	100%	-
Indirect Subsidiaries of the Parent Company								
Richter Holding Limited ('Richter')	Investment company	221 Christodoulou Chatzipavlou, Helios Court, 3rd Floor, 3036 Limassol, Cyprus	Cyprus	100%	100%	VRCL	100%	100%
Vedanta Resources Cyprus Limited ('VRCL')	Investment company	221 Christodoulou Chatzipavlou, Helios Court, 3rd Floor, 3036 Limassol, Cyprus	Cyprus	100%	100%	VRFL	100%	100%
Welter Trading Limited ('Welter')	Investment company	28th Oktovriou Street, 205 Louloupis Court, 1st Floor P.C. 3035, Limassol, Cyprus	Cyprus	100%	100%	VRCL	100%	100%
Valliant (Jersey) Limited	Investment company	47 Esplanade, St Helier JE1 0BD, Jersey	Jersey (CI)	100%	100%	VRJ2L	100%	100%
Twin Star Holdings Limited ('TSHL')	Holding company	IQ EQ Corporate Services (Mauritius) Ltd, 33, Edith Cavell Street, Port Louis, 11324 Mauritius	Mauritius	100%	100%	VRHL	100%	100%
Vedanta Twinstar Holdings Limited (c)	Investment company	IQ EQ Corporate Services (Mauritius) Ltd 33, Edith Cavell Street, Port Louis, 11324, Mauritius	Mauritius	100%	-	VRL	100.00	-
Vedanta Twinstar Holdings II Limited (d)	Investment company	IQ EQ Corporate Services (Mauritius) Ltd 33, Edith Cavell Street, Port Louis, 11324, Mauritius	Mauritius	100%	-	Vedanta Twinstar Holdings Limited	100.00	-

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Subsidiaries	Principal activities	Registered Address	Country of incorporation	The Company's economic percentage holding		Immediate holding company	The Company's immediate percentage holding	
				31 March 2024	31 March 2023		31 March 2024	31 March 2023
Westglobe Limited ('Westglobe')	Investment company	IQ EQ Corporate Services (Mauritius) Ltd, 33, Edith Cavell Street, Port Louis, 11324 Mauritius	Mauritius	100%	100%	Richter	100%	100%
Vedanta Holdings Mauritius Limited (VHML)	Investment company	Amicorp (Mauritius) Limited, 6th Floor, Tower 1, Nexteracom	Mauritius	100%	100%	VHJL	100%	100%
Vedanta Holdings Mauritius II Limited ('VHM2L')	Investment company	Amicorp (Mauritius) Limited, 6th Floor, Tower 1, Nexteracom	Mauritius	100%	100%	FICL	100%	100%
Vedanta Resources Mauritius Limited	Investment Company	Amicorp Mauritius, 6th Floor, Tower 1, Nextera Building, Ebene, Mauritius	Mauritius	100%	100%	VRCL	100%	100%
Vedanta Netherlands Investments BV ('VNIBV')	Investment Company	Strawinskylaan 1143, 1077XX Amsterdam, Netherlands	The Netherlands	100%	100%	VUIL	100%	100%
Vedanta Netherlands Investments II BV	Investment Company	Strawinskylaan 1143, 1077XX Amsterdam, Netherlands	The Netherlands	100%	100%	VUIL	100%	100%
Vedanta Resources Finance II Plc	Investment company	8th Floor, 20 Farringdon Street, London EC4A 4AB, United Kingdom	United Kingdom	100%	100%	VRHL	100%	100%
Vedanta Resources Finance Limited ('VRFL')	Investment company	8th Floor, 20 Farringdon Street, London EC4A 4AB, United Kingdom	United Kingdom	100%	100%	VRHL	100%	100%
Finsider International Company Limited ('FICL')	Investment company	8th Floor, 20 Farringdon Street, London EC4A 4AB, United Kingdom	United Kingdom	100%	100%	Richter, Westglobe	100%	100%
Vedanta Finance UK Limited	Investment company	8th Floor, 20 Farringdon Street, London EC4A 4AB, United Kingdom	United Kingdom	100%	100%	Welter	100%	100%
Vedanta UK Investments Limited ('VUIL')	Investment Company	8th Floor 20 Farringdon Street, London, United Kingdom, EC4A 4AB	United Kingdom	100%	100%	Vedanta Resources Holding Limited	100%	100%
Vedanta Limited	Copper smelting, Iron ore mining, Aluminium mining, refining, and smelting, Power generation, Oil and Gas exploration, and production	Vedanta Limited 1st Floor, 'C' wing, Unit 103, Corporate Avenue, Atul Projects, Chakala, Andheri (East), Mumbai–400093, Maharashtra	India	62.06%	68.18%	Twin Star, Welter, Westglobe FICL and Vedanta Holdings Mauritius II Limited	63.72%	68.18%
Copper Mines of Tasmania Pty Limited ("CMT") (e)	Copper Mining	c/o MCullough Robertson, lawyers 44 martin place, Sydney NSW 2000	Australia	-	68.18%	Monte Cello BV	-	100%

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Subsidiaries	Principal activities	Registered Address	Country of incorporation	The Company's economic percentage holding		Immediate holding company	The Company's immediate percentage holding	
				31 March 2024	31 March 2023		31 March 2024	31 March 2023
Thalanga Copper Mines Pty Limited ("TCM")	Copper Mining	c/o MCullough Robertson lawyers 44 martin place, Sydney NSW 2000	Australia	62.06%	68.18%	Monte Cello BV	100%	100%
Bharat Aluminium Company Limited ("BALCO")	Aluminium mining and smelting	Aluminium Sadan Core -6 Scope Office Complex 7 Lodhi Road New Delhi 110003	India	31.65%	34.77%	Vedanta Limited	51%	51%
Desai Cement Company Private Limited	Cement	Survey no. 184, Maina, Navelim, Bicholim North Goa 403505, Goa	India	62.06%	68.18%	Sesa Mining Corporation Limited	100%	100%
ESL Steel Limited	Manufacturing of Steel & DI Pipe	Village -Siyaljori, Post – Jogidih, O.P. – Bangaria, PS- Chandankyari Bokaro Steel City Bokaro JH 828303 IN	India	59.26%	65.11%	Vedanta Limited	95.49%	95.49%
Ferro Alloy Corporation Limited ("FACOR")	Manufacturing of Ferro Alloys and Mining and generation of power	D P Nagar, Randia, Bhadrak-756135, Odisha	India	62.06%	68.18%	Vedanta Limited	100%	99.99%
Goa Sea Port Private Limited (f)	Infrastructure	SIPCOT Industrial Complex, Madurai Bypass Road, T.V. Puram P.O., Tuticorin, Thoothukudi, Tuticorin Thoothukudi TN – 628 002 IN	India	-	68.18%	Sterlite Ports Limited	-	100%
Hindustan Zinc Alloys Private Limited	Manufacturing of metals and its alloys	Yashad Bhawan, Udaipur, Rajasthan 313004	India	40.29%	44.26%	Hindustan Zinc Limited	100%	100%
Hindustan Zinc Fertilisers Private Limited	Manufacturing of phosphatic fertilisers	Yashad Bhawan, Udaipur, Rajasthan 313004	India	40.29%	44.26%	Hindustan Zinc Limited	100%	100%
Hindustan Zinc Limited ("HZL")	Exploring, extracting, processing of minerals and manufacturing of metals	Yashad Bhawan, Udaipur, Rajasthan 313004	India	40.29%	44.26%	Vedanta Limited	64.92%	64.92%
MALCO Energy Limited ("MEL")	Power Generation	SIPCOT Industrial Complex, Madurai Bypass Road, Thoothukudi (Tamil Nadu) 628002	India	62.06%	68.18%	Vedanta Limited	100%	100%
Maritime Ventures Private Limited ('MVPL') (f)	Infrastructure	SIPCOT Industrial Complex, Madurai By pass Road, T V Puram PO, Tuticorin Tuticorin Thoothukudi TN 628002 IN	India	-	68.18%	Sterlite Ports Limited	-	100%

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Subsidiaries	Principal activities	Registered Address	Country of incorporation	The Company's economic percentage holding		Immediate holding company	The Company's immediate percentage holding	
				31 March 2024	31 March 2023		31 March 2024	31 March 2023
Paradip Multi Cargo Berth Private Limited (f)	Infrastructure	SIPCOT Industrial Complex, Madurai Bypass Road, T. V. Puram P.O., Tuticorin, Thoothukudi TN 628002 IN	India	-	68.18%	Sesa Resources Limited	-	100%
Sesa Mining Corporation Limited (f)	Iron ore mining	Sesa Ghor, 20 EDC Complex, Patto Panaji (Goa) - 403001	India	62.06%	68.18%	Sesa Resources Limited	100%	100%
Sesa Resources Limited ("SRL")	Iron ore mining	Sesa Ghor, 20 EDC Complex, Patto Panaji (Goa) - 403001	India	62.06%	68.18%	Vedanta Limited	100%	100%
Sterlite Ports Limited ("SPL") (f)	Infrastructure	Malco Power Company Limited, Sipcot Industrial Complex, Madurai Bye Pass Road Tuticorin, Thoothukudi TN 628002	India	-	68.18%	Sesa Resources Limited	-	100%
Talwandi Sabo Power Limited ("TSPL")	Power Generation	Vill. Banawala, Mansa - Talwandi Sabo Road, Mansa, Punjab - 151302	India	62.06%	68.18%	Vedanta Limited	100%	100%
Vedanta Zinc Football & Sports Foundation	Sports Foundation	Yashad Bhawan, Udaipur, Rajasthan 313004	India	40.29%	44.26%	Hindustan Zinc Limited	100%	100%
Vizag General Cargo Berth Private Limited	Infrastructure	SIPCOT Industrial Complex Madurai Bye Pass Road, T. V. Puram P.O Thoothukudi TN 628002 IN	India	62.06%	68.18%	Vedanta Limited	100%	100%
Zinc India Foundation	CSR Activities	Yashad Bhawan, Udaipur, Rajasthan 313004	India	40.29%	44.26%	Hindustan Zinc Limited	100%	100%
AvanStrate Inc. ("ASI")	Manufacturing of LCD Glass Substrate	1-11-1 , Nishi - Gotanda, Shinagwa-Ku, Tokyo, Japan	Japan	32.04%	35.20%	Cairn India Holdings Limited	51.63	51.63
Cairn India Holdings Limited	Investment company	22-24 Seale Street, St Helier, Jersey, JE2 3QG	Jersey	62.06%	68.18%	Vedanta Limited	100%	100%
AvanStrate Taiwan Inc	Manufacturing of LCD Glass Substrate	No.8,Industry III Road Annan, Tainan 709-55, Taiwan, R.O.C.	Taiwan	32.04%	35.20%	AvanStrate Inc. ("ASI")	100%	100%
Western Cluster Limited	Iron ore mining	Amir Building, 18th Street, Sinkor, Tubman Boulevard,Sinkor, Monrovia, Liberia,West Africa	Liberia	62.06%	68.18%	Bloom Fountain Limited	100%	100%
Bloom Fountain Limited	Operating (Iron ore) and Investment Company	IQ EQ Corporate Services (Mauritius) Ltd 33, Edith Cavell Street Port Louis, 11324 Mauritius	Mauritius	62.06%	68.18%	Vedanta Limited	100%	100%

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Subsidiaries	Principal activities	Registered Address	Country of incorporation	The Company's economic percentage holding		Immediate holding company	The Company's immediate percentage holding	
				31 March 2024	31 March 2023		31 March 2024	31 March 2023
THL Zinc Ltd	Investment Company	IQ EQ Corporate Services (Mauritius) Ltd, 33, Edith Cavell Street Port Louis, 11324, Mauritius	Mauritius	62.06%	68.18%	THL Zinc Ventures Limited	100%	100%
THL Zinc Ventures Limited	Investment Company	IQ EQ Corporate Services (Mauritius) Ltd, 33, Edith Cavell Street, Port Louis, 11324, Mauritius	Mauritius	62.06%	68.18%	Vedanta Limited	100%	100%
Amica Guesthouse (Proprietary) Limited	Accomodation and catering services	Unit 1, Hartmann Suites, Cnr Robert Mugabe Avenue & Ballot Street, Windhoek, Namibia	Nambia	62.06%	68.18%	Skorpion Zinc (Proprietary) Limited	100%	100%
Namzinc (Proprietary) Limited	Owns and operates a zinc refinery	24 Orban Street, Klein Windhoek, Windhoek, Namibia	Nambia	62.06%	68.18%	Skorpion Zinc (Proprietary) Limited	100%	100%
Skorpion Mining Company (Proprietary) Limited ('NZ')	Exploration, development, treatment, production and sale of zinc ore	24 Orban Street, Klein Windhoek, Windhoek, Namibia	Nambia	62.06%	68.18%	Skorpion Zinc (Proprietary) Limited	100%	100%
Skorpion Zinc (Proprietary) Limited ("SZPL")	Operating (zinc) and investing company	24 Orban Street, Klein Windhoek, Windhoek, Namibia	Nambia	62.06%	68.18%	THL Zinc Namibia Holdings (Proprietary) Ltd	100%	100%
THL Zinc Namibia Holdings (Proprietary) Limited ("VNHL")	Mining and Exploration and Investment company	24 Orban Street, Klein Windhoek, Windhoek, Namibia	Nambia	62.06%	68.18%	THL Zinc Ltd	100%	100%
Vedanta Lisheen Holdings Limited	Investment company	Deloitte & Touche House, Charlottes Quay, Ireland	Republic of Ireland	62.06%	68.18%	THL Zinc Holding BV	100%	100%
Killoran Lisheen Mining Limited	Development of a zinc/lead mine	Deloitte & Touche House, Charlotte's Quay, Ireland	Republic of Ireland	62.06%	68.18%	Vedanta Lisheen Holdings Limited	100%	100%
Lisheen Milling Limited	Manufacturing (m)	Deloitte & Touche House, Charlottes Quay, Ireland	Republic of Ireland	62.06%	68.18%	Vedanta Lisheen Holdings Limited	100%	100%

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Subsidiaries	Principal activities	Registered Address	Country of incorporation	The Company's economic percentage holding		Immediate holding company	The Company's immediate percentage holding	
				31 March 2024	31 March 2023		31 March 2024	31 March 2023
Lisheen Mine Partnership	Development and operation of a zinc/lead mine	Deloitte & Touche House, Charlottes Quay, Ireland	Republic of Ireland	62.06%	68.18%	50% each held by Killoran Lisheen Mining Limited & Vedanta Lisheen Mining Limited	100%	100%
Vedanta Lisheen Mining Limited	Development of a zinc/lead mine	Deloitte & Touche House, Charlotte's Quay, Ireland	Republic of Ireland	62.06%	68.18%	Vedanta Lisheen Holdings Limited	100%	100%
Cairn Energy Hydrocarbons Limited	Oil and gas exploration, development and production	272 Bath Street, Glasgow, United Kingdom, G2 4JR	Scotland (n)	62.06%	68.18%	Cairn India Holdings Limited	100%	100%
Black Mountain Mining (Proprietary) Limited	Exploration, development, production and sale of zinc, lead, copper and associated mineral concentrates	Penge Road , Aggeneys	South Africa	45.92%	50.45%	THL Zinc Ltd	70.66%	74%
Cairn Lanka Private Limited (q)	Oil and gas exploration, development and production	Lanka Shipping Tower No. 99, St Michael's Road, Colombo 3, Sri Lanka	Sri Lanka	62.06%	68.18%	Cairn Energy Hydrocarbons Limited	100%	100%
AvanStrate Korea Inc	Manufacturing of LCD Glass Substrate	84, Hyeongoksandan-ro, Cheongbuk-eup, Pyeongtaek-si, Gyeonggi-do,17812, Republic of Korea	Taiwan	32.04%	35.20%	AvanStrate Inc. ("ASI")	100%	100%
Monte Cello BV ("MCBV")	Holding company	Atrium Building, 8th Floor, Strawinskylaan, 3127, Amsterdam, Netherlands	The Netherlands	62.06%	68.18%	Vedanta Limited	100%	100%
THL Zinc Holding BV	Investment company	Atrium Building, 8th Floor, Strawinskylaan, 3127, Amsterdam, Netherlands	The Netherlands	62.06%	68.18%	Vedanta Limited	100%	100%

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Subsidiaries	Principal activities	Registered Address	Country of incorporation	The Company's economic percentage holding		Immediate holding company	The Company's immediate percentage holding	
				31 March 2024	31 March 2023		31 March 2024	31 March 2023
Fujairah Gold FZC	Manufacturing of Copper Rod and Refining of Precious Metals (Gold & Silver)	P.O. Box 3992, Fujairah, United Arab Emirates	United Arab Emirates	62.06%	68.18%	Malco Energy Limited	100%	100%
Meenakshi Energy Limited (g)	Power Generation	405, Saptagiri Towers, 1-10-75/1/1 to 6, Begumpet, Hyderabad, Secunderabad, Telangana, India, 500016	India	62.06%	-	Vedanta Limited	100%	-
Sesa Iron and Steel Limited (h)	Manufacturing of Steel	Sesa Ghor, EDC Complex 20, Patto, Panaji, North Goa, Tiswadi, Goa, India, 403001	India	62.06%	-	Vedanta Limited	100%	-
Vedanta Aluminium Metal Limited (i)	Aluminium Business	C-103 Atul Projects, Corporate Avenue New Link, Chakala Midc, Mumbai, Mumbai, Maharashtra, India, 400093	India	62.06%	-	Vedanta Limited	100%	-
Vedanta Base Metals Limited (j)	Metal business	C-103 Atul Projects, Corporate Avenue New Link, Chakala Midc, Mumbai, Mumbai, Maharashtra, India, 400093	India	62.06%	-	Vedanta Limited	100%	-
Vedanta Iron and Steel Limited (l)	Iron and Steel Business	C-103 ATUL PROJECTS, CORPORATE AVENUE NEW LINK, Chakala Midc, Mumbai, Mumbai, Maharashtra, India, 400093	India	62.06%	-	Vedanta Limited	100%	-
Vedanta Displays Limited (k)	LCD Panel	ASF Centre, Plot 362-363 Udyog Vihar Phase-4, Gurgaon, Haryana, India, 122016	India	62.06%	-	Vedanta Limited	100%	-
Vedanta Semiconductors Private Limited (k)	Semiconductor	ASF Centre, Plot 362-363 Udyog Vihar Phase-4, Gurgaon, Haryana, India, 122016	India	62.06%	-	Vedanta Limited	100%	-
Vedanta Copper International VCI Company Limited (o)	Manufacturing of copper rod	Ras-Al-Khair, Saudi Arabia	Saudi Arabia	62.06%	-	Malco Energy Limited	100%	-
Hindmetal Exploration Services Private Limited (p)	Exploration of metals	Yashad Bhawan, Udaipur, Rajasthan 313004	India	40.29%	-	Hindustan Zinc Limited	100%	-

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(a) Vedanta UK Holdings Limited- 100% subsidiary of Vedanta Resources Limited, incorporated w.e.f. 06 September 2023.

(b) Vedanta Resources Investments Limited,100% Subsidiary of Vedanta UK Investments Limited, incorporated w.e.f. 28 July 2023. The shareholding was transferred on 07 September 2023 to Vedanta UK Holdings Limited.

(c) Vedanta Twinstar Holdings Limited- 100% subsidiary of Twin Star Holdings Limited, incorporated w.e.f. 01 September 2023. Further, shares of Vedanta Twinstar Holdings Limited transferred from Twin Star Holdings Limited to Vedanta Resources Limited w.e.f. 13 March 2024.

(c) Vedanta Twinstar Holdings II Limited- 100% subsidiary of Vedanta Twinstar Holdings Limited, incorporated w.e.f. 01 September 2023.

(d) Vedanta UK Holdings Limited- 100% subsidiary of Vedanta Resources Limited, incorporated w.e.f. 06 September 2023.

(e) Copper Mines of Tasmania (CMT), wholly owned subsidiary of Vedanta Limited through intermediate holding company Monte Cello B.V. (MCBV) was sold on 17 November 2023.

(f) The Mumbai NCLT and Chennai NCLT had passed orders dated 06 June 2022 and 22 March 2023 respectively to sanction 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'). MCA statutory filing has completed on 18 January 2024 which is the effective date of merger.

(g) Meenakshi energy limited has been acquired on 27 December 2023 under the liquidation proceedings of the Insolvency and Bankruptcy Code, 2016 as a 100% subsidiary of Vedanta Limited.

(h) Sesa Iron and Steel Limited incorporated on 06 September 2023 as a 100% subsidiary of Vedanta Limited.

(i) Vedanta Aluminium Metal Limited incorporated on 06 October 2023 as a 100% subsidiary of Vedanta Limited.

(j) Vedanta Base Metals Limited incorporated on 09 October 2023 as a 100% subsidiary of Vedanta Limited.

(k) Vedanta Displays Limited & Vedanta Semiconductors Private Limited has been acquired on 27 July 2023 from Twin star Technologies Ltd via share purchase agreement.

(l) Vedanta Iron and Steel Limited incorporated on 10 October 2023 as a 100% subsidiary of Vedanta Limited.

(m) Activity of the Company ceased in February 2016.

(n) Principal place of business in India.

(o) Vedanta Copper International VCI Company Limited incorporated on 14 November 2023 as a 100% subsidiary of Vedanta Limited.

(p) Hindmetal Exploration Services Private Limited incorporated on 26 February 2024 as a 100% subsidiary of Hindustan Zinc Limited.

(q) Cairn Lanka Private Limited is under process of liquidation.

39. Ultimate controlling party

At 31 March 2024, all of the issued shares of the Company were held by Vedanta Incorporated (formerly known as Volcan Investments Limited) ("Vedanta Inc") and its wholly owned subsidiary. Accordingly, the ultimate controlling party of the Group is Vedanta Inc, which is beneficially owned by the Anil Agarwal Discretionary Trust. Vedanta Inc is incorporated in the Bahamas and does not produce Group accounts.

COMPANY BALANCE SHEET

As at 31 March 2024

(US$ million)

Particulars	Note	As at 31 March 2024	As at 31 March 2023
Fixed assets			
Tangible assets	2	8	10
Investments in subsidiaries	3	1,731	1,731
Financial asset investment	4	0	0
		1,739	**1,741**
Current assets			
Debtors due within one year	5	2,507	2,977
Debtors due after one year	5	2,013	2,345
Investments	6	92	79
Cash and cash equivalents		8	9
Current tax asset		2	22
		4,622	**5,432**
Creditors: amounts falling due within one year			
Trade and other creditors	7	222	464
Lease liability	9	2	2
External borrowings	7	683	774
Loan from subsidiary	7	793	698
		1,700	1,938
Net current assets		**2,922**	**3,494**
Total assets less current liabilities		**4,661**	**5,235**
Creditors: amounts falling due after one year			
External borrowings	8	1,473	1,883
Loan from subsidiary	8	2,340	2,638
Other creditors	8	2	3
Lease liability	9	4	5
		3,819	**4,529**
Net assets		**842**	**706**
Capital and reserves			
Called up share capital		29	29
Capital reduction reserve		2	(2)
Other reserves		(2)	2
Retained earnings		813	677
Equity shareholders' funds		**842**	**706**

The Company has taken an advantage of the disclosure exemption permitted by section 408 of the Companies Act 2006 and has not presented a profit and loss account. The profit after tax for the year of the Company amounted to US$ 136 million (2023: US$ 156 million)

The separate Financial Statements of the Company, registration number 4740415 were approved and authorised for issue by the Board of Directors on 30 May 2024 and signed on their behalf by

AR Narayanaswamy
Director

Deepak Kumar
Company Secretary

COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2024

(US$ million)

	Share capital*	Capital redemption Reserve	Retained earnings	Other Reserves	Total
Equity shareholders' funds at 01 April 2023	**29**	**2**	**677**	**(2)**	**706**
Profit for the year	-	-	136	-	136
Dividends paid (note 13 of Group financial statements)	-	-	-	-	-
Movement in fair value of Financial Investment	-	-	-	(0)	(0)
Equity shareholders' funds at 31 March 2024	**29**	**2**	**813**	**(2)**	**842**

For the year ended 31 March 2023

(US$ million)

	Share capital*	Capital redemption Reserve	Retained earnings	Other Reserves	Total
Equity shareholders' funds at 01 April 2022	**29**	**2**	**540**	**(2)**	**569**
Profit for the year	-	-	156	-	156
Dividends paid (note 13 of Group financial statements)	-	-	(19)	-	(19)
Movement in fair value of Financial Investment	-	-	-	(0)	(0)
Equity shareholders' funds at 31 March 2023	**29**	**2**	**677**	**(2)**	**706**

** For details, refer note 30 of Group financial statements*

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forming part of the consolidated financial statements as at and for the year ended 31 March 2024

1. Company material accounting policies

Basis of Accounting

The Company meets the definition of a qualifying entity in accordance with Financial Reporting Standard 100 'Application of Financial Reporting Requirements' (FRS 100) issued by the Financial Reporting Council and in accordance with 101 Reduced Disclosure Framework (FRS 101). Accordingly, these financial statements have been prepared on a going concern basis and in accordance with the provisions of the UK Companies Act, 2006 and applicable UK accounting standards.

These financial statements have been prepared under the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

These financial statements are presented in US dollars being the functional currency of the Company and all values are rounded off to the nearest million except when indicated otherwise. Amounts less than US$ 0.5 million have been presented as "0".

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- The requirements of paragraph 38, 134 and 136 of IAS 1 'Presentation of Financial Statements';
- The requirements of IAS 7 'Statement of Cash Flows';
- Paragraphs 45 (b) and 46 to 52 of IFRS 2, "Share-based payment" (details of the number and weighted average exercise prices of share options and how the fair value of goods and services received was determined);
- The requirements of IFRS 7 'Financial Instruments: Disclosures';
- The requirements of Paragraph 17 of IAS 24 "Related party disclosures";
- The requirements of IAS 24, "Related party disclosures" to disclose related-party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- Paragraphs 91-99 of IFRS 13 "Fair value measurement" (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities);
- The requirements of Paragraph 30 and 31 of IAS 8 "Accounting policies, changes in accounting estimates and errors" in relation to standards not yet effective.

Material accounting policies

Investments in subsidiaries

Investments in subsidiaries represent equity holdings in subsidiaries except preference shares, valued at cost less any provision for impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in 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.

Currency translation

Transactions in currencies other than the functional currency of the Company, being US dollars, are translated into US dollars at the spot exchange rates ruling at the date of transaction. Monetary assets and liabilities denominated in other currencies at the balance sheet date are translated into US dollars at year end exchange rates, or at a contractual rate if applicable.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and provision for impairment.

Depreciation on tangible fixed assets 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 and the operating conditions of the assets.

Estimated useful life of assets are as follows:

Asset	Useful life (in years)
IT equipment	5
Office equipment	10
Furniture and fixtures	10
Leasehold improvement	10

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.

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forming part of the consolidated financial statements as at and for the year ended 31 March 2024

Deferred taxation

Deferred taxation is provided in full on all timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, subject to the recoverability of deferred tax assets. Deferred tax assets and liabilities are not discounted.

Borrowings

Interest bearing loans are recorded at the net proceeds received i.e. net of direct transaction costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on accruals basis and charged to the profit and loss account using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

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.

(a) Financial Assets – Recognition

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 on the trade date.

For purposes of subsequent measurement, financial assets are classified in the following categories:

Debt instruments at amortised cost

A 'debt instrument' 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.

Equity instruments

All equity investments in scope of IFRS 9 are measured at fair value. For all equity instruments not held for trading, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value.

Dividends

Dividend income is recognised in the income statement 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) Financial Asset – Derecognition

The Company derecognises a financial asset when the contractual rights to 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.

(c) Impairment of financial assets

In accordance with IFRS 9, the Company applies expected credit loss ("ECL") model for measurement and recognition of impairment loss on financial assets.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The Company 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 increased significantly, lifetime ECL is used instead of 12-month ECL.

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.

(d) Financial liabilities – Recognition & Subsequent measurement

The Company's financial liabilities include trade and other payables and loans and borrowings. 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.

After initial recognition, interest-bearing loans and borrowings and trade and other payables are subsequently measured at amortised cost using the EIR method.

(e) Financial liabilities – Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

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forming part of the consolidated financial statements as at and for the year ended 31 March 2024

2. Company tangible fixed assets

	(US$ million)
Cost	
At 01 April 2022	8
ROU Asset	10
Additions	0
At 31 March 2023	**18**
Additions	0
At 31 March 2024	**18**
Accumulated depreciation	
At 01 April 2022	**6**
Charge for the period	**2**
ROU assets	1
Other assets	1
At 31 March 2023	**8**
Charge for the period	**2**
ROU assets	1
Other assets	1
At 31 March 2024	**10**
Net book value	
At 01 April 2022	12
At 31 March 2023	10
At 31 March 2024	**8**

Details of Right of Use (ROU) Assets

Particulars	Building
Net book value as at 01 April 2022	**7**
Depreciation	(1)
Net book value as at 31 March 2023	**6**
Depreciation	(1)
Net book value as at 31 March 2024	**5**

3. Investments in subsidiaries

	(US$ million)
Cost	
At 01 April 2022	1,731
Investment written off during the year**	(0)
At 31 March 2023	1,731
At 01 April 2023	**1,731**
Addition during the year*	0
At 31 March 2024	**1,731**

** During the current year, the Company acquired one share in Vedanta UK Holdings Limited ('VUHL'), being 100% of its issued equity share capital for a consideration of US$ 1000 and one share in Vedanta Twinstar Holdings Limited ('VTHL'), being 100% of its issued equity share capital for a consideration of US$ 1.*

***During the previous year, VRIL has been liquidated. Accordingly, the Company has written off its investment in VRIL.*

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At 31 March 2024, the Company held 662,073,200 shares in Vedanta Resources Holdings Limited ('VRHL') (March 2023: 662,073,200 shares), being 100% of VRHL's issued equity share capital. The Company also held one deferred share in VRHL (31 March 2023: one). At 31 March 2024, the Company held two shares in Vedanta Resources Jersey Limited ('VRJL') (31 March 2023: two), two shares in Vedanta Resources Jersey II Limited ('VRJL-II') (31 March 2023: two), one share in Vedanta Twinstar Holdings ('VTHL') (31 March 2023: Nil), one thousand share in Vedanta UK Holdings Limited ('VUHL') (31 March 2023: Nil), and one share in Vedanta Holdings Jersey Limited ('VHJL') (31 March 2023: one), being 100% of its issued equity share capital.

VRHL is an intermediary holding company incorporated in the United Kingdom (note 39 of the financial statements of the Group) and registered in England and Wales. VRJL, VHJL and VRJL-II are companies, registered and incorporated in Jersey, established to raise funds for the Vedanta Group.

4. Financial asset investment

	(US$ million)
Fair value	
As at 01 April 2022	**0**
Fair value movement	0
As at 31 March 2023	**0**
As at 01 April 2023	**0**
Fair value movement	(0)
As at 31 March 2024	**0**

The investment relates to an equity investment in the shares of Victoria Gold Corporation. As at 31 March 2024, the investment in Victoria Gold Corporation was revalued and loss of US$ 0 million (2023: loss of US$ 0 million) was recognised in equity.

5. Company debtors

(US$ million)

	As at 31 March 2024	As at 31 March 2023
Amounts due from subsidiary undertakings	5,270	6,072
Amounts due from Konkola Copper Mines (note 3(a) of Group financial statements)*	305	305
Advance to vendors and deposit	0	0
Prepayments and accrued income	0	0
Other taxes	0	0
Less: Provision for impairment*	(1,055)	(1,055)
Total	**4,520**	**5,322**
Debtors due within one year	2,507	2,977
Debtors due after one year	2,013	2,345
Total	**4,520**	**5,322**

Amounts due from subsidiary undertakings

i. At 31 March 2024, the Company had loans of US$ 1,863 million (31 March 2023: US$ 2,447 million) due from VRHL which represented the funds being loaned for funding the subsidiaries. Out of the total loans, US$ 581 million bears interest at 11.07%, US$ 476 million at 7.80%, US$ 806 million at 9.70%.

ii. At 31 March 2024, the Company had loans of US$ 1,981 million (31 March 2023: US$ 1,133 million) due from Vedanta Resources Jersey II Limited (VRJL-II). Out of the total loans, US$ 1,514 million (Impairment provision US$ 1055 million bears interest at 8.05%, US$ 295 million at 11.07%, and US$ 172 million at 7.64%.

iii. At 31 March 2024, the Company had loans of US$ 303 million (31 March 2023: US$ 303 million) due from Vedanta Holdings Mauritius Limited (VHML). Out of the total loans, US$ 104 million bears interest at 8.10%, US$ 20 million bears interest at 11.07% and US$ 179 million at 8.13%.

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forming part of the consolidated financial statements as at and for the year ended 31 March 2024

iv. At 31 March 2024, the Company had loan of US$ NIL (31 March 2023: US$ 5 million) due from Vedanta Netherlands Investment BV (VNIBV) at 7.95% which is repaid during the year.

v. At 31 March 2024, the Company had loan of US$ 333 million (31 March 2023: US$ 333 million) due from Twin Star Holdings Limited (THL) at 11.07%, during the current year loan was reclassed from Current maturities to Non-Current Loan and Advances due to extension of repayment term.

vi. At 31 March 2024, the Company had loans of US$ NIL (31 March 2023: US$ 8 million) due from Vedanta Resources Financial Limited (VRFL) which is fully repaid in April 2023.

vii. The Company was owed US$ 723 million (31 March 2024: US$ 743 million) of accrued interest from VRHL, VRJL-II, VHML and THL, Out of total accrued interest 25 million represents non-current portion receivable from VHML and rest 698 million represents current portion.

viii. The Company had given a corporate guarantee for loan facilities/ trade advances on behalf of Konkola Copper Mines Plc (KCM), an erstwhile subsidiary of Vedanta Resources Holding Limited (VRHL). During the year ended 31 March 2020, due to loss of control over KCM and the resulting developments (for details refer note 3 (a) of group financial statements), the Company had recognised a liability of US$ 355 million (inclusive of interest), towards the guarantee liability and a corresponding receivable from KCM. Of the said liability, the Company had paid an amount of US$ 250 million to the lenders of KCM. During the year ended 31 March 2021, the Company has made further payments of US$ 23 million to lenders of KCM. The Company has also reversed the amount of corporate guarantees which have expired, from the amount receivable and from the corresponding liability. The balance is presented as creditors due within one year.

ix. Additionally, the Company was owed US$ 16 million (31 March 2023: US$ 16 million) from KCM in the form guarantee commission and other receivables.

x. In addition to the loans, the Company also owes US$ 48 million (31 March 2023: US$ 46 million) of other receivables from Group companies. The above amounts include brand fee receivable from subsidiaries (refer note 11).

** The Company had given loans to its subsidiary, VRJL - II in previous years, which was further advanced as inter-company loans to its then fellow subsidiary, (KCM). With the loss of control over KCM w.e.f. 21 May 2019 and the ensuing recoverability assessment (Refer note 3 (a) of Group Financial Statements for details), VRJL- II had impaired its receivables from KCM in the year ended 31 March 2020. Consequently, the Company had also carried out an impairment assessment of its receivables from VRJL- II and had recognised an impairment of US$ 1,102 million during the year ended 31 March 2020. During the year ended 31 March 2021, VRJL- II has reversed the previously recognised impairment on its receivables from KCM, amounting to $ 118 million. Consequently, the Company has also carried out an impairment assessment of its receivables from VRJL- II and had recognised an impairment reversal of US$ 118 million during the year ended 31 March 2021. During the current year, the directors have assessed receivables from KCM for indicators of impairment and are of opinion that no further impairment has to be provided on these receivables. (For details refer Group Financial Statements).*

6. Company current asset investments

(US$ million)

	As at 31 March 2024	As at 31 March 2023
Liquid investments	49	30
Bank term deposits	43	49
Total	**92**	**79**

7. Company creditors: amounts falling due within one year

(US$ million)

	As at 31 March 2024	As at 31 March 2023
Accruals	155	246
Advance from related parties	29	201
Loan from subsidiary (Note 8)	793	698
Term Loans (Note 8)	683	274
Bonds	-	500
Guarantee amount payable on behalf of KCM (Refer note 5)	15	15
Dividend payable	2	2
Others	21	-
Total	**1,698**	**1,936**

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forming part of the consolidated financial statements as at and for the year ended 31 March 2024

8. Company creditors: amounts falling due after one year

(US$ million)

	As at 31 March 2024	As at 31 March 2023
Loan from subsidiaries	2,340	2,638
Advance from related parties	2	3
Term loans	1,262	1,210
Bonds:		
13.875% bonds due December 2028	894	947
7.13% bonds due june 2023	-	500
Less: Current Maturities (Note 7)		
Term Loans	(683)	(274)
Bonds	-	(500)
Total	**3,815**	**4,524**

i. As at 31 March 2024, loans from subsidiaries includes US$ 1,233 million (31 March 2023: US$ 1,203 million) due to Vedanta Finance UK Limited. During the year 2019-20, its maturity was extended to January 2022 and the rate of interest was amended to US$ LIBOR plus 410 basis points. During the year 2020-21, maturity of the said loan was further extended to October 2023 and rate of interest was amended to 7.84%. During the current year, $ 178 million loan is reclassified to Long term Borrowings and maturity of the said loan was further extended to October 2028 and rate of interest was amended to 11.07%.

ii. Loan from subsidiaries also includes US$ 793 million (31 March 2023: US$ 1,749 million) due to Vedanta Resources Finance II Plc (VRF2) which bears an interest at the rate 9.2% and is repayable in March 2025.

iii. Loan from subsidiaries also includes US$ 421 million (31 March 2023: US$ 384 million) due to Finsider Limited (FI) which bears an interest at the rate of 6.82% and is repayable in November 2027.

iv. Loan from subsidiaries also includes US$ 57 million (31 March 2023: US$ NIL) due to Vedanta Resources Finance Ltd (VRFL) which bears an interest at the rate 11.07% and is repayable in January 2028.

v. Loan from subsidiaries also includes US$ 629 million (31 March 2023: US$ NIL) due to Vedanta UK Holding Limited (VHUL) which bears an interest at the rate 18.5% and is repayable in February 2029.

Terms loans are made up of the following loan arrangements that the Company has executed:

i. During the year 2017-18, the Company executed facility agreements with State Bank of India for borrowings up to US$ 200 million in different tranches and bears interest at a rate of LIBOR plus 389 basis points. The loan is repayable in January 2025. During the year margin rate has been revised as 431 basis points As at 31 March 2024, the outstanding amount under this facility is US$ 200 million. The unamortized expense on this loan as at 31 March 2024 is US$ 5 million.

ii. During the year 2018-2019, the Company executed facility agreements with ICICI Bank Limited for borrowings up to US$ 200 million in different tranches and bears interest at a rate of LIBOR plus 390 basis points. During the previous year, US $ 120 million has been repaid. The loan is repaid in various instalments till September 2023. As at 31 March 2024, the outstanding amount under this facility is US$ NIL (31 March 2023: US$ 120 million). The unamortized expense on this loan as at 31 March 2024 is US$ NIL.

iii. During the year 2018-2019, the Company executed facility agreements with Bank of Baroda for borrowings up to US$ 200 million in different tranches and bears interest at a rate of LIBOR plus 350 basis points. The loan is repaid in various instalments till June 2024. During the previous year, US$ 20 million has been repaid. During the current year complete loan was repaid. As at 31 March 2024, the outstanding amount under this facility is US$ NIL (31 March 2023: US$ 145 million). The unamortized expense on this loan as at 31 March 2024 is US$ NIL.

iv. During the year 2019-20, the Company executed facility agreements with Syndicate Bank (since amalgamated into Canara Bank) for borrowings up to US$ 200 million in different tranches and bears interest at a rate of LIBOR plus 375 basis points. The loan is repayable in various instalments till December 2024. During the year LIBOR has been revised. As at 31 March

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forming part of the consolidated financial statements as at and for the year ended 31 March 2024

2024, the outstanding amount under this facility is US$ 120 million (31 March 2023: US$ 180 million). The unamortized expense on this loan as at 31 March 2024 is US$ 1.5 million.

v. During the previous year 2022-23, the Company executed into facility agreements with DBS RCF Bank for borrowings up to US$ 100 million and bears interest at a rate of LIBOR plus 450 basis points repayable as US$ 55 million in April 2023 and US$ 45 million in May 2023. During the year loan was fully repaid. As at 31 March 2024, the outstanding amount under this facility is US$ NIL (31 March 2023: US$ 100 million).

vi. During the previous year, the Company executed into facility agreements with State Bank of India for borrowings up to US$ 500 million and bears interest at a rate of LIBOR plus 506 basis points repayable as US$ 25 million in June 2023, US$ 100 million in June 2024, US$ 100 million in June 2025, US$ 125 million in June 2026 and US$ 150 million in June 2027. During the year US$ 25 million was been repaid. As at 31 March 2024, the outstanding amount under this facility is US$ 475 million (31st March 2023: US$ 500 million). The unamortized expense on this loan as at 31 March 2024 is US$ 14 million.

vii. During the previous year, the Company executed into facility agreements with Canara Bank for borrowings up to US$ 100 million and bears interest at a rate of LIBOR plus 350 basis points repayable in September 2025. As at 31 March 2024, the outstanding amount under this facility is US$ 100 million (31 March 2023: US$ 100 million). The unamortized expense on this loan as at 31 March 2024 is US$ 2 million.

viii. During the previous year, the Company has repaid bond amount of US$ 999 million bearing interest at the rate of 6.375% which was repayable in July 2022 and US$ 49 million bearing interest at the rate of 6.125% which was repayable in August 2024. During the year additional US$ 57mn has been repaid bearing interest at the rate of 6.125%.

ix. During the current year, the Company has repaid bond amount of US$ 500 million bearing interest at the rate of 7.125% which was repayable in May 2023.

x. During the current year, bond agreement has been amended of US$ 950mn with revise ROI 13.875% & repayable in 3 tranches of US$ 298 million each as Aug 2027, Aug 2028 & Dec 2028 respectively.

xi. During the current year, the Company executed a facility agreement with Glencore for an amount of US$ 250 million bearing an interest at a rate of SOFR plus 550 basis points repayable in 8 tranches as- US$ 31.25 million each as August 2024, November 2024, February 2025, May 2025, August 2025, November 2025, February 2026, May 2026. During the current year, US$ 55 million was repaid. As at 31 March 2024, the outstanding amount under this facility is US$ 195 million (31 March 2023: NIL). The unamortized expense on this loan as at 31 March 2024 is US$ 4 million.

xii. During the current year, the Company executed a facility agreement with Trafigura for an amount of US$ 200 million, bearing an interest at a rate of 12% repayable in May 2024. As at 31 March 2024, the outstanding amount under this facility is US$ 200 million (31 March 2023: NIL). The unamortized expense on this loan as at 31 March 2024 is US$ 1 million.

9. Lease liability

Movement in Lease liabilities is as follows:

(US$ million)

Particulars	Amount
At 01 April 2022	8
Interest on Lease Liabilities	0
Payments made	(1)
At 31 March 2023/ 01 April 2023	**7**
Interest on Lease Liabilities	0
Payments made	(1)
As at 31 March 2024	**6**

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forming part of the consolidated financial statements as at and for the year ended 31 March 2024

10. Company contingent liabilities

i. Vedanta Resources Limited ("VRL" or "the Company") has provided a financial and performance guarantee to the Government of India for erstwhile Vedanta Limited's ('VEDL') obligation under the Production Sharing Contract ('PSC') provided for onshore block RJ-ON-90/1, for making available financial resources equivalent to VEDL's share for its obligations under the PSC, personnel and technical services in accordance with industry practices and any other resources in case VEDL is unable to fulfil its obligations under the PSC. Similarly, the Company has also provided financial and performance guarantee to the Government of India for VEDL'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.

ii. During the year 2019-20, Vedanta Resources Finance II Plc (VRFII Plc) issued US$ 1,000 million bonds which were guaranteed by the Company. During the current year $ 400 million was repaid and $ 600 million is outstanding as at 31 March 2024. During the year 2020-21, VRFII Plc further issued US$ 1,000 million and US$ 1,200 million bonds which were guaranteed by the Company along with Twin Star Holdings Limited and Welter Trading Ltd as co-guarantors. As at 31 March 2023, the entire amount is outstanding. During the year ended 31 March 2023, US$ 530 million and US$ 192 million was repaid from Facility I and Facility II respectively. Outstanding amount as at 31 March 2024 is US$ 470 million and US$ 1,008 million respectively. (31 March 2023: US$ 1,000 million and US$ 1,200 million).

iii. During the year 2022-23, the Company, along with Finsider International Company Limited and Westglobe Limited as co-guarantors, has guaranteed US$ 1,000 million for a facility agreement entered by Vedanta Holdings Mauritius II Limited with OCM Verde XI Investments Pte. Limited as facility agent. US$ 427 million and US$ 323 million have been drawn under this facility during the years 2020-21 and 2021-22 respectively. During the current year loan was been fully repaid by VHM2L. Outstanding amount as at 31 March 2024 is US$ NIL (31 March 2023: US$ 255 million).

iv. During the year 2021-22, the Company has guaranteed US$ 400 million and $150 million for facility agreement entered by Twin Star Holdings Limited and Vedanta Netherlands Investments BV, respectively with Standard Chartered Bank. During the current year, both loans have been fully repaid by entities. As at 31 March 2024, amount outstanding under the said facility is US$ NIL (31 March 2023:US$ 250 million) by Twin Star Holdings Limited and US$ NIL (31 March 2023: US$ 150 million) by Vedanta Netherlands Investments BV.

v. During the previous year, the Company has guaranteed, jointly with Welter Trading Limited, US$ 200 million for a facility agreement executed by Twin Star Holdings Limited with Canara Bank. As at 31 March 2023, US$ 200 million has been drawn under the facility. The amount of loan outstanding as at 31 March 2024 is US$ 200 million (31 March 2023: US$ 200 million).

vi. During the previous year, the Company has guaranteed, jointly with Welter Trading Limited, US$ 150 million for a facility agreement executed by Twin Star Holdings Limited with Union Bank of India. As at 31 March 2023, US$ 150 million has been drawn under the facility. The amount of loan outstanding as at 31 March 2024 is US$ 135 million (31 March 2023: US$ 150 million).

vii. During the previous year, the Company has guaranteed, jointly with Welter Trading Limited, US$ 200 million for a facility agreement executed by Twin Star Holdings Limited with Standard Chartered Bank. During the year loan has been fully repaid. As at 31 March 2024, US$ NIL (31 March 2023: US$ 100 million) is outstanding in the books of Twin Star Holdings Limited.

viii. During the current year, certain subsidiaries of the Company has taken loan facilities aggregating to $1,250 million from Standard Chartered Bank which has been guaranteed by the company.

NOTES

forming part of the consolidated financial statements as at and for the year ended 31 March 2024

11. Related party transactions

During the year, the Company executed transactions, in the ordinary course of business, with other related parties. The Company has taken advantage of the exemption under paragraph 8(k) of FRS101 not to disclose transactions with wholly-owned subsidiaries. Transactions entered into and trading balances outstanding at 31 March 2024 with other related parties, are as follows:

(US$ million)

Name of Company	Relationship	Nature of transaction	Year Ended 2024	Year Ended 2023
Vedanta Limited	Subsidiary	PCO Income and Management & Brand fees charged	296	217
Vedanta Limited	Subsidiary	Receipt of service	(1)	(1)
Vedanta Limited	Subsidiary	Agency Commission	1	0
Vedanta Limited	Subsidiary	Guarantee commission income	14	20
Vedanta Limited	Subsidiary	(Reimbursement) of expenses	(0)	(0)
Vedanta Incorporated {Erstwhile Volcan Investments Limited}	Holding Company	Dividend declared	-	12
Volcan Investments Cyprus Limited	Holding Company	Dividend declared	-	6
ESL Steels Ltd (ESL)	Subsidiary	Brand fee charged	13	13
Talwandi Sabo Power Ltd	Subsidiary	Brand fee charged	5	5
Black Mountain Mining (Pty) Limited	Subsidiary	Brand fee charged	6	10
Cairn Energy Hydrocarbons Limited	Subsidiary	Brand fee charged	30	18
Cairn Energy Hydrocarbons Limited	Subsidiary	Payment of expenses	-	0
Cairn Energy Hydrocarbons Limited	Subsidiary	Guarantee commission income	3	3
Fujairah Gold FZC	Subsidiary	(Reimbursement) of expenses	-	(0)

Outstanding balances

(US$ million)

Name of Company	Relationship	Nature of transaction	As at 31 March 24	As at 31 March 2023
Vedanta Limited	Subsidiary	Receivable	3	31
Vedanta Limited	Subsidiary	Advance received	23	177
Namzinc Pty Limited	Subsidiary	(Payable)/Receivable	(0)	0
Sterlite Technologies Limited	Fellow Subsidiary	Receivable	0	0
Cairn India Holdings Limited	Subsidiary	Receivable	0	0
ESL Steels Ltd (ESL)	Subsidiary	(Payable)	(8)	(7)
Black Mountain Mining (Pty) Limited	Subsidiary	Receivable	1	2
Talwandi Sabo Power Ltd	Subsidiary	Receivable	1	1
Western Cluster Limited	Subsidiary	(Payable)/Receivable	(0)	0
Monte Cello BV	Subsidiary	(Payable)	(1)	(1)
Bloom Fountain Limited	Subsidiary	Receivable	0	0
THL Zinc Limited	Subsidiary	Receivable	0	0
THL Zinc Ventures Limited	Subsidiary	Receivable	0	0
Cairn Energy Hydrocarbon Limited	Subsidiary	Receivable/(Payable)	7	(15)
Vedanta Incorporated {Erstwhile Volcan Investments Limited}	Holding Company	Dividend payable	(1)	(1)
Volcan Investments Cyprus limited	Holding Company	Dividend payable	(1)	(1)

12. Subsequent Events

There have been no material events after reporting date, other than those already reported, which would require disclosure or adjustment to the financial statements for the year ended 31 March 2024.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VEDANTA RESOURCES LIMITED

For the purpose of this report, the terms "we" and "our" denote MHA in relation to UK legal, professional and regulatory responsibilities and reporting obligations to the members of Vedanta Resources Limited. For the purposes of the table in this report that sets out the key audit matters and how our audit addressed the key audit matters, the terms "we" and "our" refer to MHA. The Group financial statements, as defined below, consolidate the accounts of Vedanta Resources Limited and its subsidiaries (the "Group"). The "Parent Company" is defined as Vedanta Resources Limited, as an individual entity. The relevant legislation governing the Company is the United Kingdom Companies Act 2006 ("Companies Act 2006").

Opinion

We have audited the financial statements of Vedanta Resources Limited for the year ended 31 March 2023.

The financial statements that we have audited comprise:

- the Consolidated Income Statement
- the Consolidated Statement of Comprehensive Income
- the Consolidated Statement of Financial Position
- the Consolidated Cash Flow Statement
- the Consolidated Statement of Changes in Equity
- Notes 1 to 39 to the consolidated financial statements, including significant accounting policies
- the Company Balance Sheet
- the Company Statement of Changes in Equity and
- Notes 1 to 12 to the company financial statements, including significant accounting policies.

The financial reporting framework that has been applied in the preparation of the group's and parent company's financial statements is applicable law and International Financial Reporting Standards and International Accounting Standards as adopted in the United Kingdom (UK adopted IFRS). The financial reporting framework that has been applied in preparation of the Parent Company financial statements is United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 March 2023 and of the Group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with UK adopted IFRS;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Our opinion is consistent with our reporting to the Board of Directors.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the Directors' assessment of the Group's and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- The consideration of inherent risks to the Company's operations and specifically its business model.
- The evaluation of how those risks might impact on the Company's available financial resources.
- Where additional resources may be required the reasonableness and practicality of the assumptions made by the Directors when assessing the probability and likelihood of those resources becoming available.

- Liquidity and solvency considerations including examination of budgets and forecasts and their basis of preparation, including review and assessment of the model's mechanical accuracy and the reasonableness of assumptions included within.
- Consideration of terms and conditions attaching to financing facilities in place as at the date of the approval of the financial statements and compliance with covenants attaching to those facilities both up to the date of the approval of the financial statements and into the forecast period.
- Consideration of availability of funds required to settle funding facilities due for repayment during the going concern review period. Assessing the reasonableness and practicality of the mitigation measures identified by management in their conservative case scenario and considered by them in arriving at their conclusions about the existence of any uncertainties in respect of going concern.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Overview of our audit approach

Scope

Our audit was scoped by obtaining an understanding of the Group, including the Parent Company, and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the directors that may have represented a risk of material misstatement.

We, and our component auditors acting on specific group instructions, undertook full scope audits on the complete financial information of 21 components, specified audit procedures on particular aspects and balances on another 5 components and analytical procedures were undertaken on the remaining components.

Overall materiality	2023	2022	Benchmark used
Group	US$114m	US$145m	2.5% (2022: 2.5%) of EBITDA
Parent Company	US$17.8m	US$18.2m	0.25% (2022: 0.25%) of gross assets

Key audit matters

Recurring group

- Valuation of Konkola Copper Mines plc (KCM) receivables and equity investment
- Taxation claims and exposures
- Deferred taxation and Minimum Alternative Tax (MAT) credit recoverability
- Completeness of related party relationships and transactions
- Management override of controls in relation to revenue recognition

Our assessment of the Group's key audit matters is consistent with 2022 except for:

- The removal of the key audit matter in relation to the Rajasthan block Profit Sharing Contract (PSC) extension, as a result of extension agreement execution during the year.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those matters which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters

Valuation of Konkola Copper Mines plc (KCM) receivables and equity investment

Key audit matter description	As at 31 March 2023, KCM related receivables with a carrying value of US$682 million (2022: US$682 million) were recognised in the financial statements of Vedanta Resources Limited, whilst the value of the equity investment in KCM was US$Nil (2022 $Nil). We draw attention to note 3a of the accompanying consolidated financial statements which describes the uncertainty arising in respect of the valuation of KCM related receivables and equity interests under IFRS 9, as a result of the liquidation proceedings initiated by KCM's minority shareholder, ZCCM Investments Holdings Plc ("ZCCM"), against KCM. Due to the high level of subjectivity and material nature of this receivable, we have designated this as a key audit matter.
How the scope of our audit responded to the key audit matter	We have obtained an understanding of the liquidation proceedings through inquiries of the Company's management and review internal reports in relation to the matter. We have obtained and reviewed legal opinions obtained in the year from management, and assessed the competency of those providing legal opinions, and have considered how this has impacted on the fair value calculation. We engaged in discussion and challenged the approach of management appointed experts appointed to perform a fair value exercise in relation to the KCM economic interest. We performed procedures to assess the reasonableness of the key assumptions included in the valuation report, and the view taken by management in respect of the final value to be included in the financial statements. We engaged directly with third party valuation specialists, who formed their own opinion on the matter, to ensure that the conclusions reached by management and their experts were in line with those of an independent party.
Key observations communicated to the Group's Board of Directors	We concluded that the value determined is reasonable and in line with the requirements of IFRS 9, and that the uncertainties surrounding the valuation have been appropriately disclosed in the financial statements. Our opinion is not modified in respect of this matter.

Taxation claims and exposures

Key audit matter description	The Group is subject to various tax disputes, mainly with the Indian authorities, which have been ongoing for numerous years. A material risk exists that the provision for these disputes is insufficient, or the contingent liability disclosed is understated, due to the inherent uncertainty in such disputes and the requirement for management judgements on whether the tax risk is remote, possible, or probable. The most material disputes relate to: 1. Recomputed tax holiday claim on plants engaged in processing and casting zinc and lead ingots from zinc and lead cathodes and silver from silver mud. The majority of this dispute was classified as possible, which is the same classification as the prior year. 2. Rajasthan VAT Matter - Writ petition relating to sales tax. This was deemed as a remote tax risk by management.
How the scope of our audit responded to the key audit matter	We have engaged internal tax specialists to assist the audit team in performing work over all tax related matters. We have obtained an understanding of the processes in place to identify and assess risk in relation to tax disputes. We have critically reviewed detailed papers prepared by management assessing such risks and concluding on the appropriate accounting treatment of any potential liabilities. We have, along with local component auditors, reviewed the positions taken by management, and the relevant legal opinions, in respect of the major material taxation matters.
Key observations communicated to the Group's Board of Directors	We concluded that management's assessment is appropriate and as detailed in notes 11 and 32d.

Deferred tax and Minimum Alternative Tax (MAT) credit recoverability

Key audit matter description	The assessment and recoverability of deferred tax assets and MAT assets requires key management judgement regarding future suitable profits arising within a relevant timeframe, thus an inherent uncertainty and significant risk exists. The three most material elements of the recognised net deferred tax asset are MAT Credit Entitlement (US$1,148m asset), Unabsorbed Depreciation and Business Losses (US$597m asset) and Property, Plant and Equipment, Exploration and Evaluation and other intangible assets (US$1,317m liability). During the year there has been additional US$332m MAT credit recognised.
How the scope of our audit responded to the key audit matter	We have obtained an understanding of the relevant controls in relation to the Group's deferred tax and MAT calculations. We have reviewed the completeness and accuracy of movements in deferred tax balances in light of the relevant accounting requirements. We have critically assessed the MAT recoverability information provided to us regarding the key risk in Vedanta Limited. We have challenged management's judgements and significant assumptions in relation to the movements in the deferred tax and MAT balances by way of inquiry of management, including at local component level, and inspection of relevant documentation involving our tax specialists. We have analysed the Group income tax reconciliation and determined whether there were any unidentified temporary tax differences, (including where certain material losses have not been recognised historically). We have evaluated deferred tax balances and verified their mathematical accuracy including related to movements in the carrying amount of assets and liabilities used in management's calculation were correct. We have reviewed the accuracy and completeness of the Group's disclosures in respect of deferred tax and MAT.
Key observations communicated to the Group's Board of Directors	We concluded that management's assessment is appropriate and as detailed in note 11c.

Completeness of related party relationships and transactions

Key audit matter description	The Group enters into a number of trading, financing and investing transactions with related parties, including with key management personnel and with entities in which key management have interest and exercise a significant influence or control. There is a risk in respect of the existence of unidentified or undisclosed related parties and transactions, including the risk relating to significant transactions outside the normal course of business that could involve related parties. We therefore considered completeness of related party transactions to be a Key Audit Matter in light of the potential for unidentified or undisclosed related party transactions. This risk was considered greatest in respect of transactions outside the normal course of business or those entered into that are not recorded or disclosed by management in accordance with IAS 24.
How the scope of our audit responded to the key audit matter	We have reviewed and evaluated management's process for identifying and recording related parties and approving related party transactions. We have conducted review procedures of the audit work completed by component auditors to ensure the audit risk has been suitably addressed and aligns with the Group methodology. We have reviewed minutes of meetings of the Board of Directors and relevant sub-committees to assess whether there are new related party transactions entered during the financial year that are significant or outside the normal course of business. On Vedanta Resources Limited we have used our data analytics tool to search for transactions which have not been included in the related party disclosures. We have challenged management on potential counterparties identified which may include linkages to the Group to establish whether they should have been identified as related parties. We have performed independent searches of the Board of Directors' and other key management personnel's other appointments and shareholdings. We have conducted a review of the whistleblowing reports made to those charged with governance for any signs of undisclosed related party transactions or relationships. We have undertaken a review of press releases and media coverage to detect any potential undisclosed related party transactions either within or outside of the Group. We have reviewed the Group financial statements disclosures of related parties to ensure it is compliant with the requirements of IAS 24.
Key observations communicated to the Group's Board of Directors	We are satisfied that related party transactions are appropriately accounted for, and that required disclosures in accordance with IAS 24 have been made.

Management override of controls in relation to revenue recognition

Key audit matter description	The Group has a diverse range of revenue streams, some of which are subject to complex calculations and recognition criteria. Revenue for the year ended 31 March 2023 was US$18,283 million (2022: US$17,619 million). Revenue recognition criteria for the Group's material income streams is described in the note 2a iii. In our opinion, the complexity and diversity of revenue recognised means that it is subject to increased risk of material misstatement, either through fraud or error, and it has therefore been highlighted as a Key Audit Matter.
How the scope of our audit responded to the key audit matter	All major sources of revenue come from components where a component auditor was engaged to report to us. As part of their procedures, which we reviewed and critically assessed, the component auditors completed the following: Performed walkthroughs of revenue recognition processes at all full scope components, and at those components where revenue was highlighted as a specific risk area. Performed detailed controls testing, including IT controls, to confirm the operating effectiveness. Reviewed and inspected agreements in respect to assess reasonability of income recognised in Power businesses. Reviewed and inspected terms of profit-sharing agreements to assess reasonability of revenue recognised in Oil and Gas businesses. Designed tests of detail, where appropriate, to test the completeness and accuracy of revenue recognised. Performed suitable analytical procedures, comparing key ratios such as gross profit margin, to ensure reasonable to analyse, explain and corroborate any unexpected differences. Performed detailed cut off procedures including checking to source shipping documentation and other third-party information to ensure appropriate recognition of income. Reviewed journal entries using suitable data analytics software, to identify and query any unusual or unexpected entries affecting turnover. Reviewed recognition criteria under IFRS 15 and concluded on the appropriateness of revenue recognised.
Key observations communicated to the Group's Board of Directors	We concluded that revenue had been recorded appropriately in line with the requirements of IFRS 15.

Our application of materiality

Our definition of materiality considers the value of error or omission on the financial statements that, individually or in aggregate, would change or influence the economic decision of a reasonably knowledgeable user of those financial statements. Misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole. Materiality is used in planning the scope of our work, executing that work and evaluating the results.

Performance materiality is the application of materiality at the individual account or balance level, set at an amount to reduce, to an appropriately low level, the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

The determination of performance materiality reflects our assessment of the risk of undetected errors existing, the nature of the systems and controls and the level of misstatements arising in previous audits.

	Group financial statements	Parent Company financial statements
Overall materiality	US$ 114 million (2022: US$ 145 million)	US$ 17.8 million (2022: US$ 18.2 million)
How we determined it	2.5% of EBITDA (2022: 2.5% of EBITDA)	0.25% of Parent Company's gross assets (2022: 0.25% of Parent Company's gross assets)
Rationale for the benchmark applied	We consider the EBITDA to be a key indicator for the group and is reflective of the current and future performance of the company. In our opinion EBITDA is the KPI of critical interest to the users of the financial statements of Vedanta Resources Limited as it is the key measure of the company's success, demonstrating profitable trading and the ability to service debt capital and interest payments.	The parent company is a holding company whose purpose is to consolidate the active trading entities and a number of other group companies. We consider gross assets to be the most important balance to the users of the Parent Company financial statements.

	Group financial statements	Parent Company financial statements
Performance materiality	We set our 2023 performance materiality at 60% of overall materiality, amounting to US$68.7m (2022: 60%, US$87.1m) to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. In determining performance materiality, we considered a number of factors - the history of misstatements, our risk assessment and the strength and robustness of the control environment.	We set our 2023 performance materiality at 60% of overall materiality, amounting to US$10.7m (2022: 60%, US$10.9m) to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. In determining performance materiality, we considered a number of factors - the history of misstatements, our risk assessment and the strength and robustness of the control environment.
Reporting threshold	We agreed to report any corrected or uncorrected adjustments exceeding US$5.7m (2022: $7.2m) in respect of the Group to the Board of Directors as well as differences below this threshold that in our view warranted reporting on qualitative grounds.	We agreed to report any corrected or uncorrected adjustments exceeding US$5.7m and US$0.9m (2022: US$0.9m) in respect of the Parent Company to the Board of Directors as well as differences below this threshold that in our view warranted reporting on qualitative grounds.

Overview of the scope of the Group and Parent Company audits

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the directors that may have represented a risk of material misstatement.

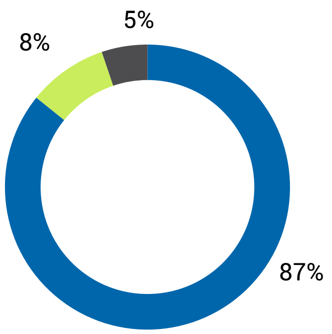
The Group's parent entity is UK based, whilst the primary location of operations is India.

Considering operational and financial performance and risk factors, we focused our assessment on the significant components and performed full scope audits of the UK parent company, certain other UK holding and financing companies and six significant operating companies being Vedanta Limited, Cairn India Holdings Limited, Talwandi Sabo Power Limited, Hindustan Zinc Limited, Bharat Aluminium Company Limited and ESL Steel Limited along with specified group level audit procedures on the material external balances at the non-significant components.

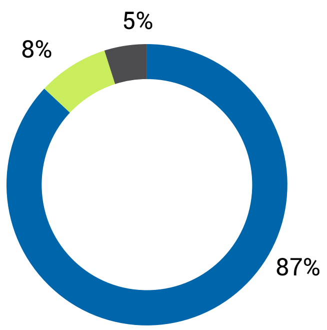
Our audit of the group financial statements also involved the use of component auditors. The group audit team provided comprehensive instructions to those component auditors. These instructions included details of the identified risks of material misstatement including those risks identified above. Those instruction also included an assessment of component materiality.

The group audit team discussed and agreed the proposed approach to addressing these risks with the component auditors and the nature and form of their reporting on the results of their work. The group team conducted reviews of the working papers prepared by component auditors using remote file reviews. They also participated in conference calls at various phases of the audit engagement as part of their management and control of the group audit engagement.

EBITDA



REVENUE



Full Scope | Limited Scope | Analytical Review

Notes:

- Full scope refers to the conduct of an audit of the components underlying financial information in accordance with ISAs UK.
- Limited scope incorporates those circumstances where component auditors have been instructed to perform certain procedures on financial statements areas or specific financial statement line items for individual components.
- Component auditors of lower risk components will usually be instructed to conduct a review of the financial position and performance of the component comparing the actual performance of that component with their valid expectations based on their knowledge

of the entity and any known changes in its operational environment and investigating any unusual or unexpected results.

- Some components have been identified as being immaterial to the group individually and in aggregate.

Material subsidiaries were determined based on:

- financial significance of the component to the Group as a whole; and
- assessment of the risk of material misstatements applicable to each component.

At the parent company level we also tested the consolidation process and carried out analytical procedures to confirm that there were no significant risks of material misstatement of the aggregated financial information of the remaining components not subject to audit or audit of specified account balances.

The control environment

We evaluated the design and implementation of those internal controls of the Group, including the Parent Company, which are relevant to our audit, such as those relating to the financial reporting cycle.

Climate-related risks

In planning our audit and gaining an understanding of the Group we considered the potential impact of climate-related risks on the business and its financial statements. We obtained management's climate-related risk assessment, along with relevant documentation and reports relating to management's assessment and held discussions with management to understand their process for identifying and assessing those risks.

We engaged internal specialists to assess, amongst other factors, the benchmarks used by management, the nature of the Group's business activities, its processes and the geographic distribution of its activities.

We critically reviewed management's assessment and challenged the assumptions underlying their assessment. We made enquiries to understand the extent of the potential impact of climate change risks on the Group's financial statements. This has included a review of critical accounting estimates and judgements, and the effect on our audit approach. We also considered the ongoing viability of the business in respect both to direct climate risks and changes in legislation as nations grapple with their commitments to reduce emissions.

Reporting on other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received by branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Parent 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 the directors either intend to liquidate the Group or Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities . This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

Identifying and assessing potential risks arising from irregularities, including fraud

The extent of the procedures undertaken to identify and assess the risks of material misstatement in respect of irregularities, including fraud, included the following:

- We considered the nature of the industry and sector, the control environment, business performance including remuneration policies and the Group's, including the Parent Company's, own risk assessment that irregularities might occur as a result of fraud or error. From our sector experience and through discussion with the directors and component auditors, we obtained an understanding of the legal and regulatory frameworks applicable to the Group focusing on laws and regulations that could reasonably be expected to have a direct material effect on the financial statements, such as provisions of Indian corporate and tax law, the Companies Act 2006, UK tax legislation or those that had a fundamental effect on the operations of the Group.
- We enquired of the directors and management concerning the Group's and the Parent Company's policies and procedures relating to:
  - identifying, evaluating and complying with the laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they had any knowledge of actual or suspected fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur by evaluating management's incentives and opportunities for manipulation of the financial statements. This included utilising the spectrum of inherent risk and an evaluation of the risk of management override of controls. The group engagement team shared this risk assessment with the Component Auditors of Significant Subsidiaries so that they could include appropriate audit procedures in response to such risks in their work.

Audit response to the risks identified

In respect of the above procedures we:

- Obtained an understanding of the legal and regulatory frameworks that the Group operates in, focusing on those laws and regulations that had a direct effect on the financial statements. We also reviewed and challenged component auditor workpapers in respect of compliance with local relevant laws in operation in India, including reviewing third party opinions obtained by the component auditors in respect of the most significant legal matters.

- We considered the key UK laws and regulations including, the Companies Act 2006 and applicable tax legislation. In addition, we considered compliance with the UK Bribery Act and employee legislation, as fundamental to the Group's operations.
- Enquired of management to identify any instances of non-compliance with laws and regulations.
- Reviewed financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Enquired of management around actual and potential litigation and claims including review of professional legal opinions where appropriate.
- Enquired of management to identify any instances of known or suspected instances of fraud.
- Discussed among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.
- Reviewed minutes of meetings of those charged with governance.
- Reviewed internal audit reports.
- Reviewed the control systems in place and testing the effectiveness of certain controls.
- Performed audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business, and reviewing accounting estimates for bias; and
- Assessed the procedures performed by component auditors in respect of the capability of such procedures to detect irregularities including fraud, from a detailed review of their work.

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Rakesh Shaunak
FCA (Senior Statutory Auditor)
for and on behalf of MHA, Statutory Auditor
London, United Kingdom
8 June 2023

MHA is a trading name of MacIntyre Hudson LLP , a limited liability partnership in England and Wales (registered number OC312313)

CONSOLIDATED INCOME STATEMENT

(US$ million)

	Note	Year ended 31 March 2023			Year ended 31 March 2022		
		Before Special items	Special items (Note 6)	Total	Before Special items	Special items (Note 6)	Total
Revenue	5	18,141	142	18,283	17,619	-	17,619
Cost of sales		(14,178)	(259)	(14,437)	(11,870)	(57)	(11,927)
Gross profit		**3,963**	**(117)**	**3,846**	**5,749**	**(57)**	**5,692**
Other operating income		239	-	239	244	-	244
Distribution costs		(476)	-	(476)	(459)	-	(459)
Administrative expenses		(530)	-	(530)	(507)	-	(507)
Impairment (charge)/ reversal [net]	6	-	(61)	(61)	-	465	465
Operating profit/ (loss)		**3,196**	**(178)**	**3,018**	**5,027**	**408**	**5,435**
Investment revenue	7	251	-	251	153	-	153
Finance costs	8	(1,558)	-	(1,558)	(1,402)	-	(1,402)
Other gains and (losses) [net]	9	(79)	-	(79)	(38)	-	(38)
Profit/ (Loss) before taxation (a)		**1,810**	**(178)**	**1,632**	**3,740**	**408**	**4,148**
Net (expense)/tax credit (b)	11	(894)	100	(794)	(1,400)	(170)	(1,570)
Profit/ (Loss) for the year (a+b)		**916**	**(78)**	**838**	**2,340**	**238**	**2,578**
Attributable to:							
Equity holders of the parent		49	(54)	(5)	825	177	1,002
Non-controlling interests		867	(24)	843	1,515	61	1,576
Profit/ (Loss) for the year		**916**	**(78)**	**838**	**2,340**	**238**	**2,578**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(US$ million)

	Year ended 31 March 2023	Year ended 31 March 2022
Profit/ (Loss) for the year	**838**	**2,578**
Items that will not be reclassified subsequently to income statement:		
Remeasurement of net defined benefit plans (note 26)	(1)	(2)
Tax effects on net defined benefit plans	1	0
(Loss)/gain on fair value of financial asset equity investment	(5)	2
Total (a)	**(5)**	**0**
Items that may be reclassified subsequently to income statement:		
Exchange differences arising on translation of foreign operations	(614)	(214)
Loss on fair value of financial asset debt investment	(4)	-
Gain/(loss) on cash flow hedges	430	(36)
Tax effects arising on cash flow hedges	(149)	12
(Gain)/ loss on cash flow hedges recycled to income statement	(428)	50
Tax effects arising on cash flow hedges recycled to income statement	150	(18)
Total (b)	**(615)**	**(206)**
Other comprehensive loss for the year (a+b)	**(620)**	**(206)**
Total comprehensive income for the year	**218**	**2,372**
Attributable to:		
Equity holders of the parent	(301)	906
Non-controlling interests	519	1,466
Total comprehensive income for the year	**218**	**2,372**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(US$ million)

	Note	As at 31 March 2023	As at 31 March 2022
Assets			
Non-current assets			
Goodwill	14	12	12
Intangible assets	15	64	90
Property, plant and equipment	16	12,786	13,484
Exploration and evaluation assets	16	284	220
Financial asset investments	17	63	20
Non-current tax assets	11(d)	328	365
Other non-current assets	18	1,680	1,718
Deferred tax assets	11(c)	1,268	860
		16,485	**16,769**
Current assets			
Inventories	19	1,830	1,895
Trade and other receivables	18	2,279	2,479
Financial instruments (derivatives)	24	26	34
Current tax assets		45	3
Short-term investments	20	1,728	3,117
Cash and cash equivalents	21	1,037	1,328
		6,945	**8,856**
Total assets		**23,430**	**25,625**
Liabilities			
Current liabilities			
Borrowings	22(a)	5,809	4,972
Operational buyer's credit/supplier's credit	22(c)	1,667	1,477
Trade and other payables	23	5,513	4,816
Financial instruments (derivatives)	24	23	70
Retirement benefits	26	8	14
Provisions	25	38	42
Current tax liabilities		191	122
		13,249	**11,513**
Net current liabilities		**(6,304)**	**(2,657)**
Non-current liabilities			
Borrowings	22(a)	9,549	11,110
Trade and other payables	23	219	254
Financial instruments (derivatives)	24	2	1
Deferred tax liabilities	11(c)	866	764
Retirement benefits	26	27	21
Provisions	25	390	427
		11,053	**12,577**
Total liabilities		**24,302**	**24,090**
Net assets		**(872)**	**1,535**
Equity			
Share capital	29	29	29
Hedging reserve		(90)	(88)
Other reserves		(750)	(456)
Retained earnings		(2,537)	(2,598)
Equity attributable to equity holders of the parent		**(3,348)**	**(3,113)**
Non-controlling interests	30	**2,476**	**4,648**
Total equity		**(872)**	**1,535**

Financial Statements of Vedanta Resources Limited with registration number 4740415 were approved by the Board of Directors on 08 June 2023 and signed on their behalf by

AR Narayanaswamy
Director

Deepak Kumar
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT

(US$ million)

	Note	Year ended 31 March 2023	Year ended 31 March 2022
Operating activities			
Profit/(Loss) before taxation		1,632	4,148
Adjustments for:			
Depreciation and amortisation		1,382	1,228
Investment revenues		(251)	(153)
Finance costs		1,558	1,402
Other (gains) and losses (net)		79	38
Loss/(Gain) on disposal of Property plant and equipment		1	(17)
Share-based payment charge		11	14
Liabilities written back		(34)	(9)
Exploration costs written off		30	351
Impairment charge/ (reversal) of assets/asset under construction written off		61	(843)
Transfer of CSR Assets		15	-
Provision for doubtful debts (net)/advance/bad debts written off		53	-
Write off of Asset under construction, land & capital advances		-	27
Other special items		-	57
Other non cash items		(7)	-
Operating cash flows before movements in working capital		**4,530**	**6,243**
Increase in inventories		(92)	(585)
Decrease/ (Increase) in receivables		280	(4,465)
Increase in payables		363	4,281
Cash generated from operations		**5,081**	**5,474**
Dividend Received		2	-
Interest received		210	185
Interest paid		(1,503)	(1,559)
Income taxes paid (net of refunds)		(998)	(795)
Dividends paid		(16)	(131)
Refund of dividend distribution tax		10	-
Net cash inflow from operating activities		**2,786**	**3,174**
Cash flows from investing activities			
Purchases of property, plant and equipment, intangibles, exploration and evaluation assets		(1,700)	(1,407)
Proceeds on disposal of property, plant and equipment, intangibles, exploration and evaluation assets		16	44
Proceeds from redemption of short-term investments	22(b)	16,185	16,601
Purchases of short-term investments	22(b)	(15,092)	(14,603)
Purchase of long term investments	34	(30)	-
Payment made to site restoration fund		(16)	(20)
Net cash inflow/(used in) in investing activities		**(637)**	**615**
Cash flows from financing activities			
Payment for acquiring non-controlling interest		(2)	(1,971)
Dividends paid to non-controlling interests of subsidiaries		(2,523)	(1,075)
Proceeds/(repayment of) working capital loan (net)	22(b)	(118)	118
Proceeds from other short-term borrowings	22(b)	2,971	2,815
Repayment of other short-term borrowings	22(b)	(2,281)	(2,349)
Proceeds from long-term borrowings	22(b)	3,819	4,207
Repayment of long-term borrowings	22(b)	(4,317)	(4,893)
Payment of lease liabilities		(23)	(31)
Net cash used in financing activities		**(2,474)**	**(3,179)**
Net increase/(decrease) in cash and cash equivalents		**(325)**	**610**
Effect of foreign exchange rate changes		(83)	(45)
Cash and cash equivalents at beginning of the year		1,266	701
Cash and cash equivalents at end of the year	21 & 22(b)	**858**	**1,266**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2023

(US$ million)

	Attributable to equity holders of the parent						
	Share capital (Note 29)	Hedging reserve	Other reserves[1]	Retained earnings	Total	Non-controlling Interests	Total equity
At 01 April 2022	**29**	**(88)**	**(456)**	**(2,598)**	**(3,113)**	**4,648**	**1,535**
Profit/ (Loss) for the year	-	-	-	(5)	(5)	843	838
Other comprehensive income/ (loss) for the year	-	(2)	(294)	-	(296)	(324)	(620)
Total comprehensive income/ (loss) for the year	**-**	**(2)**	**(294)**	**(5)**	**(301)**	**519**	**218**
Dividends paid/ payable (note 13)	-	-	-	(18)	(18)	(2,825)	(2,843)
Exercise of stock options of subsidiary	-	-	-	7	7	8	15
Acquisition/sale of stake in Subsidiary[3,4]	-	-	-	63	63	137	200
Change in fair value of put option liability/ conversion option asset/derecognition of non-controlling interest	-	-	-	7	7	(9)	(2)
Refund of Dividend Distribution Tax	-	-	-	7	7	3	10
Other changes in non-controlling interests[2]	-	-	-	-	-	(5)	(5)
At 31 March 2023	**29**	**(90)**	**(750)**	**(2,537)**	**(3,348)**	**2,476**	**(872)**

1. Other reserves comprise the currency translation reserve, merger reserve, investment revaluation reserve, debenture redemption reserve, capital redemption reserve and the general reserves established in the statutory accounts of the Group's subsidiaries.
2. Includes share-based payment charge by subsidiaries.
3. During the current year ended 31 March 2023, Ferro Alloys Corporation Limited (FACOR), wholly owned subsidiary of Vedanta Limited, acquired 20,000,000 shares in its subsidiary, Facor Power Limited (FPL), increasing its stake from 90% to 98.69%. On 21 November 2022, FPL amalgamated with Facor. Refer Note 3(c).
4. During the current year ended 31 March 2023, VRL, through its subsidiary Vedanta Netherlands Investment B.V. (VNIB) reduced its shareholding from 63,514,714 shares to 5,014,714 equity shares of Vedanta Limited ("VEDL") thereby decreasing its overall stake from 69.68% to 68.10% of the total paid-up share capital of VEDL.

For the year ended 31 March 2022

(US$ million)

	Attributable to equity holders of the parent						
	Share capital (Note 29)	Hedging reserve	Other reserves[1]	Retained earnings	Total	Non-controlling Interests	Total equity
At 01 April 2021	**29**	**(97)**	**(296)**	**(2,783)**	**(3,147)**	**5,478**	**2,331**
Profit for the year	-	-	-	1,002	1,002	1,576	2,578
Other comprehensive income/ (loss) for the year	-	9	(105)	-	(96)	(110)	(206)
Total comprehensive income/ (loss) for the year	**-**	**9**	**(105)**	**1,002**	**906**	**1,466**	**2,372**
Transfers	-	-	(55)	55	-	-	-
Dividends paid/ payable (note 13)	-	-	-	(131)	(131)	(1,075)	(1,206)
Exercise of stock options of subsidiary	-	-	-	7	7	6	13
Acquisition of stake in Subsidiary[3]	-	-	-	(752)	(752)	(1,219)	(1,971)
Change in fair value of put option liability/ conversion option asset/derecognition of non-controlling interest	-	-	-	4	4	(4)	0
Other changes in non-controlling interests[2]	-	-	-	-	-	(4)	(4)
At 31 March 2022	**29**	**(88)**	**(456)**	**(2,598)**	**(3,113)**	**4,648**	**1,535**

1. Other reserves comprise the currency translation reserve, merger reserve, investment revaluation reserve, debenture redemption reserve, capital redemption reserve and the general reserves established in the statutory accounts of the Group's subsidiaries.
2. Includes share-based payment charge by subsidiaries.
3. During the year ended 31 March 2022, VRL, through its subsidiaries, purchased 541,731,161 equity shares of Vedanta Limited ("VEDL") thereby increasing its overall stake from 55.11% to 69.68% of the total paid-up share capital of VEDL

OTHER RESERVES COMPRISE

(US$ million)

	Currency translation reserve	Merger reserve[(2)]	Financial asset investment revaluation reserve	Capital reserve	Other reserves[(3)]	Total
At 01 April 2021	**(2,512)**	**4**	**11**	**29**	**2,172**	**(296)**
Exchange differences on translation of foreign operations	(105)	-	-	-	-	(105)
Gain on fair value of financial asset investments	-	-	1	-	-	1
Remeasurements	-	-	-	-	(1)	(1)
Transfer to retained earnings [(1)]	-	-	-	-	(55)	(55)
At 31 March 2022	**(2,617)**	**4**	**12**	**29**	**2,116**	**(456)**
Exchange differences on translation of foreign operations	(289)	-	-	-	-	(289)
Loss on fair value of financial asset investments	-	-	(5)	-	-	(5)
Remeasurements	-	-	-	-	0	0
At 31 March 2023	**(2,906)**	**4**	**7**	**29**	**2,116**	**(750)**

(1) Transfer to retained earnings during the year ended 31 March 2023 includes withdrawal of Nil from debenture redemption reserve (31 March 2022: US$ 55 million from debenture redemption reserve).

(2) The merger reserve arose on incorporation of the Company during the year ended 31 March 2004. The investment in Twin Star had a carrying amount value of US$ 20 million in the accounts of Volcan. As required by the Companies Act 1985, Section 132, upon issue of 156,000,000 Ordinary shares to Volcan, Twin Star's issued share capital and share premium account have been eliminated and a merger reserve of US$ 4 million arose, being the difference between the carrying value of the investment in Twin Star in Volcan's accounts and the nominal value of the shares issued to Volcan.

(3) Other reserves include legal reserves of US$ 4 million (31 March 2022: US$ 4 million), debenture redemption reserve of US$ 36 million (31 March 2022: US$ 36 million) and balance mainly includes general reserve and capital redemption reserve. Debenture redemption reserve is required to be created under the Indian Companies Act from annual profits until such debentures are redeemed. Legal reserve is required to be created by Fujairah Gold by appropriation of 10 % of profits each year until the balance reaches 50% of the paid-up share capital. This reserve is not available for distribution except in circumstances stipulated by the Articles of Incorporation. Under the erstwhile Indian Companies Act, 1956, general reserve was created in relation to Group's Indian subsidiaries through an annual transfer of net income to general reserve at a specified percentage in accordance with applicable regulations. The purpose of these transfers is to ensure that the total dividend distribution is less than total distributable reserves for that year. The said requirement was dispensed with w.e.f. 01 April 2013 and there are no restrictions on use of these reserves.

GROUP OVERVIEW

Vedanta Resources Limited ("Vedanta" or "VRL" or "Company") is a company incorporated and domiciled in the United Kingdom. Registered address of the Company is 8th Floor, 20 Farringdon Street, London, EC4A 4AB. Vedanta 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.

Details of Group's various businesses are as follows. The Group's percentage holdings in each of the below businesses are disclosed in note 38.

- 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 Vedanta Limited and its subsidiary, Cairn Energy Hydrocarbons Limited and consists of exploration, development and production of oil and gas.

- The Group's iron ore business is owned by the Vedanta Limited, 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 Group has participated. The Group 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 Vedanta Limited, Copper Mines of Tasmania Pty Ltd ("CMT") and Fujairah Gold FZC and is principally one of custom smelting 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 Group'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 Group 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. [Refer note 2(c)(I)(iii)].

Further, the Group's copper business includes refinery and rod plant at Silvassa consisting of a 245,000 million tonnes 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.

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 Vedanta Limited 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 Vedanta Limited, BALCO, and Talwandi Sabo Power Limited ("TSPL"), a wholly owned subsidiary of the Vedanta Limited, which are engaged in the power generation business in India. Vedanta Limited 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, 140,000 TPA, 100 MW power plant and a mine in Sukinda valley with current capacity of 290,000 TPA. DCCPL is involved in business of producing slag cements and owns three ball mills with capacity of 218,000 TPA.

Delisting of American Depositary Shares ("ADSs") of Vedanta Limited

The American Depositary Shares (ADS) of the Vedanta Limited ('VEDL') have been delisted from NYSE effective close of trading on NYSE on 08 November 2021. In furtherance to the delisting of ADS, VEDL had filed form 15F on 01 December 2022 with the U.S. Securities Exchange Commission ("SEC") to deregister the ADSs 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 are ceased and the Company has been deregistered from SEC under the Exchange Act effective 01 March 2023.

NOTES TO THE FINANCIAL STATEMENTS

1. Basis of preparation and basis of measurement of financial statements

a) Basis of preparation

The consolidated financial statements have been prepared in accordance with those parts of the Companies Act, 2006 applicable to companies reporting under International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) as adopted in the United Kingdom ("UK adopted IFRS").

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. The application of UK adopted IFRS has had no impact on accounting policies.

These financial statements were approved for issue by the Board of Directors on 08 June 2023.

These financial statements are presented in US dollars being the functional currency of the Company and all values are rounded off to the nearest million except when indicated otherwise. Amounts less than US$ 0.5 million have been presented as "0".

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 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.

c) Going concern

The Group has prepared the consolidated financial statements on a going concern basis. The Directors have considered a number of factors in concluding on their going concern assessment.

The Group monitors and manages its funding position and liquidity requirements throughout the year and routinely forecasts its future cash flows and financial position. The key assumptions for these forecasts include production profiles, commodity prices and financing activities.

Prior to current period, the last going concern assessment carried out for the period ended 30 September 2022 was approved by the Board of Directors in December 2022. The Directors were confident that the Group will be able to operate within the levels of its current facilities for the foreseeable future, that the Group will be able to roll-over or obtain external financing as required and that prices will remain within their expected range.

While the mitigating actions as highlighted in the period ended 30 September 2022 financial statements remain available to the Group, following recent significant developments have had a positive bearing on the liquidity and Company's ability to continue as a going concern;

a. Vedanta has raised new term loans for refinancing of US$ 950 million and short-term loans of US$ 350 million for a period ranging from 6 months to 1 year.

The Directors consider that the expected operating cash flows of the Group combined with the current finance facilities which are in place give them confidence that the Group has adequate resources to continue as a going concern.

The Directors have considered the Group's ability to continue as a going concern in the period to 30 September 2024 ("the going concern period") under both a base case and a downside case.

The downside case assumes, amongst other sensitivities, delayed ramp-up and re-opening of projects, deferment of additional capital expenditure and a conservative assumption of uncommitted refinancing.

- **Covenant Compliance**

The Group's financing facilities, including bank loans and bonds, contain covenants requiring the Group to maintain specified financial ratios. The Group has complied with all the covenant requirements till 31 March 2023.

The Directors of the Group are confident that the Group will be able to comply requisite covenants for the going concern period and will be able to execute mitigating actions as mentioned below, to ensure that the Group avoids, or secures waivers or relaxations for future period breaches, if any, of its covenants during the going concern period.

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Mitigating actions

The mitigating options available to the Group and Company to address the uncertainties in relation to going concern include:

- Execution of an off-take agreement covering certain future production and amounting potentially to c. US$ 1 billion. The Group is currently negotiating with a number of interested bidders for an off-take agreement, under which the Group would receive an advance payment in return for supply of certain future production. However, no agreement has been concluded and there is a therefore uncertainty as to the Group's ability to access these funds.

- Extension of working capital facilities and rollover of commercial papers: As at 31 March 2023, the Group had unutilised working capital facilities amounting to c. US$ 1.4 billion and commercial papers in issue amounting to c. US$ 0.6 billion. These facilities are not committed for the full duration of the going concern period to September 2024, but rather must be extended or rolled over. There is therefore a risk that, in adverse market conditions, the Group would not be able to extend or roll over these facilities. However, the Directors assess that the Group has a strong record of extending and rolling over these short-term facilities and has historically had significantly higher levels of commercial papers in issue.

- Access to buyer's/supplier's credit and customer advances: As at 31 March 2023, the Group had c. US$ 1.7 billion of supplier's credit and c. US$ 0.9 billion of advances from customers. These financing arrangements are integral to the business of certain Group divisions but are not committed for the full duration of the going concern period. There is therefore a risk that the Group will not be able to access these financing arrangements in the future. Nevertheless, the Directors note that the Group has in the past consistently obtained supplier credit and customer advances at current levels.

Conclusion

Notwithstanding the factors described above, the Directors have confidence in Group's ability to execute sufficient mitigating actions. Based on these considerations, the Directors have a reasonable expectation that the Group and the Company will meet its commitments as they fall due over the going concern period. Accordingly, the Directors continue to adopt the going concern basis in preparing the Group's consolidated financial statements and Company's standalone financial statements.

d) Parent Company financial statements

The financial statements of the parent company, Vedanta Resources Limited, incorporated in the United Kingdom, have been prepared in accordance with FRS 101 and The Companies Act 2006. The Company financial statements and associated notes have been presented separately.

2 (a) Accounting policies

(i) Basis of Consolidation

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 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 income statement, consolidated statement of comprehensive income and consolidated statement of financial position.

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

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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 income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Intra-group balances and transactions, and any unrealised profits arising from intra-group transactions, are eliminated. Unrealised losses are eliminated unless costs cannot be recovered.

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.

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 37.

Joint venture

The Group accounts for its interest in joint ventures using the equity method, after initially being recognised at cost in the consolidated statement of financial position. Goodwill arising on the acquisition of joint venture is included in the carrying value of investments in joint venture.

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. Goodwill arising on the acquisition of associates is included in the carrying value of investments in associate.

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 associate and joint ventures are recognised as a reduction in carrying amount of the investment.

The consolidated income statement and consolidated statement of comprehensive income 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 recognised. 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

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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 2 (a)(xi) below.

(ii) Business combination

Business combinations are accounted for under the acquisition method. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 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 recognised 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 surplus is credited to the consolidated income statement in the period of acquisition. 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 as of 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 income statement.

If the Group acquires a group of assets in a company that does not constitute a business combination in accordance with IFRS 3 '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 scoped out of IFRS 3 and there is no authoritative literature for these transactions under IFRS. As a result, the Group adopted accounting principles similar to the pooling-of-interest method based on the predecessor values. The assets and liabilities of the acquired entity are recognised at the book values recorded in the ultimate parent entity's consolidated financial statements. The components of equity of the acquired companies are added to the same components within Group equity except that any share capital and investments in the books of the acquiring entity is cancelled and the differences, if any, is adjusted in the opening retained earnings/ capital reserve. The Company's shares issued in consideration for the acquired companies are recognised 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 years' comparative information is only adjusted for periods during which the entities were under common control.

(iii) 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

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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 IFRS 9 'Financial Instruments' rather than IFRS 15 'Revenue from contracts with customers' and therefore the IFRS 15 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 Consolidated Income Statement 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 income statement 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.

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(iv) Special items

Special 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 years. Also, tax charges related to Special items and certain one-time tax effects are considered Special. Such items are material by nature or amount to the year's result and require separate disclosure in accordance with UK adopted IFRS. The determination as to which items should be disclosed separately requires a degree of judgement.

(v) Property, Plant and Equipment

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 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 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 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.

The estimates of hydrocarbon reserves and resources have been derived in accordance with the Society of Petroleum Engineers "Petroleum Resources Management System (2018)".

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 income statement.

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 income statement to the extent that the net proceeds exceed or are less than the appropriate portion of the net capitalised costs of the asset.

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Exploration and evaluation 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 (property, plant and equipment) and stated at cost less impairment, if any. Exploration and evaluation assets are transferred to the appropriate category of property, plant and equipment when the technical feasibility and commercial viability has been determined. Exploration and evaluation assets 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 licences 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 exploratory drilling and equipping exploratory and appraisal wells.

Exploration expenditure incurred in the process of determining oil and gas exploration targets is capitalised within “exploration and evaluation 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 & 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 income statement.

Expenditure incurred on the acquisition of a licence interest is initially capitalised on a licence-by-licence basis. Costs are held undepleted, within exploration and evaluation assets until such time as the exploration phase on the licence 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 income statement.

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 income statement 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 income statement when the asset is derecognised. Major inspection and overhaul expenditure is capitalised, if the recognition criteria are met.

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(vi) 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. Asset under construction is carried at cost less accumulated impairment losses, if any.

(vii) Depreciation, depletion and amortisation expense

Mining properties and other assets in the course of development or construction, 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 assets

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 commercial 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.

Commercial reserves are proven and probable oil and gas reserves, which are defined as the estimated quantities of crude oil, natural gas and natural gas liquids which geological, geophysical and engineering data demonstrate with a specified degree of certainty to be recoverable in future years from known reservoirs and which are considered commercially producible.

Costs used in the unit of production calculation comprise the net book value of capitalised costs plus the estimated future field development costs required to access the commercial reserves. Changes in the estimates of commercial reserves or future field development costs are dealt with 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 - operations and administration	3-60
Plant and machinery	15-40
Railway Sidings	15
Office equipment	3–6
Furniture and fixtures	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 income statement 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.

(viii) 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

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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 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 IFRIC 12 "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 10 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 income statement when the asset is derecognised.

The amortisation period and the amortisation 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.

(ix) 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 consolidated statement of financial position.

(x) Impairment

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.

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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 income statement.

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 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;
- 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 under-way or planned. To the extent that capitalised expenditure is no longer expected to be recovered, it is charged to the consolidated income statement.

(xi) 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.

(a) 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 marketplace (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 IFRS 15.

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

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income in consolidated income statement. The losses arising from impairment are recognised in consolidated income statement.

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 recognised in other comprehensive income (OCI). However, interest income, impairment losses and reversals and foreign exchange gain or loss are recognised in the consolidated income statement. On derecognition of the asset, cumulative gain or loss previously recognised in other comprehensive income is reclassified from the equity to consolidated income statement. 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 Group may make an irrevocable election to present subsequent changes in the fair value in OCI. The Group makes such election on an instrument-by-instrument basis. If the Group 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 consolidated income statement, even on sale of investment. However, the Group 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 amortised cost or as FVOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortised 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 recognised in consolidated income statement.

Equity instruments

An equity instrument in the scope of IFRS 9 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies are classified as at FVTPL.

For equity instruments which are classified as FVTPL, all subsequent fair value changes are recognised in the consolidated income statement.

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.

(b) 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.

(c) Impairment of financial assets

In accordance with IFRS 9, the Group applies expected credit loss ("ECL") model for measurement and recognition of impairment loss on the following financial assets:

i. Financial assets that are debt instruments, and are measured at amortised cost, e.g., loans, debt securities and deposits;

ii. Financial assets that are debt instruments and are measured as at FVOCI;

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iii. Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of IFRS 15.

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 recognised as income/ expense in consolidated income statement. The consolidated statement of financial position presentation for various financial instruments is described below:

i) 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.

ii) 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.

(d) 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

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as hedging instruments in hedge relationships as defined by IFRS 9. 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 income statement.

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 IFRS 9 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognised 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 income statement. 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 consolidated income statement 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 income statement.

(e) 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 income statement.

(f) 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 IFRS 9, the Group does not separate embedded derivatives. Rather, it applies the classification requirements contained in IFRS 9 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 Consolidated Income Statement, unless designated as effective hedging instruments.

(g) 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.

(h) Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the consolidated statement of financial position if

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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.

(i) 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 income statement, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to the consolidated income statement 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, Group classifies hedges 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;

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 income statement 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 income statement. 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 income statement.

Amounts recognised in OCI are transferred to the consolidated income statement 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

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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.

(xii) 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 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 (vii) 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

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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 included in Trade and other payables.

(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.

(xiii) 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 a 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.

Inventories of 'Fuel Stock' mainly consist of coal which is used for generating power. On consumption, the cost is charged off to 'Cost of sales' in the consolidated income statement.

(xiv) 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 income statement over the periods necessary to match them with the related costs, which they are intended to compensate.

Government grants relating to tangible fixed assets are deducted in calculating the carrying amount of the assets and recognised in the consolidated income statement over the expected useful lives of the assets concerned as a reduced depreciation expense.

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.

(xv) 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

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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 realised 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 recognised outside the consolidated income statement is recognised outside the consolidated income statement (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 income statement/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 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.

(xvi) 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 income statement.

Past service costs are recognised in the consolidated income statement 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 costs are recognised within cost of sales and administrative expenses and distribution expenses. Net interest expense or income is recognised within finance costs.

For defined contribution schemes, the amount charged to the consolidated income statement 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.

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(xvii) 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 the 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 share awards likely to vest is reviewed at each reporting 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.

(xviii) Provisions, contingent liabilities and contingent assets

The assessments undertaken in recognising provisions and contingencies have been made in accordance with the applicable UK adopted IFRS.

Provisions represent liabilities for which the amount or timing is uncertain. Provisions are recognised 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 recognised in the consolidated income statement 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 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 recognise a contingent liability but discloses its existence in the consolidated financial statements.

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 recognised in the consolidated statement of financial position.

(xix) 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 income statement 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 a finance cost in the consolidated income statement.

Costs for 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 income statement as extraction progresses. Where the costs of site restoration are not anticipated to be material, they are expensed as incurred.

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(xx) 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 US dollars.

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 income statement 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 recognised in the other comprehensive income.

Exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings, are capitalised as part of borrowing costs in qualifying assets.

For the purposes of consolidation of financial statements, items in the consolidated income statement of those businesses for which the US dollar is not the functional currency are translated into US dollars at the average rates of exchange during the year/ exchange rates as on the date of transaction. The related consolidated statement of financial position is translated into US dollars at the rates as at the reporting date. Exchange differences arising on translation are recognised in the consolidated statement of 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 income statement.

(xxi) 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 statement of financial position. 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.

(xxii) Current and non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position 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.

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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.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current only.

(xxiii) 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 capitalised 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 income statement 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).

(xxiv) Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash at bank and in 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 consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above and additionally includes unpaid dividend account.

2(b) Application of new and revised standards

The Group 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 consolidated financial statements.

1. Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16;
2. Reference to the Conceptual Framework-Amendments to IFRS 3;
3. Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37;
4. IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities.

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Standards issued but not yet effective

The new and amended standards that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below:

New pronouncement	Effective date
IFRS 17 Insurance Contracts	01 January 2023
Definition of Accounting Estimates - Amendments to IAS 8	01 January 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	01 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	01 January 2023
Lease Liability in a Sale and Leaseback – Amendments to IFRS 16	01 January 2024
Classification of Liabilities as Current or Non-current - Amendments to IAS 1	01 January 2024

The amendments are not expected to have a material impact on the Group. The Group has not early adopted any amendments which has been notified but is not yet effective.

2(c) Significant accounting estimates and judgements

The preparation of consolidated financial statements in conformity with UK adopted IFRS 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 recognised in the financial statements are as given below:

I. Significant Estimates:

(i) Carrying value of exploration and evaluation assets

The recoverability of a project is assessed under IFRS 6. 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 exist. 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 income statement 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 16.

(ii) Recoverability of deferred tax and other income tax assets

The Group has carried 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 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 income statement.

The total deferred tax assets recognised in these financial statements include MAT credit entitlements of US$ 1,148 million (31 March 2022: US$ 894 million) of which US$ 327 million (31

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March 2022: US$ 28 Million) is expected to be utilised in the fourteenth year 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 US$ 434 million based on management's estimate of future outlook, financial projections and requirements of IAS 12. During the year ended 31 March 2023, ESL derecognized deferred tax assets on losses expired in the current year amounting to US$ 12 million (31 March 2022: US$ 16 million). 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 Group 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 Group 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 Group 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 Group 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 Group to file an appeal in High court.

The Group has filed a writ petition before the Madras High Court challenging the various orders passed against it 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 Group. Thereafter, the Group has approached the Supreme Court and challenged the said High Court order by way of a Special Leave Petition ("SLP"). The SLP is now listed for hearing and final disposal at the top of the TNPCB on 22 August 2023 and 23 August 2023.

The Interlocutory Applications filed by the Group 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.

As per the Group'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 Group does not expect any material adjustments to these financial statements as a consequence of above actions.

The Group 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 US$ 209 million (US$ 229 million as at 31 March 2022).

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Expansion Plant:

Separately, the Group 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 Group 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 Group 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 Group 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 Group 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 US$ 2 million as at 31 March 2023 (31 March 2022: US$ 5 million) approximates its recoverable value.

Property, plant and equipment of US$ 103 million and inventories of US$ 33 million, 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 – CTO

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 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

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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 US$ 26 million as part of special item during the year ended 31 March 2021 with respect to the costs to be incurred by it for obtaining EC and additional US$ 1 million has been provided against final order relating to wildlife conservation plan received during the previous year. Management believes no further provision is required.

(v) Discontinued operations - Copper Zambia (KCM)

The investment in KCM and loans, receivables, and obligations of KCM towards the Group are fair valued during the year. The Group employed third-party experts to undertake the valuations using the income approach method. In this approach, the discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of these assets. The resulting valuation is adjusted to reflect several factors, including the uncertainty and risks inherent in litigation and recovery. Details of significant estimates are disclosed in note 3(a).

(vi) Oil and Gas reserves

Significant technical and commercial judgements are required to determine the Group's estimated oil and natural gas reserves. Oil and Gas reserves are estimated on a proved and probable entitlement interest basis. Proven and probable reserves are estimated using standard recognised evaluation techniques. The estimate is reviewed annually. Future development costs are estimated taking into account the level of development required to produce the reserves by reference to operators, where applicable and internal engineers.

Net entitlement reserves estimates are subsequently calculated using the Group's current oil price and cost recovery assumptions, in line with the relevant agreements.

Changes in reserves as a result of factors such as production cost, recovery rates, grade of reserves or oil and gas prices could impact the depletion rates, carrying value of assets (refer note 16) and environmental and restoration provisions.

(vii) Carrying value of developing/producing oil and gas assets

Management performs impairment tests on the Group's developing/producing oil and gas assets where indicators of impairment are identified in accordance with IAS 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 and the assumptions used are disclosed in notes 6 and 16 respectively.

(ix) Climate Change

The Group aims to achieve net carbon neutrality by 2050 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.

NOTES TO THE FINANCIAL STATEMENTS

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) recoverable amounts of existing assets and (c) review of estimates of useful lives of property, plant and equipment.

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, 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 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.

II. Significant Judgements:

(i) Determining whether an arrangement contains a lease

The Group has ascertained that the Power Purchase Agreement (PPA) executed between one of the subsidiaries and a State Grid qualifies to be an operating lease under IFRS 16 "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 notes 4 and 5.

(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 a 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 32. For other significant litigations where the possibility of an outflow of resources embodying economic benefits is remote, refer note 33.

NOTES TO THE FINANCIAL STATEMENTS

(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 IFRS 15 and to assess the recoverability of withheld revenue currently accounted for as receivables.

In assessing this critical judgment management considered favourable external legal opinions the Group has obtained in relation to the claims and favourable court judgements in the related matter. In addition, the fact that the contracts are with government owned companies implies the credit risk is low. Refer note 18.

3. Discontinued operations, acquisitions and restructuring

(a) Discontinued operations - Copper Zambia (KCM):

In 2019, ZCCM Investments Holdings Plc (ZCCM), a company majority owned by the Government of the Republic of Zambia (GRZ), which owns 20.6% of the shares in Konkola Copper Mines Plc (KCM), filed a petition in the High Court of Zambia to wind up KCM ('the Petition') on "just and equitable" grounds. Subsequently, ZCCM amended the Petition to include an additional ground based on allegations that KCM is unable to pay its debts. ZCCM also obtained an ex parte order from the High Court of Zambia appointing a Provisional Liquidator ('PL') of KCM pending the hearing of the Petition. As a result of the appointment of the PL following ZCCM's ex parte application, the PL is the designated authority for exercising almost all the functions of the Board of Directors, to the exclusion of the Board.

The Group not only disputes the allegations and opposes the Petition, but also maintains that the complaints brought by ZCCM are in effect "disputes" between the shareholders. Per the KCM Shareholders' Agreement, the parties (including ZCCM and the Government of the Republic of Zambia) have agreed that any disputes must be resolved through international arbitration seated in Johannesburg, South Africa, applying the UNCITRAL Arbitration Rules; not the Zambian courts.

Arbitration Application

Following the filing of the Petition, Vedanta Resources Holdings Limited (VRHL) and Vedanta Resources Limited (VRL or Company) commenced the dispute resolution procedures prescribed by the KCM Shareholders' Agreement, and have initiated arbitration consistent with their position that ZCCM is in breach of the KCM Shareholders' Agreement by reason of its actions in seeking to wind up KCM before the Zambian High Court and applying for the appointment of the PL, as opposed to pursuing its alleged grievances through arbitration under the KCM Shareholders' Agreement. As part of the dispute resolution process under the KCM Shareholders' Agreement, VRHL obtained injunctive relief from the High Court of South Africa requiring ZCCM to withdraw the Petition such that the PL is discharged from office and declaring ZCCM to be in breach of the arbitration clause in the KCM Shareholders' Agreement. ZCCM was further prohibited by the High Court of South Africa from taking any further steps to wind up KCM until the conclusion of the arbitration.

The arbitration proceedings against ZCCM continue and a sole arbitrator was appointed. The procedural timetable for the arbitration envisaged an initial hearing of prioritized issues commencing on 31 May 2021, with the substantive dispute to be heard during a 5-week hearing in February and March 2022. ZCCM filed and served its Defence and Counterclaim on VRL and VRHL on 14 July 2020. VRHL and VRL filed their reply and defence to ZCCM's defence and counterclaims on 31 January 2021, and ZCCM filed its reply to VRHL and VRL's defence to ZCCM's counterclaims on 15 April 2021. Arbitration awards are enforceable in Zambia under the New York Convention.

The arbitrator's ruling on the prioritized issues was delivered on 07 July 2021 which concluded that ZCCM breached the KCM Shareholders' Agreement and are in continuing breach thereof; that the Board of KCM was legally responsible for the management and operation of KCM, not Vedanta; that ZCCM is not able to pursue a claim in damages in respect of the majority of its counterclaims as KCM is the proper Plaintiff, not ZCCM.

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Proceedings in the Zambian Courts

VRHL has also made a number of applications before the Zambian High Court in connection with the Petition, including an application for a stay of the Petition, pending the determination of the arbitration. Although, this application was dismissed at first instance by the High Court, VRHL was granted leave to appeal to the Zambian Court of Appeal.

An Order given by the Zambian High Court staying certain of the PL's powers (i.e., those relating to the PL's ability to sell assets and make compromises with creditors) was set aside until the Petition returns to the High Court, subject to the outcome of the appeals to the Zambian Court of Appeal. The PL has given evidence in the Zambian High Court that he would not be able to sell assets (beyond that which is necessary to carry on KCM's ordinary business) without seeking the Court's approval. Notwithstanding this, on 10 September 2019, the PL caused KCM to enter into a consent order disposing of certain surface rights owned by KCM. On 28 November 2019, VRHL and KCM (acting through the lawyers appointed by the directors of KCM) obtained an ex-parte injunction restraining the PL from taking action to implement the consent order, halting the sale of surface rights and preventing any sale of the land itself. A challenge to the ex-parte injunction has been heard and the ruling has been reserved.

In connection with the response to the Petition, VRL has provided to the Board of KCM a commitment to provide certain financial support to KCM. This commitment is subject to certain conditions, including the dismissal of the Petition and discharge of the PL. Additionally since the conditions to the funding support were not satisfied by 30 September 2019, VRL has reserved the right to withdraw the offer set out in the letter.

The appeal hearing took place on 25 August 2020, and the ruling of the Appeal Court was delivered on 20 November 2020. The Appeal Court ruled in favour of the Group and concluded that a dispute as defined in the SHA exists between the parties, and that the disputes are arbitrable and referable to arbitration. The Appeal Court ordered a stay of the winding up proceedings pursuant to section 10 of the Zambian Arbitration Act, 2000 and that the matter be referred to arbitration. Costs were awarded in the Group's favour in both Courts in Zambia.

Although the Petition is currently stayed, the PL has insisted that he remains in his post with his full powers. The PL has argued that the Court of Appeal has not ordered him to vacate his seat. The Group's application for an Embodiment Order of the Appeal Court ruling was argued before the Judge President of the Court of Appeal on 08 December 2020 and the Judge reserved her ruling. The Group and the Respondents (ZCCM and KCM) have a different opinion as to whether the Appeal Court ruling of 20 November 2020 has the result of the PL having to vacate his seat. The form in which the Embodiment Order is issued by the Judge President will determine the impact of the Court of Appeal ruling on the PL's position. The Judge ultimately adopted the Embodiment Order in the form preferred by ZCCM, with the result that the PL has not had to vacate his seat. Vedanta's Zambian counsel have applied for a hearing of the full court of appeal to reconsider the embodiment order. (The order was made by a single judge of the court of appeal rather than the full court.) On 5 May 2021 the Court of Appeal heard preliminary objections against Vedanta's application and have adjourned the motion to a date after it rules on the objections raised. On 26 August 2021, the Court of Appeal dismissed the preliminary objections raised by KCM and ZCCM with costs. The Court further gave an indication that the substantive motion challenging the ruling may be listed for hearing in due course, subject to confirmation by the Master of the Court of Appeal. On 06 October 2021, KCM filed a summons for an order to stay the Embodiment Order proceedings pending the determination of ZCCM's appeal against the Court of Appeal ruling of 20 November 2020 to the Supreme Court. Vedanta's opposition affidavit and skeleton arguments in respect of KCM's stay application was filed on 01 November 2021. KCM's stay application was heard on 01 December 2021 and on 17 January 2022 wherein the Court of Appeal dismissed KCM's application with costs in Vedanta's favour. A hearing date for the Embodiment Order application was allocated for 02 March 2022, but due to the suspension of legal and arbitration proceedings agreed to between Vedanta and ZCCM, the hearing date was postponed. A new hearing date of 01 June 2022 was allocated by the Court of Appeal for the Embodiment Order application and the preliminary objections. The hearing took place on 1 June, and judgement has been reserved.

ZCCM had sought leave to appeal to the Supreme Court of South Africa. Leave to appeal was

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denied on 29 April 2021. ZCCM has renewed its application for leave to appeal before a single judge of the Supreme Court. ZCCM's application for leave to appeal before a single judge of the Supreme Court was granted on 2 September 2021. A motion was filed by the Group on 16 September 2021 to the full bench of the Supreme Court, Zambia, to reverse, vary or set aside the Ruling of the single Judge. Vedanta has also raised Preliminary Objections to the ZCCM appeal to the Supreme Court, namely that the Court has no jurisdiction to hear the appeal based on the Partial Final Award which the arbitrator delivered on 7 July 2021.

On 01 February 2022, Vedanta and KCM's preliminary objections were heard by a panel of three Supreme Court judges. On 22 March 2022, the Supreme Court delivered its ruling in Vedanta's favour dismissing ZCCM's appeal mainly on the basis of the Partial Final Award that had been registered in the High Court of Zambia. The Supreme Court held that the issues raised by ZCCM in the winding up petition are arbitrable issues, as determined by the Partial Final Arbitral Award of 07 July 2021, which is binding on the parties.

On 16 February 2022, VRL, VRHL and ZCCM signed an agreement to postpone the arbitration hearing in order to afford the parties an opportunity to negotiate a commercial settlement between them of the disputes that form the subject matter of the arbitration. The Tribunal has been notified of this agreement and has confirmed its availability to reconvene the hearing in January 2023.

On 07 September 2022, VRL, VRHL, ZCCM and the Official Receiver (who is currently acting as KCM's PL) entered into a further legal and arbitration proceedings suspension agreement for an initial period of 6 months. The arbitration hearing which was to commence on 09 January 2023 has been vacated.

On 14 February 2023, VRL, VRHL, ZCCM, the Official Receiver and KCM entered into an Extension and Amendment to the Legal Suspension Agreement, whereby the Parties agreed to an Additional Postponement Period in respect of the suspension of legal proceedings up until 31 March 2023. The Legal Suspension Agreement has been subsequently extended and is presently effective.

The Company also applied seeking directions on the PL's powers after the Court of Appeal ruling of 20 November 2020, arguing that the Court of Appeal judgment did not in any way stay the supervisory jurisdiction of the High Court over the PL as an officer of the Court, and that the Preliminary Issues Applications should be dismissed. The Judge gave a ruling on 07 May 2021, finding that in light of the stay of the winding up proceedings ordered by the Court of Appeal and the referral of the matter to arbitration, she does not have the jurisdiction to consider an application requesting her to give directions on the powers of the PL. Leave to appeal was denied.

The PL resigned on 17 March 2022. The Official Receiver announced that she would act as PL in place of the outgoing PL, post his resignation. The Company has instituted a fresh judicial review application in the High Court of Zambia for the interpretation of Section 65 of the Corporate Insolvency Act as to whether a vacancy in the office of the Provisional Liquidator can automatically be filed by the Official Receiver without the requisite Court Order. A court date for the hearing of the judicial review application has not yet been allocated. In light of the further legal and arbitration proceedings suspension agreement that was entered into on 07 September 2022, the judicial review application with regards to the Official Receiver will only resume if settlement talks between the parties fail.

KCM has recently instituted legal proceedings against the PL and his legal firm in the High Court of Zambia in which KCM aims to recover monies improperly drawn by the PL from KCM's accounts and damages for the PL's breach of fiduciary and statutory duties vis-à-vis KCM.

At the date of approval of these financial statements, the PL remains in office and the Petition remains stayed.

Notice of Deemed Transfer of Shares

On 14 July 2020, ZCCM served a notice entitled "Notice of Deemed Transfer of Shares" on VRL and VRHL (Notice). The Notice is stated to be given under clause 10.1.2 of the KCM Shareholders' Agreement, notifying VRL and VRHL of various alleged breaches of the KCM Shareholders' Agreement having a Material Adverse Effect (as defined in the KCM Shareholders' Agreement) or other material

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breaches of the SHA, and requiring VRL and VRHL to remedy the notified breaches within 30 days, and reserving its rights in the event VRHL does not or cannot remedy the breaches within that time period to treat the event as deemed service by VRHL of an irrevocable offer under clause 10.2 to sell its shares in KCM to ZCCM at 'Fair Value'. Fair Value is to be determined in accordance with a mechanism set out in the KCM Shareholders' Agreement. If ZCCM thereafter notifies VRHL that it wishes to exercise these rights, VRHL will be deemed to have served an exit notice under clause 9.6 of the Shareholders' Agreement, giving rise to the application of a number of the exit provisions under the Shareholders' Agreement, including the requirement to make payment of budgeted capex for the succeeding 12 month period and any capital expenditure underspend in previous financial years on a cumulative basis, as determined by KCM's auditors.

VRL and VRHL intend to challenge the Notice in accordance with the provisions of the Shareholders' Agreement and note that the effectiveness and validity of the Notice is to be determined by the arbitrator as part of the arbitration proceedings referred to above before any further steps can be taken by ZCCM to acquire VRHL's shares in KCM pursuant to the mechanism in clause 10 of the KCM Shareholders' Agreement.

Accounting Considerations

As all the significant decision-making powers, including carrying on the business of KCM and taking control over all the assets of KCM, rests with the PL, the Group believes that the appointment of PL has caused loss of its control over KCM. Accordingly, the Group deconsolidated KCM with effect from 21 May 2019 and presented the same in the consolidated income statement as a discontinued operation.

The Group continues to account for its investment in KCM and loans, receivables and obligations of KCM towards the Group at cost, subject to impairment.

The loss with respect to KCM operations along with the loss on fair valuation of the Group's interest in KCM has been presented as a special item in the in previous years consolidated income statement.

The Group has total exposure of US$ 1,887 million (31 March 2022: US$ 1,887 million) (including equity investment in KCM of US$ 266 million) to KCM in the form of loans, receivables, investments and amounts relating to the guarantees issued by VRL, which have been accounted for at fair value on initial recognition and disclosed under non-current assets in the Consolidated Statement of Financial Position.

Key sources of estimation uncertainty

The investment in KCM and loans, receivables and obligations of KCM towards the Group recognised following deconsolidation of the subsidiary are initially recognized at fair value on the date of loss of control. Subsequently, the equity investment in KCM is measured at fair value through profit or loss and the loans, receivables and obligations of KCM towards the Group are measured at amortised cost, subject to impairment.

The Group employed third-party experts ("Expert") to undertake valuations of the investment in KCM and loans, receivables and obligations of KCM towards the Group. The income approach method was applied for the purposes of the valuation. In this approach, the discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of these assets. The resulting valuation is adjusted to reflect a number of factors, including the uncertainty and risks inherent in litigation and recovery. The third-party valuation provides a range of reasonable fair values, based on which management calculated the fair value to be recognised in the financial statements as the mid-point of the range. During the year ended 31 March 2023, basis fair valuation, no further impairment was identified to the existing balances. Therefore, carrying value as at 31 March 2023 remain unchanged at US$ 682 million (31 March 2022: US$ 682 million) (refer note 18(5)).

Cash flow projections are based on financial budgets and life of mine plans on a going concern basis and are sensitive to changes in input assumptions. Input assumptions into the valuation that involve management judgement include:

- The expectation that the large-scale mining licence expiring in 2025 will be extended to the end of the life of mine under the Mines

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& Mineral Development Act on payment of requisite fees and submission of the proposed programme of mining operation for the period of renewal. We believe this licence renewal process is in line with globally accepted procedural requirement to be followed by a mining company backed by a robust life of mine plan and as such, would get extended for the next permissible period post fulfilment of procedural requirement in ordinary course of business.

- Expected delay between success of the litigation proceedings and receipt of any amounts due.
- Liquidity of the market in the event of a sale of KCM, which has been considered through benchmarking the resulting valuation against other recent transactions for similar mines.
- The discount rate used to discount the cash flow projection, which has been calculated on a post-tax basis at 13% (31 March 2022: 11.875%), using the input of third-party expert.
- To factor in the uncertainties, valuation under few scenarios in addition to the base case valuation, assuming equal likelihood, has been computed a) If Provisional Liquidator continues to control the assets for longer than expected, b) additional capex required to achieve the planned ramp up of production and c) future implied Zambian country risk premium.
- The key sources of estimation uncertainty, to which the valuation is most sensitive, are:
- The long-term copper prices which are based on the median of analyst forecasts.
- Throughput at the Konkola concentrator: The timing of ramp up of through put at the Konkola concentrator is based on internal management forecasts. The forecasts incorporate management experience and expectations as well as the risks associated therewith (for example availability of required fleets, skill sets for level developments at critical areas).
- The probability of achieving an award or positive settlement outcome in respect of the litigation proceedings. As discussed above, the Group believes, based on the legal advice it has obtained, that it is probable that it will succeed with its appeal to the Zambian Court of Appeal, which would result in the Petition being stayed until the outcome of the arbitration and the Group believes at some stage the Petition will be dismissed and the appointment of the PL discharged. The probability used in the valuation is based on the Expert's assumption based on external legal advice that it is probable that the Group will succeed with its appeal to the Zambian Court of Appeal and benchmarked using external data on historical outcomes for similar claims.
- The potential proportion of the claim value that may be expected to be recovered in the event of achieving an award or positive settlement outcome. This includes the ability of ZCCM to make payments in the event of a successful award or settlement outcome.

Where discounted cash flow models based on management's assumptions are used, the resulting fair value measurements are considered to be at level 3 in the fair value hierarchy, as defined in IFRS 13 Fair Value Measurement, as they depend to a significant extent on unobservable valuation inputs.

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ii. Fair value measurements

The valuation of the investment in KCM and the loans, receivables and obligations of KCM towards the group is determined using discounted future cash flows and adjusted to reflect expert's current views on litigation risk and other unobservable inputs as described below. These assets are considered to be level 3 in the fair value hierarchy. Quantitative information about the significant unobservable inputs used in level 3 fair value measurements are set out in the table below:

(US$ million, unless stated otherwise)

Financial asset	Fair value at		Significant unobservable Inputs	Relationship of unobservable inputs to fair value
	31 March 2023	31 March 2022		
Investments and Loans, receivables and obligations of KCM towards the Group	751	720	Probability of achieving an award or positive settlement outcome in respect of litigation proceedings	A decrease in probability of success would decrease the fair value. A 10% decrease in the probability of success, with no change to any other inputs, would decrease the fair value by US$ 96 million (31 March 2022: US$ 92 million). We have used a 10% assumption to calculate our exposure as it represents a change in the probability of success that we deem to be reasonably probable.
			Potential proportion of the claim value that may expected to be recovered in the event of achieving an award or positive settlement outcome	A decrease in the recovery percentage would decrease the fair value. A 10% decrease in the recovery percentage, with no change to any other inputs, would decrease the fair value by US$ 156 million (31 March 2022: US$ 149 million) We have used a 10% assumption to calculate our exposure as it represents a change in the recovery probability that we deem to be reasonably probable.
			Copper price Long term price of US$ 7,949/ tonne (31 March 2023) and US$ 7,716/ tonne (31 March 2022)	A decrease in the copper price would decrease the fair value. A 10% reduction in the long-term copper price, with no change to any other inputs, would decrease the fair value by US$ 113 million (31 March 2022: US$ 128 million). We have used a 10% assumption to calculate our exposure as it represents the annual copper price movement that we deem to be reasonably probable (on an annual basis over the long run).

(b) Athena Chhattisgarh Power Limited

On 21 July 2022, the Group acquired Athena Chhattisgarh Power Limited ("ACPL"), an unrelated party, under the liquidation proceedings of the Insolvency and Bankruptcy Code, 2016 for a consideration of INR 5,647 million (US$ 72 million), 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 Group's aluminium business. VEDL 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 Group has requested various reliefs from the applicable legal and regulatory provisions as part of the above applications. The NCLT approval of the Group's resolution application is pending as on balance sheet date. On consolidation, the consideration paid for acquisition of ACPL represents mainly Capital work-in-progress.

(c) Amalgamation of Facor Power Limited into Ferro Alloys Corporation Limited

During the current year ended 31 March 2023, 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 VEDL. Post the amalgamation becoming effective on 21 November 2022, VEDL directly holds 99.99% in FACOR. There is no material

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impact on the consolidated financial statements of the Group due to this amalgamation.

4. Segment information

The Group is a diversified natural resources 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, Zambia, South Africa, Namibia, UAE, 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's reportable segments defined in accordance with IFRS 8 are as follows:

- Zinc- India (comprises zinc and lead India)
- Zinc-International
- Oil & Gas
- Iron Ore
- Copper-India/Australia
- Aluminium
- Power

'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").

Management monitors the operating results of reportable segments for the purpose of making decisions about resources to be allocated and for assessing performance. Segment performance is evaluated based on the Earnings Before Interest, Taxes, Depreciation, and Amortization ("EBITDA") of each segment. Business segment financial data includes certain corporate costs, which have been allocated on an appropriate basis. Inter-segment sales are charged based on prevailing market prices.

The following tables present revenue and profit information and certain asset and liability information regarding the Group's reportable segments for the years ended 31 March 2023 and 31 March 2022. Items after operating profit are not allocated by segment.

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(a) Reportable segments

Year ended 31 March 2023

(US$ million)

	Zinc-India	Zinc-International	Oil and gas	Iron Ore	Copper-India/ Australia	Aluminium	Power	Others	Elimination	Total operations
REVENUE										
Sales to external customers	4,126	649	1,873	753	2,179	6,550	870	1,141	-	18,141
Inter-segment sales	-	-	-	56	-	6	27	11	(100)	-
Segment revenue	**4,126**	**649**	**1,873**	**809**	**2,179**	**6,556**	**897**	**1,152**	**(100)**	**18,141**
Results										
Segment Results (EBITDA) (1)	2,177	241	972	124	(7)	707	106	288	-	4,608
Less: Depreciation and amortisation (2)	389	61	442	33	18	281	72	86	-	1,382
Other Expenses *	-	-	30	-	-	-	-	-	-	30
Operating profit / (loss) before special items	**1,788**	**180**	**500**	**91**	**(25)**	**426**	**34**	**202**	**-**	**3,196**
Investment revenue										251
Finance costs										(1,558)
Other gains and (losses) [net]										(79)
Special items (Refer Note 6)										(178)
Profit before taxation										**1,632**
Segments assets	2,617	833	2,896	679	610	6,935	1,887	1,323	-	**17,780**
Financial asset investments										63
Deferred tax assets										1,268
Short-term investments										1,728
Cash and cash equivalents										1,037
Tax assets										373
Others										1,181
TOTAL ASSETS										**23,430**
Segment liabilities	625	131	1,809	312	632	2,866	249	445	-	**7,069**
Borrowings										15,358
Current tax liabilities										191
Deferred tax liabilities										866
Others										818
TOTAL LIABILITIES										**24,302**
Other segment information										
Additions to property, plant and equipment, exploration and evaluation assets and intangible assets	475	158	433	70	18	708	74	182	-	2,121
Impairment charge/ (reversal) (3)	-	-	157	(82)	-	-	-	(14)	-	61

* Exploration costs written off

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Year ended 31 March 2022

(US$ million)

	Zinc-India	Zinc-International	Oil and gas	Iron Ore	Copper-India/ Australia	Aluminium	Power	Others	Elimination	Total operations
REVENUE										
Sales to external customers	3,844	602	1,669	837	2,035	6,823	739	1,070	-	17,619
Inter-segment sales	-	-	-	15	-	10	44	2	(71)	-
Segment revenue	**3,844**	**602**	**1,669**	**852**	**2,035**	**6,833**	**783**	**1,072**	**(71)**	**17,619**
Results										
Segment Results (EBITDA) (1)	2,170	206	809	304	(15)	2,328	145	308	-	6,255
Less: Depreciation and amortisation (2)	377	69	307	32	20	270	77	76	-	1,228
Operating profit / (loss) before special items	**1,793**	**137**	**502**	**272**	**(35)**	**2,058**	**68**	**232**	**-**	**5,027**
Investment revenue										153
Finance costs										(1,402)
Other gains and (losses) [net]										(38)
Special items (Refer Note 6)										408
Profit before taxation										**4,148**
Segments assets	2,848	924	3,424	608	789	7,133	2,099	1,210	-	19,035
Financial asset investments										20
Deferred tax assets										860
Short-term investments										3,117
Cash and cash equivalents										1,328
Tax assets										368
Others										897
TOTAL ASSETS										**25,625**
Segment liabilities	664	153	2,118	338	658	2,299	188	352	-	6,770
Borrowings										16,082
Current tax liabilities										122
Deferred tax liabilities										764
Others										352
TOTAL LIABILITIES										**24,090**
Other segment information										
Additions to property, plant and equipment, exploration and evaluation assets and intangible assets	514	148	220	40	4	482	14	172	-	1,597
Impairment charge/ (reversal) (3)	-	-	(843)	-	-	-	-	-	-	(843)
Exploration costs written off (3)	-	-	351	-	-	-	-	-	-	351

(1) EBITDA is a non-IFRS measure and represents earnings before special items, depreciation, amortisation, other gains and losses, interest and tax.

(2) Depreciation and amortisation are also provided to the chief operating decision maker on a regular basis.

(3) Included under special items (Note 6).

(4) Additions to property, plant and equipment, exploration and evaluation assets and intangible assets includes US$ 3 million (31 March 2022: US$ 3 million) not allocated to any segment.

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(b) Geographical segmental analysis

The Group's operations are located in India, Zambia, Namibia, South Africa, UAE, Ireland, Australia, Japan, South Korea, Taiwan and Liberia. The following table provides an analysis of the Group's revenue by region in which the customer is located, irrespective of the origin of the goods.

(US$ million)

	Revenue by geographical segment	
	Year ended 31 March 2023	Year ended 31 March 2022
India	10,851	9,887
Europe	1,985	2,824
China	661	1,299
The United States of America	481	468
Mexico	579	310
Others	3,584	2,831
Total	**18,141**	**17,619**

The following is an analysis of the carrying amount of non-current assets, excluding deferred tax assets, derivative financial assets, financial asset investments and other non-current financial assets analysed by the geographical area in which the assets are located:

(US$ million)

	Carrying amount of non-current assets	
	As at 31 March 2023	As at 31 March 2022
India	12,575	13,435
South Africa	647	675
Taiwan	127	118
Namibia	108	131
Others	264	59
Total	**13,721**	**14,418**

Information about major customer

No single customer has accounted for 10% or more of the Group's revenue for the year ended 31 March 2023 and 31 March 2022.

Disaggregation of revenue

Below table summarises the disaggregated revenue from contracts with customers:

(US$ million)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Zinc Metal	3,613	3,318
Lead Metal	601	569
Silver Bars	570	566
Oil	1,551	1,380
Gas	350	230
Iron Ore	290	316
Pig Iron	506	554
Metallurgical Coke	58	55
Copper Products	2,127	1,918
Aluminium Products	6,550	6,883

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(US$ million)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Power	659	522
Steel Products	781	765
Ferro Alloys	96	111
Others	461	420
Revenue from contracts with customers*	**18,213**	**17,607**
Revenue from contingent rents	192	185
Losses on provisionally priced contracts under IFRS 9 (refer note 5)	(264)	(173)
Total Revenue	**18,141**	**17,619**

*Includes revenues from sale of services aggregating to US$ 41 million (31 March 2022: US$ 40 million) which is recorded over a period of time and the balance revenue is recognised at a point in time.

5. Total Revenue

(US$ million)

	Year ended 31 March 2023	Year ended 31 March 2022
Sale of products [a]	17,908	17,394
Sale of services [a]	41	40
Revenue from contingent rents	192	185
Total Revenue	**18,141**	**17,619**

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 US$ 18,213 million (31 March 2022: US$ 17,607 million) and a net loss on mark-to-market of US$ 264 million (31 March 2022: US$ 173 million) 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 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 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 IFRS 15 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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6. Special items

(US$ million)

	Year ended 31 March 2023			Year ended 31 March 2022		
	Special items	Tax effect of Special items	Special items after tax	Special items	Tax effect of Special items	Special items after tax
SAED on Oil and Gas business [1]	(117)	44	(73)	-	-	-
One time settlement of entry tax under amnesty scheme [4]	-	-	-	(18)	6	(12)
Provision for fly ash disposal [5]	-	-	-	(38)	11	(27)
Provision for settlement of dispute regarding environmental clearance [6]	-	-	-	(1)	0	(1)
Gross profit special items (a)	**(117)**	**44**	**(73)**	**(57)**	**17**	**(40)**
Impairment (charge)/ reversal in oil and gas properties [2]	(82)	32	(50)	714	(282)	432
Impairment (charge)/ reversal of exploration & evaluation assets [2]	(75)	29	(46)	129	(51)	78
Impairment reversal of asset under construction	14	(5)	9	-	-	-
Reversal of previously recorded impairment of assets in Liberia on commencement of mining operations [3]	82	-	82	-	-	-
Total impairment (charge)/ reversal (net) (b)	**(61)**	**56**	**(5)**	**843**	**(333)**	**510**
Write off of Asset under construction, land & capital advances **(c)** [8,9,10]	-	-	-	(27)	8	(19)
Exploration costs written off [7] **(d)**	-	-	-	(351)	138	(213)
Operating special items (a+b+c+d)	**(178)**	**100**	**(78)**	**408**	**(170)**	**238**
Total of Special items	**(178)**	**100**	**(78)**	**408**	**(170)**	**238**

1. 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 is US$ 117 million (Revenue US$ 142 million and Cost of sales US$ 259 million) for the year ended 31 March 2023.

2. (a) (i) During the year ended 31 March 2023, the Group has recognized net impairment charge of US$ 82 million (after considering impairment reversal of US$ 155 million on account of ONGC partial arbitration award Refer footnote (ii) for details) on its assets in the oil and gas properties and US$ 75 million on exploration and evaluation assets mainly due to revision of reserves and capex estimates. The recoverable amount of the Group's share in Rajasthan Oil and Gas cash generating unit "RJ CGU" was determined to be 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 Group'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

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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 Group, change in crude price assumptions by US$ 1/bbl and changes to discount rate by 1% would lead to a change in recoverable value US$ 9 million and 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 Group 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 US$ 155 million has been recognised against capitalised development costs. The Group had a liability towards ONGC of 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 US$ 34 million.

(b) During the year ended 31 March 2022, the Group has recognized an impairment reversal of US$ 843 Million on its assets in the oil and gas segment comprising:

(i) Impairment reversal of US$ 827 million relating to Rajasthan oil and gas block ("CGU") mainly due to increase in crude price forecast. Of this, US$ 700 million impairment reversal has been recorded against oil and gas producing facilities and US$ 127 million impairment reversal has been recorded against exploration intangible assets under development.

The recoverable amount of the Group's share in Rajasthan Oil and Gas cash generating unit "RJ CGU" was determined to be 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 Group'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 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 10% 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 Group, 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 US$ 27 million and US$ 42 million respectively.

(ii) Impairment reversal of US$ 16 million 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 Group's share in this CGU was determined to be 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

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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.

3. During the year ended 31 March 2023, 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 US$ 108 million 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 Group, a decrease in the long-term selling price by 1% would lead to a decrease in the recoverable value by US$ 6 million and an increase in the discount rate by 1% would lead to a decrease in the recoverable value by US$ 9 million.

   Accordingly, the impairment recorded in previous periods has been reversed, to an extent of US$ 82 million pertaining only to the assets of the Bomi Mine.

4. During the year ended 31 March 2022, HZL has recognised an expense of US$ 18 million relating to amount charged in respect of settlement of entry tax dispute under an Amnesty scheme launched by the Government of Rajasthan.

5. During the year ended 31 March 2022, the MoEFCC 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 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 has performed detailed evaluations for its obligations under this notification and has recorded US$ 38 Million as a special item for the year ended 31 March 2022, towards estimated costs of legacy fly ash utilization including reclamation costs.

6. Refer Note 2(c)(I)(iv).

7. 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 US$ 351 million towards unsuccessful exploration costs has been charged off to the consolidated income statement during the previous year, as these have proven to be either technically or commercially unviable.

8. a) During the year ended 31 March 2022, the Group has recognised a loss of US$ 3 million relating to certain items of capital work-in-progress at one of its closed units in Gujarat, which are no longer expected to be used.

   b) During the year ended 31 March 2022, US$ 1 million was written off being the cost of land located outside the plant for which details of original owners/sellers etc., was not available and the physical possession or the registered ownership of the same as such cannot be obtained.

9. In relation to a mine in Aluminium business of the Group, the Group had deposited US$ 17 Million with the Government of India. Thereafter, the MoEFCC and the Hon. 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 year ended 31 March 2022.

10. During the year ended 31 March 2022, ESL Steel Limited had recognised a provision of US$ 6 million relating to certain items of capital work-in-progress basis the physical verification.

NOTES TO THE FINANCIAL STATEMENTS

7. Investment revenue

(US$ million)

	Year ended 31 March 2023	Year ended 31 March 2022
Net gain on financial assets held at fair value through profit or loss (FVTPL)	10	28
Interest Income:		
Interest income- financial assets held at FVTPL	63	53
Interest income- financial assets held at FVOCI	35	-
Interest income- bank deposits at amortised cost	48	72
Interest income- loans and receivables at amortised cost	60	29
Interest income- others	21	-
Dividend Income:		
Dividend income- financial assets held at FVOCI	3	0
Foreign exchange gain /(loss) (net)	11	(29)
Total	**251**	**153**

8. Finance costs

(US$ million)

	Year ended 31 March 2023	Year ended 31 March 2022
Interest expense – financial liabilities at amortised cost	1,484	1,345
Other finance costs (including bank charges)	119	86
Total interest cost	**1,603**	**1,431**
Unwinding of discount on provisions (note 25)	12	10
Net interest on defined benefit arrangements	3	3
Capitalisation of finance costs/borrowing costs (note 16)	(60)	(42)
Total	**1,558**	**1,402**

All borrowing costs are capitalised using rates based on specific borrowings and general borrowings with the interest rate of 6.75% (7.87% for 31 March 2022) per annum for the year ended 31 March 2023.

9. Other gains and (losses), (net)

(US$ million)

	Year ended 31 March 2023	Year ended 31 March 2022
Foreign exchange gain/ (loss) (net)	(88)	(18)
Change in fair value of financial liabilities measured at fair value	0	(1)
Net gain/(loss) arising on qualifying hedges and non-qualifying hedges	9	(19)
Total	**(79)**	**(38)**

10(a). Profit/ (Loss) for the year has been stated after charging/ (crediting):

(US$ million)

	Year ended 31 March 2023	Year ended 31 March 2022
Depreciation & amortization	1,382	1,228
Costs of inventories recognised as an expense	5,519	4,736
Auditor's remuneration for audit services (refer note 36)	3	3
Research and development	1	1
Net (gain)/ loss on disposal of Property plant and equipment	1	(17)
Provision for receivables	52	31
Impairment charge/(reversal) & assets written off (refer note 6)	61	(816)
Exploration costs written off (refer note 16)	30	351
Employee costs (refer note 27)	395	387

NOTES TO THE FINANCIAL STATEMENTS

10(b). Exchange gain/ (loss) recognised in the consolidated income statement:

(US$ million)

	Year ended 31 March 2023	Year ended 31 March 2022
Cost of sales	(8)	11
Investment revenue (refer note 7)	11	(29)
Other gains and (losses) (refer note 9)	(79)	(37)
Total	**(76)**	**(55)**

11. Tax

(a) Tax charge/ (credit) recognised in Consolidated Income Statement (including on special items)

(US$ million)

	Year ended 31 March 2023	Year ended 31 March 2022
Current tax:		
Current tax	1,151	1,047
Credit in respect of current tax for earlier years	(14)	-
Credit in respect of Special items (refer note 6)	(18)	(78)
Total current tax (a)	**1,119**	**969**
Deferred tax:		
Origination of temporary differences	(233)	364
Charge in respect of deferred tax for earlier years	(10)	(11)
Credit in respect of Special items (refer note 6)	(82)	248
Total deferred tax (b)	**(325)**	**601**
Total Income tax expense for the year((a)+(b))	**794**	**1,570**
Profit before tax from continuing operations	**1,632**	**4,148**
Effective Income tax rate (%)	**48.7%**	**37.9%**

Tax expense/ (benefit)

(US$ million)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Tax effect on special items	(100)	170
Tax expense – others	894	1,400
Net tax expense	**794**	**1,570**

NOTES TO THE FINANCIAL STATEMENTS

(b) A reconciliation of income tax expense/ (credit) applicable to profit/ (loss) before tax at the Indian statutory income tax rate to income tax expense/ (credit) at the Group's effective income tax rate for the year indicated are as follows.

Given majority of the Group's operations are located in India, the reconciliation has been carried out from Indian statutory income tax rate.

	Year ended 31 March 2023	Year ended 31 March 2022
Profit/ (Loss) before tax from continuing operations	**1,632**	**4,148**
Indian statutory income tax rate	34.944%	34.944%
Tax at statutory income tax rate	**570**	**1,450**
Non-taxable income	(9)	(18)
Tax holidays and similar exemptions	(67)	(263)
Effect of tax rate differences of subsidiaries operating at other tax rates	19	227
Tax on distributable reserve of/ dividend from subsidiary	149	65
Unrecognized tax assets (Net) [(i)]	(6)	(16)
Change in deferred tax balances due to change in tax law	(22)	(34)
Capital Gains/ Other income subject to lower tax rate [(ii)]	(65)	(4)
Credit in respect of earlier years	(28)	(12)
Other permanent differences	253	175
Total	**794**	**1,570**

(i) Current year includes US$ 22 million 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.

(ii) Current year majorly includes US$ 63 million 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.

NOTES TO THE FINANCIAL STATEMENTS

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 US$ 67 million for the year ended 31 March 2023 (31 March 2022: US$ 263 million).

(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 Statement of financial position are as follows:

For the year ended 31 March 2023:

(US$ million)

Significant components of deferred tax (assets)/ liabilities	Opening balance as at 01 April 2022	Charged/ (credited) to Income Statement	Charged/ (credited) to other comprehensive income	Charged to Equity	Exchange difference transferred to translation of foreign operation	Closing balance as at 31 March 2023
Property, plant and equipment, Exploration and Evaluation and other intangible assets	1,445	20	-	-	(148)	1,317
Voluntary retirement scheme	(6)	2	-	-	2	(2)
Employee benefits	(50)	3	(1)	-	35	(13)
Fair value of derivative asset/ liability	(19)	3	1	-	7	(8)
Fair valuation of other asset/liability	93	16	-	-	(5)	104
MAT credit entitlement	(894)	(332)	-	-	78	(1,148)
Unabsorbed depreciation and business losses	(593)	(50)	-	-	46	(597)
Other temporary differences	(72)	12	-	-	5	(55)
Total	**(96)**	**(326)**	**0**	**-**	**20**	**(402)**

For the year ended 31 March 2022:

(US$ million)

Significant components of deferred tax (assets)/ liabilities	Opening balance as at 01 April 2021	Charged/ (credited) to Income Statement	Charged/ (credited) to other comprehensive income	Charged to Equity	Exchange difference transferred to translation of foreign operation	Closing balance as at 31 March 2022
Property, plant and equipment, Exploration and Evaluation and other intangible assets	1,096	376	-	-	(27)	1,445
Voluntary retirement scheme	(8)	2	-	-	0	(6)
Employee benefits	(24)	(27)	0	1	0	(50)
Fair value of derivative asset/ liability	(10)	(4)	(5)	-	0	(19)
Fair valuation of other asset/liability	106	(4)	-	-	(9)	93
MAT credit entitlement	(1,125)	200	-	(2)	33	(894)
Unabsorbed depreciation and business losses	(640)	28	-	-	19	(593)
Other temporary differences	(114)	30	11	-	1	(72)
Total	**(719)**	**601**	**6**	**(1)**	**17**	**(96)**

NOTES TO THE FINANCIAL STATEMENTS

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 Statement of financial position as follows:

(US$ million)

	As at 31 March 2023	As at 31 March 2022
Deferred tax assets	(1,268)	(860)
Deferred tax liabilities	866	764
Net Deferred tax (assets) / Liabilities	**(402)**	**(96)**

Recognition of deferred tax assets on MAT credits 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 2(c)(I)(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 4,630 as per FS. and US$ 4,256 million as at 31 March 2023 and 31 March 2022 respectively.

As at 31 March 2023

(US$ million)

Unused tax losses/ Unused tax credit Particulars	Within one year	Greater than one year, less than five years	Greater than five years	No expiry date	Total
Unutilized business losses	88	661	493	1,434	2,676
Unabsorbed depreciation	-	-	-	241	241
Unutilized R&D credit	-	-	-	1	1
Unabsorbed interest allowance*	-	-	-	1,712	1,712
Total	**88**	**661**	**493**	**3,388**	**4,630**

As at 31 March 2022

(US$ million)

Unused tax losses/ Unused tax credit Particulars	Within one year	Greater than one year, less than five years	Greater than five years	No expiry date	Total
Unutilized business losses	4	493	422	1,646	2,565
Unabsorbed depreciation	-	-	-	190	190
Unutilized R&D credit	-	-	-	1	1
Unabsorbed interest allowance*	-	-	-	1,500	1,500
Total	**4**	**493**	**422**	**3,337**	**4,256**

* As per UK's corporate interest restriction rules, the disallowed interest expense for any year can be carried forward and claimed in future years for unlimited life subject to specified conditions

No deferred tax assets have 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.

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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 is US$ 3,120 million and US$ 5,883 million as at 31 March 2023 and 31 March 2022 respectively.

(d) **Non-current tax assets**

Non-current tax assets of US$ 328 million (31 March 2022: US$ 365 million) 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 favourable 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 FY 2017-18 (for AY 2009-10 to AY 2012-13) and in FY 2023-24 (for AY 2017-18 and AY 2018-19) 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 Group. The amount involved in this dispute as of 31 March 2023 is US$ 1,515 million (31 March 2022: US$ 1,504 million) plus applicable interest up to the date of settlement of the dispute.

12. Underlying Attributable Profit/(Loss) for the year

Underlying earnings is an alternative earnings measure, which the management considers to be a useful additional measure of the Group's performance. The Group's Underlying profit/ loss is the profit/ loss for the year after adding back special items, other losses/(gains) [net] (note 9) and their resultant tax (including taxes classified as special items) & non-controlling interest effects and (Gain)/loss on discontinued operations. This is a non-IFRS measure.

(US$ million)

	Note	Year ended 31 March 2023	Year ended 31 March 2022
(Loss)/Profit for the year attributable to equity holders of the parent		(5)	1,002
Special items	6	178	(408)
Other (gains)/losses [net]	9	79	38
Tax effect of special items (including taxes classified as special items) and other gains/ (losses) [net]		(120)	160
Non-controlling interest on special items and other gains/ (losses)		(45)	52
Underlying attributable profit for the year		**87**	**844**

13. Dividends

(US$ million)

	Year ended 31 March 2023	Year ended 31 March 2022
Amounts recognized as distributions to equity holders:		
Equity dividends on ordinary shares:		
First Interim Dividend for 2022-23: 2.28 US cents per share	6	-
Second Interim Dividend for 2022-23: 2.45 US cents per share	7	-
Third Interim Dividend for 2022-23: 1.8 US cents per share	5	-
Interim Dividend for 2021-22: 46.0 US cents per share*	-	131

* US$ 2 million (31 March 2022: Nil) is payable as at 31 March 2023.

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14. Goodwill

(US$ million)

Copper India CGU	As at 31 March 2023	As at 31 March 2022
At 01 April	12	12
Impairment during the year	-	-
At 31 March	**12**	**12**

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

The Company has undertaken an impairment review of goodwill of US$ 12 million as at 31 March 2023. The carrying amount of goodwill allocated to the relevant cash generating unit is considered to be insignificant in comparison with the total carrying value of the cash generating unit. The carrying amount of goodwill was evaluated using the higher of fair value less cost of disposal ('FVLCD') or value in use based on discounted future cash flows of the cash generating unit to which the goodwill pertains and comparing this to the total carrying value of the relevant cash generating units. It was determined that the carrying amount of goodwill is not impaired and nor was impairment indicated following a reasonably possible change in a key assumption.

15. Intangible assets

Intangible assets include Port concession rights to operate a general cargo berth for handling coal at the outer harbour of the Visakhapatnam port on the east coast of India, software licences, technological know-how, acquired brand and others.

	Port concession rights (1)	Software license	Others (2)	Total
Cost				
As at 01 April 2021	82	7	52	141
Addition	-	1	-	1
Transfers	-	2	-	2
Exchange differences	(3)	(1)	(3)	(7)
As at 01 April 2022	**79**	**9**	**49**	**137**
Addition	-	1	-	1
Disposal/Adjustments	-	-	(18)	(18)
Transfers	1	1	-	2
Exchange differences	(6)	(2)	(4)	(12)
As at 31 March 2023	**74**	**9**	**27**	**110**
Accumulated amortisation				
As at 01 April 2021	24	6	12	42
Charge for the year	3	1	4	8
Exchange differences	(1)	(1)	(1)	(3)
As at 01 April 2022	**26**	**6**	**15**	**47**
Charge for the year	3	1	3	7
Disposal/Adjustments	-	-	(4)	(4)
Exchange differences	(1)	(2)	(1)	(4)
As at 31 March 2023	**28**	**5**	**13**	**46**
Net book value				
As at 01 April 2021	58	1	40	99
As at 01 April 2022	53	3	34	90
As at 31 March 2023	**46**	**4**	**14**	**64**

(1) Vizag General Cargo Berth Private Limited (VGCB), a special purpose vehicle, was incorporated for the coal berth mechanization and upgrades at Visakhapatnam port in Eastern India. VGCB is wholly owned by Vedanta Limited. The project is to be carried out on a design, build, finance, operate, transfer basis and the concession agreement between Visakhapatnam Port Trust ('VPT') and the VGCB was signed in June 2010. In October 2010, the

NOTES TO THE FINANCIAL STATEMENTS

VGCB was awarded with the concession after fulfilling conditions stipulated as a precedent to the concession agreement. VPT has provided, in lieu of license fee an exclusive license to VGCB 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 VPT would be entitled to receive 38.10% share of the gross revenue as royalty. VGCB 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 VGCB at the project site and/or in the port's assets pursuant to concession agreement would be with VGCB until expiry of this concession agreement. The cost of any repair, replacement or restoration of the project facilities and services shall be borne by VGCB during the concession period. VGCB 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 Group 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 represent 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 year ended 31 March 2023 and 31 March 2022.*

(2) (i) Others include technological know-how and acquired brand relating to acquisition of AvanStrate Inc.

(ii) Consequent to the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 ("the Rules"), the Group, during the current year ended 31 March 2023, has transferred its CSR assets, after obtaining regulatory approvals, having carrying value of US$ 14 million as on the date of transfer, at nominal consideration to Zinc India Foundation (Wholly owned subsidiary), 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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16. Property, plant and equipment

(US$ million)

	Mining property and leases	Freehold Land and buildings	Plant and equipment	Assets under construction	Oil & Gas properties [3]	ROU Assets [6]	Others	Total Property, plant and equipment	Exploration and evaluation assets[3]	Grand Total
Cost										
At 01 April 2021	3,064	1,919	12,493	1,564	19,621	249	165	39,075	1,571	40,646
Additions	158	27	172	983	95	16	17	1,468	129	1,597
Transfers [4]	276	12	396	(666)	93	(94)	2	19	(21)	(2)
Exploration costs written off	-	-	-	-	-	-	-	-	(351)	(351)
Disposals/Adjustments	(4)	(12)	(164)	(39)	(2)	(6)	(3)	(230)	-	(230)
Exchange differences	(68)	(57)	(353)	(47)	-	(6)	(5)	(536)	-	(536)
At 01 April 2022	**3,426**	**1,889**	**12,544**	**1,795**	**19,807**	**159**	**176**	**39,796**	**1,328**	**41,124**
Additions	193	11	212	1,230	256	19	11	1,932	189	2,121
Transfers [4],[5]	301	29	436	(669)	-	-	1	98	(18)	80
Exploration costs written off	-	-	-	-	-	-	-	-	(30)	(30)
Disposals/Adjustments	(2)	(1)	(270)	(32)	(160)	(1)	(4)	(470)	-	(470)
Exchange differences	(360)	(164)	(1,061)	(159)	-	(12)	(20)	(1,776)	(2)	(1,778)
At 31 March 2023	**3,558**	**1,764**	**11,861**	**2,165**	**19,903**	**165**	**164**	**39,580**	**1,467**	**41,047**
Accumulated depreciation, amortization and impairment										
At 01 April 2021	2,373	512	4,372	231	18,534	35	50	26,107	1,237	27,344
Charge for the year	283	61	539	-	306	9	24	1,222	-	1,222
Disposals/Adjustments	-	(4)	(115)	-	(2)	(6)	(2)	(129)	-	(129)
Transfers [4]	-	-	8	(8)	12	(12)	-	-	-	-
Impairment Charge/ (reversal) of assets and write off of asset under construction, land and capital advances (note 6)	-	1	-	26	(714)	-	-	(687)	(129)	(816)
Exchange differences	(53)	(18)	(121)	(5)	-	(1)	(3)	(201)	-	(201)
At 01 April 2022	**2,603**	**552**	**4,683**	**244**	**18,136**	**25**	**69**	**26,312**	**1,108**	**27,420**
Charge for the year	314	51	541	-	443	12	19	1,380	-	1,380
Disposals/Adjustments	-	-	(219)	-	(4)	(1)	(3)	(227)	-	(227)
Transfers [4],[5]	-	-	1	82	-	-	(1)	82	-	82
Impairment Charge/ (reversal) of assets (note 6)	-	-	-	(96)	82	-	-	(14)	75	61
Exchange differences	(225)	(61)	(422)	(13)	-	(2)	(16)	(739)	-	(739)
At 31 March 2023	**2,692**	**542**	**4,584**	**217**	**18,657**	**34**	**68**	**26,794**	**1,183**	**27,977**
Net book value										
At 01 April 2021	691	1,407	8,121	1,333	1,087	214	115	12,968	334	13,302
At 01 April 2022	823	1,337	7,861	1,551	1,671	134	107	13,484	220	13,704
At 31 March 2023	**866**	**1,222**	**7,277**	**1,948**	**1,246**	**131**	**96**	**12,786**	**284**	**13,070**

1) During the year ended 31 March 2023, interest capitalised was US$ 60 million (31 March 2022: US$ 42 million).
2) Oil and Gas properties includes development assets under construction of carrying value US$ 267 million (31 March 2022: US$ 421 million).
3) Oil and Gas properties and exploration and evaluation assets net block includes share of jointly owned assets with the joint venture partners US$ 1,289 million (31 March 2022: US$ 1,704 million).
4) Transfers/reclassification majorly includes capitalisation of CWIP to respective class of assets.
5) Transfer/reclassification from CWIP Accumulated Impairment to Mining Property Gross block amounting to US$ 82 million.

NOTES TO THE FINANCIAL STATEMENTS

(6) Disclosure of Right of Use (ROU) Assets as per IFRS 16 "Leases"

(US$ million)

	Land & Building	Plant and Equipment	Total
Cost			
At 01 April 2021	**150**	**99**	**249**
Additions	13	3	16
Transfers	(1)	(93)	(94)
Disposals/Adjustments	(6)	-	(6)
Exchange difference	(6)	-	(6)
At 01 April 2022	**150**	**9**	**159**
Additions	14	5	19
Disposals/Adjustments	(1)	-	(1)
Exchange difference	(11)	(1)	(12)
At 31 March 2023	**152**	**13**	**165**
Accumulated depreciation			
At 01 April 2021	**20**	**15**	**35**
Charge for the year	8	1	9
Transfers	-	(12)	(12)
Disposals/Adjustments	(6)	-	(6)
Exchange difference	(1)	-	(1)
At 01 April 2022	**21**	**4**	**25**
Charge for the year	9	3	12
Disposals/Adjustments	(1)	-	(1)
Exchange difference	(2)	-	(2)
At 31 March 2023	**27**	**7**	**34**
Net book value			
At 01 April 2021	130	84	214
At 01 April 2022	129	5	134
At 31 March 2023	**125**	**6**	**131**

17. Financial asset investments

Financial asset investments represent investments classified and accounted for at fair value through profit or loss or through other comprehensive income (refer note 25).

Financial Asset Investments

(US$ million)

	As at 31 March 2023	As at 31 March 2022
At 01 April 2022	20	21
Movements in fair value	(5)	(1)
Investment in Optionally Convertible Redeemable Preference Shares at FVTPL - unquoted - Serentica Renewable Power Companies (Refer note 32)	30	-
Investment in Bonds at FVOCI - quoted	19	-
Exchange difference	(1)	0
At 31 March 2023	**63**	**20**

Financial asset investment represents quoted investments in equity shares, debentures and other investments that present the Group with an opportunity for returns through dividend income and gains in value. These securities are held at fair value. These are classified as non-current as at 31 March 2023 and 31 March 2022.

NOTES TO THE FINANCIAL STATEMENTS

18. Other non-current assets and trade and other receivables

(US$ million)

	As at 31 March 2023			As at 31 March 2022		
	Non-Current	Current	Total	Non-Current	Current	Total
Bank deposits (2)	84	-	84	58	-	58
Site restoration assets	149	-	149	135	-	135
Trade receivables (1)	308	488	796	397	653	1,050
Others (3)	237	267	504	226	52	278
Trade receivables from related parties	-	3	3	-	4	4
Cash call / receivables from joint operations(4)	-	928	928	-	1,082	1,082
Receivable from KCM (5)	655	-	655	655	-	655
Financial (A)	**1,433**	**1,686**	**3,119**	**1,471**	**1,791**	**3,262**
Balance with Government authorities	98	186	284	101	144	245
Advance for supplies	5	258	263	-	358	358
Others (3)	117	149	266	119	186	305
Receivable from KCM (5)	27	-	27	27	-	27
Non-financial (B)	247	593	840	247	688	935
Total (A+B)	**1,680**	**2,279**	**3,959**	**1,718**	**2,479**	**4,197**

The credit period given to customers is upto 180 days. Also refer note 24(d)

(1) 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 Honorable Supreme Court to seek relief, which is yet to be listed.

The outstanding trade receivables in relation to this dispute and other matters is US$ 180 million as at 31 March 2023 (31 March 2022: US$ 228 Million). 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.

Additionally, trade receivables include US$ 107 Million (net of Provision for expected credit loss ("ECL") of US$ 19 million recognised during the year on account of time value of money) as at 31 March 2023 (31 March 2022: US$ 145 million) 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, US$ 46 million (net of ECL of US$ 9 million 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 US$ 28 million (net of ECL of US$ 6 million) relates to alleged short supply of power for which the Group's appeal on certain grounds are pending before APTEL.

(2) Includes US$ 28 million (31 March 2022: US$ 11 million) and US$ 1 million (31 March 2022: US$ 1 million) under lien with banks and Others respectively, US$ 5 million (31 March 2022: US$ 5 million) under margin money, US$ 43 million (31 March 2022: US$ 34 million) maintained as debt service reserve account and US$ 7 million (31 March 2022: US$ 8 million) held as margin money against bank guarantee

(3) Includes claim receivables, advance recoverable (oil and gas business), prepaid expenses, export incentive receivables and others.

(4) 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 Costs 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 recognized 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 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.

(5) Out of total receivables from KCM of US$ 682 million, US$ 27 million is on account of advance for supplies and hence classified as non-financial (Refer Note 3(a)).

NOTES TO THE FINANCIAL STATEMENTS

19. Inventories

(US$ million)

	As at 31 March 2023	As at 31 March 2022
Raw materials and consumables	1,083	1,117
Work-in-progress	618	668
Finished goods	129	110
Total	**1,830**	**1,895**

Inventory held at net realizable value amounted to US$ 250 million (31 March 2022: US$ 358 million). A write down of inventories amounting to US$ 14 million (31 March 2022: US$ 23 million) has been charged to the Consolidated Income Statement.

20. Short-term investments

(US$ million)

	As at 31 March 2023	As at 31 March 2022
Bank deposits [1,2]	161	849
Other investments		
Investments in quoted Bonds- at FVOCI [3]	516	-
Investments at FVTPL	1,051	2,268
Total	**1,728**	**3,117**

(1) The above bank deposits include US$ 15 million (31 March 2022: US$ 109 million) on lien with banks, US$ 5 million (31 March 2022: US$ 6 million) of margin money, US$ 56 million (31 March 2022: US$ 6 million) maintained as debt service reserve account.

(2) Restricted funds of US$ 3 million (31 March 2022: US$ 3 million) on lien with Others and US$ Nil million (31 March 2022: US$ 21 million) held as interest reserve created against interest payment on loans from banks, US$ 5 million (31 March 2022: US$ 5 million) of restricted funds held as collateral in respect of closure costs and US$ 8 million (31 March 2022: US$ 7 million) held as margin money against bank guarantee.

(3) Includes investments amounting to US$ 221 million (31 March 2022: $ Nil million) are pledged as security for repurchase liability (Refer Note 22(a)). 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 IFRS 7.

Bank deposits are made for periods of between three months and one year depending on the cash requirements of the companies within the Group and earn interest at the respective fixed deposit rates.

Other investments include mutual fund investments and investment in bonds which are recorded at fair value with changes in fair value reported through the consolidated income statement. These investments do not qualify for recognition as cash and cash equivalents due to their maturity period and risk of change in value of the investments. Refer Note 24 for further details.

21. Cash and cash equivalents

(US$ million)

	As at 31 March 2023	As at 31 March 2022
Cash and cash equivalents consist of the following		
Cash at bank and in hand[(3)]	755	834
Short-term deposits[(2)]	103	432
Restricted cash and cash equivalents [(1)]	179	62
Total	**1,037**	**1,328**

(1) Restricted cash and cash equivalents include US$ 179 million (31 March 2022: US$ 62 million) that are kept in a specified bank account to be utilised solely for the purpose of the payment of dividends to non-controlling shareholders, which are being carried as a current liability.

(2) Short-term deposits are made for periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

(3) Including foreign inward remittances aggregating US$ 40 million (31 March 2022: US$ 462 million) held by banks in their Nostro accounts on behalf of the Group.

NOTES TO THE FINANCIAL STATEMENTS

(4) Cash and cash equivalents for the purpose of Statement of Cash Flows comprise the following:

(US$ million)

	As at 31 March 2023	As at 31 March 2022
Cash and cash equivalents as above	1,037	1,328
Less: Restricted cash and cash equivalents	(179)	(62)
Total	**858**	**1,266**

22(a) Borrowings

(US$ million)

	As at 31 March 2023	As at 31 March 2022
Current borrowings consist of:		
Banks and financial institutions	1,616	1,350
Total short-term borrowings	1,616	1,350
Add: Current maturities of long-term borrowings	4,193	3,622
Current borrowings (A)	**5,809**	**4,972**
Non-current borrowings consist of:		
Banks and financial institutions	7,813	7,932
Non- convertible bonds	4,641	5,677
Non-convertible debentures	1,223	1,050
Redeemable Preference shares	0	0
Others	65	73
Total long-term borrowings	**13,742**	**14,732**
Less: Current maturities of long-term borrowings	(4,193)	(3,622)
Non-current borrowings (B)	**9,549**	**11,110**
Total (A+B)	**15,358**	**16,082**

The Group facilities are subject to certain financial and non-financial covenants. The primary covenants which must be complied with include fixed charge cover ratio, net borrowing to EBITDA ratio, total net assets to borrowings ratio, attributable leverage ratio and EBITDA to net interest expense ratio.

Details of the Non-convertible bonds and Non-convertible debentures issued by the Group have been provided below (carrying value):

(US$ million)

	As at 31 March 2023	As at 31 March 2022
Non-Convertible Bonds:		
0.28 % bonds due October 2032	4	4
9.25% bonds due April 2026	596	595
8.95 % bonds due March 2025	1,196	1,194
6.13 % bonds due August 2024	947	994
13.88% bonds due on January 2024	998	995
7.13 % bonds due June 2023	500	498
7.99 % bonds due April 2023	400	398
6.37 % bonds due July 2022	-	999
	4,641	**5,677**

NOTES TO THE FINANCIAL STATEMENTS

(US$ million)

	As at 31 March 2023	As at 31 March 2022
Non-Convertible Debentures		
8.74% due June-2032	498	-
9.20% due February-2030	243	265
7.68% due December-2024	121	132
3m T-bill rate + 240 bp due -March 2024*	97	-
5.35% due September 2023	257	372
0.00% due September 2023	7	14
9.20% due December-2022	-	99
8.75% due June-2022	-	168
	1,223	**1,050**

*The 3-month treasury bill rate in India as at 31 March 2023 is 6.34%

Security Details

The Group has taken borrowings in various countries towards funding of its acquisitions, capital expenditure and working capital requirements. The borrowings comprise funding arrangements from various banks and financial institutions taken by the parent and subsidiaries. Out of the total borrowings of US$ 15,358 million (31 March 2022: US$ 16,082 million) shown above, total secured borrowings are US$ 6,126 million (31 March 2022: US$ 5,659 million) and unsecured borrowings are US$ 9,232 million (31 March 2022: US$ 10,423 million). The details of security provided by the Group in various countries, to various lenders on the assets of Parent and subsidiaries are as follows:

(US$ million)

Facility Category	Security details	As at 31 March 2023	As at 31 March 2022
Working Capital Loans (grouped under banks and financial institutions)	First Pari passu charge by way of mortgage/hypothecation over the specified immovable and movable fixed assets of Vedanta Limited with a minimum fixed asset cover of 1.1 times of the outstanding term loan during the period of the facility. Security comprises of assets of the aluminium and power division of Vedanta limited, 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.	9	-
	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	13	68
	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	37	7
	First pari passu charge on current assets of FACOR	3	-
	First pari passu charge on all current assets of Malco Energy Limited (MEL)	4	-
External commercial borrowings (grouped under banks and financial institutions)	A First pari passu charge by way of hypothecation on the specified movable fixed assets of Vedanta Limited 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	248	147

NOTES TO THE FINANCIAL STATEMENTS

(US$ million)

Facility Category	Security details	As at 31 March 2023	As at 31 March 2022
	First pari passu charge by way of hypothecation on all present and future movable assets of Vedanta Limited 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) 2400 MW Power plant (1800 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.	149	-
	Other secured external commercial borrowings	-	15
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.	243	265
	Secured by way of charge against all existing assets of FACOR	7	14
	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 Vedanta Limited 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.	121	132
	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.	499	-
	Other secured non-convertible debentures	-	267
Term loan from banks (grouped under banks and financial institutions)	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	751	860
	Secured by a pari passu charge by way of hypothecation of all the movable fixed assets of Vedanta limited 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.	195	234
	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 Group along with 90 MW power plant in Lanjigarh and all its related expansions.	44	53

NOTES TO THE FINANCIAL STATEMENTS

(US$ million)

Facility Category	Security details	As at 31 March 2023	As at 31 March 2022
	Secured by a pari passu charge by way of hypothecation on the movable fixed assets of Vedanta limited 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.	413	454
	First pari passu charge by way of hypothecation/ equitable mortgage on the movable/ immovable assets of the aluminium Division of Vedanta limited 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.	95	132
	Secured by a pari passu charge by way of hypothecation/ equitable mortgage of the movable/ immovable fixed assets of Vedanta limited 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.	714	876
	Secured by: (i) floating charge on borrower collection account and associated permitted investments and (ii) corporate guarantee from CEHL and floating charge on collection account and current assets of CEHL	324	212
	Secured by first pari passu charge on all present and future movable fixed assets including but not limited to plant & machinery, spares, tools and accessories of BALCO (excluding of coal block assets) by way of a deed of hypothecation	101	118
Term loan from banks (grouped under banks and financial institutions)	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.	277	358
	Secured by a first pari passu charge on the identified fixed assets of Vedanta limited 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 Vedanta limited, and the debt service reserve account to be opened for the facility along with the amount lying to the credit thereof .#	878	1,035
	First pari passu charge on the movable fixed and current assets (except for the Concession assets) of VGCB at Visakhapatnam, Andhra Pradesh	43	50
	Secured by first pari passu charge by way of movable fixed assets of the aluminium division of Vedanta limited 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	90	-
	A first pari passu charge by way of mortgage/ hypothecation over the specified movable fixed assets of Vedanta limited. Security shall comprise of assets of the aluminium and power division of Vedanta limited, 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.	144	-
	A first pari passu first charge by way of hypothecation on the specified movable fixed assets of Vedanta limited 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.	138	-

NOTES TO THE FINANCIAL STATEMENTS

(US$ million)

Facility Category	Security details	As at 31 March 2023	As at 31 March 2022
	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 Vedanta limited pertaining to Aluminium division (Jharsuguda plant, Lanjigarh plant) and 2400 MW power plant at JSG as more particularly described as below: (i) Alumina refinery up to 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) 2400 MW power plant (1800 MW CPP and 600 MW IPP) located as Jharsuguda, Odisha	58	-
	A first pari passu charge by way of mortgage/ hypothecation over the specified immovable and movable fixed assets of Vedanta limited. Security shall comprise of assets of the aluminium and power division of Vedanta limited, 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	113	-
Term loan from banks (grouped under banks and financial institutions)	First pari passu charge by way of hypothecation on all present and future movable fixed assets of Vedanta limited 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	83	116
	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 Vedanta limited with a minimum fixed asset coverage ratio of 1.10 times as more particularly described as below: (i) Alumina refinery up to 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) 2400 MW Power Plant (1800 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)	30	-
	A first pari passu first charge by way of hypothecation on the Specified movable fixed assets of Vedanta limited 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	60	-
	Secured by tax free perpetual bonds*	182	-
	Other secured term loans	-	180
Others (grouped under banks and financial institutions)	Secured by Fixed asset (platinum) of AvanStrate Inc.	60	66
	Total	**6,126**	**5,659**

* 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 at HZL amounting to US$ 221 million and are repayable in 102 to 109 days (31 March 2022: Nil days) from the date of borrowings through repurchase obligation.

In December 2021, Vedanta limited executed a US$ 974 million facility agreement with Union Bank of India Limited to take over a long term syndicated facility of US$ 1,217 million. This loan is secured by the way of pledge over the shares held by Vedanta limited 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, Vedanta limited 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 US$ 881 million (31 March 2022: US$ 1,037 million)

NOTES TO THE FINANCIAL STATEMENTS

22(b). Movement in net debt [1]

(US$ million)

	Cash and cash equivalents	Short term investments and Non-current Bank Deposits	Total cash and short-term investments	Short-term borrowing Debt carrying value	Long-term borrowing* Debt carrying value	Total Net Debt [4]
At 01 April 2021	**701**	**4,945**	**5,646**	**(546)**	**(15,831)**	**(10,731)**
Cash flow from continuing operations [3]	610	(1,998)	(1,388)	(584)	686	(1,286)
Other non-cash changes [2]	-	29	29	21	182	232
Foreign exchange currency translation differences	(45)	154	109	(241)	231	99
At 01 April 2022	**1,266**	**3,130**	**4,396**	**(1,350)**	**(14,732)**	**(11,686)**
Cash flow from continuing operations [3]	(325)	(1,093)	(1,418)	(572)	498	(1,492)
Other non-cash changes [2]	-	(60)	(60)	(3)	(34)	(97)
Foreign exchange currency translation differences	(83)	(207)	(290)	309	526	545
At 31 March 2023	**858**	**1,770**	**2,628**	**(1,616)**	**(13,742)**	**(12,730)**

* Includes current maturities of long-term borrowings of US$ 4,193 million as at 31 March 2023 (31 March 2022: US$ 3,622 million)

(1) Net debt is a non-IFRS measure and represents total debt after fair value adjustments under IAS 32 and IFRS 9 as reduced by cash and cash equivalents and short-term investments,

(2) Other non-cash changes comprise amortisation of borrowing costs, foreign exchange difference on net debt. It also includes US$ 60 million (31 March 2022: US$ 28 million) of fair value movement in investments and accrued interest on investments.

(3) Consists of net repayment of working capital loan, proceeds and repayments of short-term and long-term borrowings.

(4) Total net debt excludes movement in lease liabilities which is separately disclosed in Note 23.

22(c). Operational buyer's/Supplier's Credit

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 7.80% per annum and in rupee from domestic banks at interest rate ranging from 4.34%-8.80% 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.

23. Trade and other payables

(US$ million)

	As at 31 March 2023			As at 31 March 2022		
	Non- Current	Current	Total	Non- Current	Current	Total
Lease liability [4]	23	39	62	27	45	72
Dividend payable to NCI	-	426	426	-	16	16
Trade payables	-	1,344	1,344	-	1,370	1,370
Liabilities for capital expenditure	151	1,225	1,376	127	1,452	1,579
Profit petroleum payable	-	349	349	-	288	288
Security deposits and retentions	-	37	37	-	31	31
Put option liability with non-controlling interests [1]	5	25	30	32	-	32
Other payables [3]	40	492	532	15	617	632
Financial (A)	**219**	**3,937**	**4,156**	**201**	**3,819**	**4,020**
Statutory liabilities	-	463	463	-	418	418
Advance from customers [2]	-	1,087	1,087	53	546	599
Other payables	-	26	26	-	33	33
Non-financial (B)	**-**	**1,576**	**1,576**	**53**	**997**	**1,050**
Total (A+B)	**219**	**5,513**	**5,732**	**254**	**4,816**	**5,070**

NOTES TO THE FINANCIAL STATEMENTS

Trade payables are majorly non-interest bearing and are normally settled upto 180 days terms.

The fair value of trade and other payables is not materially different from the carrying value presented.

(1) The non-controlling shareholders of ASI have an option to offload 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 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.

(2) Advance from customers are contract liabilities to be settled through delivery of goods. The amount of such balances as on 01 April 2021: US$ 850 million. During the current year, the Group has recognised revenue of US$ 546 million (31 March 2022: US$ 835 million) out of such opening balances. All other changes are either due to receipt of fresh advances or exchange differences.

(3) Includes revenue received in excess of entitlement interest of US$ 61 million (31 March 2022: US$ 119 million) of which US$ 34 million is payable to ONGC, and reimbursement of expenses, interest accrued on other than borrowings, liabilities related to claim, liability for stock options etc.

(4) Movement in lease liabilities is as follows:

	(US$ million)
At 01 April 2022	**72**
Payments made	(23)
Other non-cash changes:	
Additions during the year	18
Interest on lease liabilities	2
Deletions	(7)
At 31 March 2023	**62**

24. Financial instruments

Financial Assets and Liabilities:

The following tables present the carrying value and fair value of each category of financial assets and liabilities as at 31 March 2023 and 31 March 2022:

(US$ million)

As at 31 March 2023	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
Financial Assets						
Financial instruments (derivatives)	11	-	15	-	26	26
Financial asset investments held at fair value	35	28	-	-	63	63
Short term investments						
- Bank deposits	-	-	-	161	161	161
- Other investments	1,051	516	-	-	1,567	1,567
Cash and cash equivalents	-	-	-	1,037	1,037	1,037
Other non-current assets and trade and other receivables	47	-	-	3,072	3,119	3,215
Total	**1,144**	**544**	**15**	**4,270**	**5,973**	**6,069**

NOTES TO THE FINANCIAL STATEMENTS

(US$ million)

As at 31 March 2023	Fair value through profit or loss	Derivatives designated as hedging instruments	Amortised cost	Others*	Total carrying value	Total fair value
Financial Liabilities						
Financial instruments (derivatives)	9	16	-	-	25	25
Trade and other payables**	120	-	5,673	30	5,823	5,823
Borrowings	-	-	15,358	-	15,358	14,024
Total	**129**	**16**	**21,031**	**30**	**21,206**	**19,872**

*Represents put option liability accounted for at fair value

**Includes operational buyers' credit/suppliers' credit of US$ 1,667 million

(US$ million)

As at 31 March 2022	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
Financial Assets						
Financial instruments (derivatives)	1	-	33	-	34	34
Financial asset investments held at fair value	4	16	-	-	20	20
Short term investments						
- Bank deposits	-	-	-	849	849	849
- Other investments	2,268	-	-	-	2,268	2,268
Cash and cash equivalents	-	-	-	1,328	1,328	1,328
Other non-current assets and trade and other receivables	69	-	-	3,193	3,262	3,327
Total	**2,342**	**16**	**33**	**5,370**	**7,761**	**7,826**

As at 31 March 2022	Fair value through profit or loss	Derivatives designated as hedging instruments	Amortised cost	Others*	Total carrying value	Total fair value
Financial Liabilities						
Financial instruments (derivatives)	18	53	-	-	71	71
Trade and other payables**	137	-	5,328	32	5,497	5,497
Borrowings	-	-	16,082	-	16,082	15,840
Total	**155**	**53**	**21,410**	**32**	**21,650**	**21,408**

*Represents put option liability accounted for at fair value

**Includes operational buyers' credit/suppliers' credit of US$ 1,477 million

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- 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)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

NOTES TO THE FINANCIAL STATEMENTS

The below tables summarise the categories of financial assets and liabilities as at 31 March 2023 and 31 March 2022 measured at fair value:

(US$ million)

	As at 31 March 2023		
	Level 1	Level 2	Level 3
Financial assets			
At fair value through profit or loss			
- Short term investments	556	495	-
- Financial asset investments held at fair value	-	-	35
- Financial instruments (derivatives)	-	11	-
- Other non-current assets and trade and other receivables	-	47	-
At fair value through other comprehensive income			
- Financial asset investments held at fair value	9	534	1
Derivatives designated as hedging instruments			
- Financial instruments (derivatives)	-	15	-
Total	**565**	**1,102**	**36**
Financial liabilities			
At fair value through profit or loss			
- Financial instruments (derivatives)	-	9	-
- Trade and other payables	-	120	-
Derivatives designated as hedging instruments			
- Financial instruments (derivatives)	-	16	-
- Trade and other payables- Put option liability with non- controlling interest	-	-	30
Total	**-**	**145**	**30**

(US$ million)

	As at 31 March 2022		
	Level 1	Level 2	Level 3
Financial assets			
At fair value through profit or loss			
- Short term investments	954	1,314	-
- Financial asset investments held at fair value	-	-	4
- Financial instruments (derivatives)	-	1	-
- Other non-current assets and trade and other receivables	-	69	-
At fair value through other comprehensive income			
- Financial asset investments held at fair value	15	-	1
Derivatives designated as hedging instruments			
- Financial instruments (derivatives)	-	33	-
Total	**969**	**1,417**	**5**
Financial liabilities			
At fair value through profit or loss			
- Financial instruments (derivatives)	-	18	-
- Trade and other payables	-	137	-
Derivatives designated as hedging instruments			
- Financial instruments (derivatives)	-	53	-
Trade and other payables- Put option liability with non- controlling interest	-	-	32
Total	**-**	**208**	**32**

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The below table summarizes the fair value of borrowings and Loans, receivables and obligations relating to KCM which are carried at amortised cost as at 31 March 2023 and 31 March 2022:

(US$ million)

	As at 31 March 2023		As at 31 March 2022	
	Level 1	Level 2	Level 1	Level 2
Borrowings	3,306	10,718	5,410	10,430
Total	**3,306**	**10,718**	**5,410**	**10,430**

(US$ million)

	As at 31 March 2023			As at 31 March 2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Loans, receivables and obligations of KCM towards the Group	-	-	751	-	-	720
Total	**-**	**-**	**751**	**-**	**-**	**720**

The changes in fair value of Level 3 items for the year ended 31 March 2023 and 31 March 2022 are set out in the table below:

Loans, receivables and obligations of KCM towards the Group

(US$ million)

	As at 31 March 2023	As at 31 March 2022
01 April	720	655
Fair value change during the year	31	65
31 March	**751**	**720**

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 and structured 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.

- Financial assets forming part of Trade and other receivables, cash and cash equivalents (including restricted cash and cash equivalents), bank deposits, financial liabilities forming part of trade and other payables and short-term borrowings: Approximate their carrying amounts largely due to the short-term maturities of these instruments.

- Other non-current financial assets and financial 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.

- Long-term fixed-rate and variable rate borrowings: Listed bonds are fair valued based on the prevailing market price. For all other long-term fixed-rate and variable-rate borrowings, either the carrying amount approximates the fair value, or fair value has been estimated by discounting the expected future cash flows using a discount rate equivalent to the risk-free rate of return adjusted for the appropriate credit spread.

- Quoted financial asset investments: Fair value is derived from quoted market prices in active markets.

- Derivative financial assets/liabilities: The Group enters into 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 by the

NOTES TO THE FINANCIAL STATEMENTS

Group include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the 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 (UK).

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 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 current year.

Risk management framework

The Group's businesses are subject to several risks and uncertainties including financial risks.

The Group's documented risk management polices act as an effective tool in mitigating the various financial risks to which the businesses are exposed to 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 Group's Management Assurance function and is regularly reviewed by the Board. The Board is aided by the other Group committees 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 Risk Management Committee and Finance Management committee. The Company's independent non-executive director meets the auditors to discuss the audit process and audit findings and observations.

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

Treasury management

Treasury management focuses on liability management, capital protection, liquidity maintenance and yield maximization. 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.

NOTES TO THE FINANCIAL STATEMENTS

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 import of input commodities such as Copper Concentrate & Alumina, for our Copper and Aluminium 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 into hedging arrangements for its aluminium sales to realise average month of sale LME prices.

Copper

The Group's custom smelting 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 concentrate and the sale of finished copper. The Group'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 Group 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.

RC is a major source of income for the Indian copper smelting operations. Fluctuation in RC is influenced by factors including demand and supply conditions prevailing in the market for mine output. The Group's copper business has a strategy of securing a majority of its anodes/blisters requirement under long-term contracts with mines.

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.

Zinc International

Raw material for zinc and lead is mined in 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 crudes with a premium or discount over the benchmark based upon quality differential and competitiveness of various grades.

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).

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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 US$ 73 million (31 March 2022: liabilities of US$ 68 million). 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 equity as a result of changes in value of the Group's commodity financial instruments:

For the year ended 31 March 2023:

(US$ million)

Commodity price sensitivity	Total Exposure	Effect on pre-tax profit/(loss) of a 10% increase in the LME	Effect on pre-tax equity of a 10% increase in the LME
Copper	(106)	(11)	-

For the year ended 31 March 2022:

(US$ million)

Commodity price sensitivity	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	(110)	(11)	-

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 Vedanta Limited Copper division custom smelting operations of US$ 16 million (31 March 2022: US$ 17 million), which is pass through in nature and as such will not have any impact on the profitability.

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 optimise interest and commodity pricing through proven financial instruments.

(a) Liquidity risk

The Group requires funds both for short-term operational needs as well as for long-term investment programmes mainly in growth projects. The Group is currently forecasting to generate 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 (refer note 1(d)). Anticipated future cash flows, together with undrawn fund based committed facilities of US$ 701 million, and cash and short term investments of US$ 2,646 million as at 31 March 2023, are expected to be sufficient to meet the liquidity requirement of the Group in the near future.

In February 2022, Moody's affirmed the Corporate Family Rating of Vedanta Resources Limited at B2 and B3 rating on the senior unsecured notes of the Company and changed the outlook to "Negative" from "Stable". On 31 October 2022, Moody's downgraded the Corporate Family Rating to 'B3' from 'B2' and bond ratings to 'Caa1' from 'B3' with negative outlook in view of the near term refinancing requirements amid tightening liquidity in the capital markets. S&P Global Ratings has maintained its ratings on Vedanta Resources Ltd at 'B-/Stable' and there has been no change in the ratings during FY 2023.

The Group remains in a very comfortable position to address all its debt maturities with a strong balance sheet, robust liquidity at its operating subsidiaries and strong track record of raising funds through relationship banks. Meanwhile, on 03 November 2022, VRL had given notice to Moody's for discontinuation of all its outstanding ratings and since then there has been no engagement or information sharing with the rating agency.

The Group remains committed to maintaining a healthy liquidity, a low gearing ratio, deleveraging and strengthening our balance sheet. The maturity profile of the Group's financial liabilities based on the remaining period from the balance sheet date 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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At 31 March 2023

(US$ million)

Payment due by period	< 1 year	1-3 years	3-5 years	> 5 years	Total
Trade and other payables (1)	5,407	43	-	-	5,450
Bank and other borrowings (2)	6,945	6,738	3,122	1,723	18,528
Lease liability	39	17	2	4	62
Derivative liabilities	23	2	-	-	25
Total	**12,414**	**6,800**	**3,124**	**1,727**	**24,065**

At 31 March 2022

(US$ million)

Payment due by period	< 1 year	1-3 years	3-5 years	> 5 years	Total
Trade and other payables (1)	5,105	152	-	-	5,257
Bank and other borrowings (2)	6,103	8,831	2,391	1,542	18,867
Lease liability	45	19	4	4	72
Derivative liabilities	70	1	-	-	71
Total	**11,323**	**9,003**	**2,395**	**1,546**	**24,267**

(1) Excludes accrued interest which has been included with borrowings

(2) Includes current and non-current borrowings and committed interest payments

At 31 March 2023, the Group had access to following funding facilities:

(US$ million)

As at 31 March 2023	Total facility	Drawn	Undrawn
Fund/Non-fund based	**14,342**	**12,526**	**1,816**

(US$ million)

As at 31 March 2022	Total facility	Drawn	Undrawn
Fund/Non-fund based	**13,772**	**11,926**	**1,846**

(b) Foreign currency risk

Fluctuations in foreign currency exchange rates may have an impact on the consolidated income statement, the consolidated statements 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 (USD), Australian dollar (AUD), Namibian dollar (NAD), Emirati Dirham (AED), South African Rand (ZAR), Great British Pound (GBP), Indian Rupee (INR), Japanese Yen (JPY) and Euro against the functional currencies of 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 US dollar. 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 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.

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The following analysis is based on the gross exposure as at the reporting date which could affect the consolidated income statement. The exposure summarised below 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:

(US$ million)

	As at 31 March 2023		As at 31 March 2022	
	Financial Assets	Financial liabilities	Financial Assets	Financial liabilities
USD	1,823	11,117	2,432	12,723
INR	4,025	9,697	5,153	8,504
Others	125	392	176	423
Total	**5,973**	**21,206**	**7,761**	**21,650**

The Group's exposure to foreign currency arises where a Group company holds monetary assets and liabilities denominated in a currency different to the functional currency of that entity, with USD (US Dollar) being the major non-functional currency of the Group's main operating subsidiaries.

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 currencies by 10 % against the functional currencies of the respective entities.

Set out below is the impact of a 10% strengthening in the functional currencies of the respective entities on pre-tax profit/(loss) and pre-tax equity arising as a result of the revaluation of the Group's foreign currency monetary financial assets/liabilities:

(US$ million)

	For the year ended 31 March 2023		
	Closing exchange rate	Effect on pre-tax profit/(loss) of 10% strengthening in currency	Effect on pre-tax equity of 10% increase in currency
USD	82.1643	186	-

(US$ million)

	For the year ended 31 March 2022		
	Closing exchange rate	Effect on pre-tax profit/(loss) of 10% strengthening in currency	Effect on pre-tax equity of 10% increase in currency
USD	75.5874	103	-

A 10% weakening of the functional currencies of the respective entities would have an equal and opposite effect on the Group's financial statements.

(c) **Interest rate risk**

At 31 March 2023, the Group's net debt of US$ 12,730 million (31 March 2022: US$ 11,686 million net debt) comprises debt of US$ 15,358 million (31 March 2022: US$ 16,082 million) offset by cash, cash equivalents, short-term investments and non-current bank deposit of US$ 2,628 million (31 March 2022: US$ 4,396 million).

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

NOTES TO THE FINANCIAL STATEMENTS

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 short-term 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 to interest rate risk is as follows:

(US$ million)

	As at 31 March 2023			As at 31 March 2022		
	Floating rate financial assets	Fixed rate financial assets	Non-interest bearing financial assets	Floating rate financial assets	Fixed rate financial assets	Non-interest bearing financial assets
Financial assets	569	1,596	3,808	1,091	2,682	3,988

The exposure of the Group's financial liabilities to interest rate risk is as follows:

(US$ million)

	As at 31 March 2023			As at 31 March 2022		
	Floating rate financial liabilities	Fixed rate financial liabilities	Non-interest bearing financial liabilities	Floating rate financial liabilities	Fixed rate financial liabilities	Non-interest bearing financial liabilities
Financial liabilities	7,780	9,270	4,156	7,072	10,648	3,930

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 below table illustrates the impact of a 0.5% to 2.0% movement in interest rate of 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 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.

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
0.5%	(36)	(30)
1.0%	(72)	(60)
2.0%	(144)	(120)

A reduction in interest rates would have an equal and opposite effect on the Group's financial statements.

NOTES TO THE FINANCIAL STATEMENTS

(d) 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 collateral, 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, cash and cash equivalents, short term investments and other financial instruments.

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.

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. No single customer accounted for 10% or more of revenue on a consolidated basis in the current year and previous year. 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 our counterparties.

The Group's maximum gross exposure to credit risk as at 31 March 2023 is US$ 5,973 million (31 March 2022: US$ 7,761 million).

Of the year end trade and other receivable balances, the following, though overdue, are expected to be realised in the normal course of business and hence, are not considered impaired as at:

(US$ million)

	31 March 2023	31 March 2022
Neither past due nor impaired	2,142	2,018
Past due but not impaired		
- Less than 1 month	136	279
- Between 1 - 3 months	29	49
- Between 3 - 12 months	40	52
- Greater than 12 months	539	671
Total	**2,886**	**3,069**

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 table are those that have not been settled within the terms and conditions that have been agreed with that customer.

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 (other non-current assets, loans and trade and other receivables)

Particulars	US$ million
As at 01 April 2021	**239**
Allowance made during the year	28
Reversals/write off during the year	(0)
Foreign Exchange difference	(4)
As at 01 April 2022	**263**
Allowance made during the year	44
Reversals/write off during the year	(28)
Foreign Exchange difference	(17)
As at 31 March 2023	**262**

NOTES TO THE FINANCIAL STATEMENTS

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 on the balance sheet within other financial assets (derivatives) and other financial liabilities (derivatives), current and non-current. 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 recognised in consolidated statement of comprehensive income until the hedged transaction occurs, at which time, the respective gain or losses are reclassified to the consolidated income statement. These hedges have been effective for the year ended 31 March 2023.

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 fiscal year 2023. Fair value changes on such forward contracts are recognised in the consolidated statement of comprehensive income.

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 the consolidated income statement 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 the consolidated income statement 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 recognised in the consolidated income statement.

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 recognised in the consolidated income statement.

Non-qualifying/economic hedge

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 and zinc future contracts on the LME and certain other derivative instruments. Fair value changes on such derivative instruments are recognised in the consolidated income statement.

The fair value of the Group's open derivative positions as at 31 March 2023, recorded within financial instruments (derivative) is as follows:

NOTES TO THE FINANCIAL STATEMENTS

(US$ million)

	As at 31 March 2023		As at 31 March 2022	
	Liability	Asset	Liability	Asset
Current				
Cash flow hedges				
- Commodity contracts	4	5	28	31
- Interest rate swap	-	-	-	0
Fair value hedges				
- Commodity contracts	8	10	9	1
- Forward foreign currency contracts	2	0	16	1
Non-Qualifying hedges				
- Commodity contracts	-	6	1	0
- Forward foreign currency contracts	9	5	17	1
Total	**23**	**26**	**71**	**34**
Non-current				
Fair value hedges				
- Forward foreign currency contracts	2	-	1	-
Total	2	-	1	-
Grand Total	**25**	**26**	**72**	**34**

25. Provisions

(US$ million)

	As at 31 March 2023			As at 31 March 2022		
	Current	Non- Current	Total	Current	Non- Current	Total
Provision for restoration, rehabilitation and environmental	4	388	392	4	426	430
Provision for employee benefits	20	2	22	24	1	25
Others	14	0	14	14	0	14
Total	**38**	**390**	**428**	**42**	**427**	**469**

	Restoration, rehabilitation and environmental	Other
As at 01 April 2021	409	7
Additions	5	7
Utilised	(1)	-
Unwinding of discount (note 8)	10	-
Revision in estimates	8	-
Exchange differences	(2)	-
As at 01 April 2022	**429**	**14**
Additions	6	1
Utilised	(2)	-
Unwinding of discount (note 8)	12	-
Revision in estimates	(37)	-
Exchange differences	(16)	(1)
As at 31 March 2023	**392**	**14**

NOTES TO THE FINANCIAL STATEMENTS

Restoration, rehabilitation and environmental

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 mining and other licences and contractual arrangements.

Within India, the principal restoration and rehabilitation provisions are recorded within Cairn India 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.

Others

Others mainly include provision for disputed cases and claims.

26. Retirement benefits

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 income statement 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. Re-measurement gains and losses arising in the year are recognized in full in Consolidated Statement of Comprehensive Income for the year.

(i) Defined contribution plans

The Group contributed a total of US$ 18 million and US$ 19 million for the year ended 31 March 2023 and 31 March 2022 respectively, to the following defined contribution plans.

(US$ million)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Employer's contribution to recognized Provident fund and family pension fund	15	15
Employer's contribution to superannuation	2	3
Employer's contribution to National Pension Scheme	1	1
	18	**19**

Indian pension plans

Central recognised provident fund

In accordance with the Employees' 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 31 March 2022) of an employee's basic salary and includes contributions 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 income statement 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 (included in the 12% rate specified above) subject to a specified ceiling per employee. This is provided for every permanent employee on the payroll.

NOTES TO THE FINANCIAL STATEMENTS

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 applicable in India, is applicable only to executives above certain grade. However, in case of oil & gas (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 policy with the 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 the 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 income statement 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 income statement in the year they are incurred.

Non-Indian plans

Australian pension scheme

The Group also participates in defined contribution superannuation schemes in Australia. The contribution of a proportion of an employee's salary into 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 the employee's gross remuneration where the employee is covered by the 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 income statement 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 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.

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 income statement in the year they are incurred.

Black Mountain (Pty) Limited, South Africa Pension & 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. 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 years.

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 income statement in the year they are incurred.

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(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 IAS 19 and Guidance note issued by Institute of Actuaries of India for interest rate guarantee of exempted provident fund liability of employees. Having regard to the assets of the fund and the return on investments, the Group does not expect any deficiency in the foreseeable future except as mentioned below. The Group contributed a total of US$ 10 million and US$ 6 million for the years ended 31 March 2023 and 2022 respectively 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 summarized below.

(US$ million)

Particulars	As at 31 March 2023	As at 31 March 2022
Fair value of plan assets of trusts	318	339
Present value of defined benefit obligation	(317)	(337)
Net liability arising from defined benefit obligation	-	-

Percentage allocation of Plan assets of the trust

(US$ million)

Assets by Category	As at 31 March 2023	As at 31 March 2022
Government Securities	45.15%	58.62%
Debentures / Bonds	38.32%	35.54%
Equity	16.53%	4.64%
Money Market Instruments	0.00%	1.20%

(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 employee's spouses as well. Based on an actuarial valuation conducted as at year-end, a provision is recognised in full for the benefit obligation. The obligation relating to post-retirement medical benefits as at 31 March 2023 was US$ 13 million (31 March 2022: US$ 13 million). 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 IAS 19 'Employee benefits'. The remeasurement loss and net interest on the obligation of post-retirement medical benefits of US$ 0 million (31 March 2022: US$ 1 million) and US$ 1 million (31 March 2022: US$ 1 million) 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 recognized 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 recognized in the consolidated statements of financial position.

The iron ore and oil & gas division of Vedanta Limited, SRL, SMCL, HZL and FACOR have constituted a trust recognized by Indian Income Tax Authorities for

NOTES TO THE FINANCIAL STATEMENTS

gratuity to employees, contributions to the trust are funded with the LIC, ICICI Prudential Life Insurance Company Limited ("ICICI PL") and HDFC Standard Life Insurance Company Limited ("HDFC SL").

Principal actuarial assumptions

Principal actuarial assumptions used to determine the present value of Other post-employment benefit plan obligation are as follows:

(US$ million)

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	2.0%-15.0%	2.0%-15.0%

Assumptions regarding mortality for Indian entities are based on mortality table of 'Indian Assured Lives Mortality (2012-2014) published by the Institute of Actuaries of India.

Amount recognised in the Consolidated Statement of Financial Position consists of:

(US$ million)

Particulars	As at 31 March 2023	As at 31 March 2023
Fair value of plan assets	53	59
Present value of defined benefit obligation	(75)	(81)
Net liability arising from defined benefit obligation	**(22)**	**(22)**

Amounts recognised in Consolidated income statement in respect of Other post-employment benefit plan are as follows:

(US$ million)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Current service cost	5	5
Net Interest cost	1	2
Components of defined benefit costs recognised in consolidated income statement	**6**	**7**

Amounts recognised in the Consolidated Statement of Comprehensive Income in respect of Other post-employment benefit plan are as follows:

(US$ million)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Remeasurement of the net defined benefit obligation:		
Actuarial (gains)/ losses arising from changes in demographic assumptions	(0)	0
Actuarial losses arising from changes in financial assumptions	0	2
Actuarial losses/ (gains) arising from experience adjustments	1	(0)
Actuarial losses on plan assets (excluding amounts included in net interest cost)	0	0
Components of defined benefit costs recognised in consolidated statement of comprehensive income- losses	**1**	**2**

NOTES TO THE FINANCIAL STATEMENTS

The movement of the present value of Other post-employment benefit plan obligation is as follows:

(US$ million)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Opening balance	(81)	(79)
Current service cost	(5)	(5)
Benefits paid	9	9
Interest cost	(5)	(5)
Actuarial gains/ (losses) arising from changes in assumptions	(1)	(1)
Foreign currency translation	8	0
Closing balance	**(75)**	**(81)**

The movement in the fair value of Other post-employment benefit plan assets is as follows:

(US$ million)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Opening balance	59	55
Contributions received	4	9
Benefits paid	(7)	(6)
Remeasurement (loss)/ gain arising from return on plan assets	0	0
Interest income	4	3
Foreign currency translation	(7)	(2)
Closing balance	**53**	**59**

The above plan assets have been invested in the qualified insurance policies.

The actual return on plan assets was US$ 3 million and US$ 3 million for the year ended 31 March 2023 and 31 March 2022 respectively.

The weighted average duration of the defined benefit obligation is 11.58 years and 13.25 years as at 31 March 2023 and 31 March 2022 respectively.

The Group expects to contribute US$ 7 million to the funded Gratuity plan 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 obligations and based on reasonably possible changes of the respective assumptions occurring at the end of reporting year while holding all other assumptions constant.

	Increase/(Decrease) in defined benefit obligation
Discount rate	
Increase by 0.50 %	(3)
Decrease by 0.50%	3
Change in salary assumption	
Increase by 0.50 %	3
Decrease by 0.50%	(3)

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 statement of financial position.

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Risk analysis

The Group is exposed to a number of risks in the defined benefit plans. Most significant risks pertaining to defined benefits 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 PL and HDFC SL. The Group does not have any liberty to manage the fund provided to the LIC, ICICI PL and HDFC SL.

The present value of the defined benefit plan obligation is calculated using a discount rate determined by reference to the 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.

27. Employee numbers and costs

Average number of persons employed by the Group in the year*

(US$ million)

Class of business	Year ended 31 March 2023	Year ended 31 March 2022
Zinc	4,541	4,504
- India	3,567	3,564
- International	974	940
Iron ore	2,361	2,124
Copper India/Australia	539	595
Aluminium	5,547	5,362
Power	65	90
Oil & Gas	1,459	1,397
Other	3,215	3,444
	17,727	**17,516**

*Non IFRS measure

Costs incurred during the year in respect of Employees and Executive Directors recognized in the Consolidated Income Statement:

(US$ million)

Class of business	Year ended 31 March 2023	Year ended 31 March 2022
Salaries and wages	422	418
Defined contribution pension scheme costs (refer note 26)	18	19
Defined benefit pension scheme costs (refer note 26)	15	11
Share- based payments charge (refer note 28)	11	14
Voluntary retirement scheme cost	0	0
Less: Cost allocated/directly booked in joint ventures	(71)	(75)
	395	**387**

NOTES TO THE FINANCIAL STATEMENTS

28. Share-based payments

Employee share schemes

The Group aims to provide superior rewards for outstanding performance and a high proportion of 'at risk' remuneration for Executive Directors. The Group offers equity based and cash based option plans to its employees, officers and directors through Vedanta Limited (VEDL) Employee Stock Option Scheme 2016 ("ESOS"), which was introduced and approved by the VEDL shareholders in 2016.

The Vedanta Limited Plans

Employee Stock Option Scheme (ESOS) 2016

During the year 2016, VEDL introduced an Employee Stock Option Scheme 2016 ("ESOS"), which was approved by the VEDL shareholders to provide equity settled incentive to all employees of the Group including subsidiary companies. The ESOS scheme includes tenure based, business performance based (EBITDA) and market performance-based stock options. The maximum value of shares that can be conditionally awarded to an Executive Committee in a year is 125% of annual salary. 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 award is measured by comparing VEDL's performance in terms of TSR over the performance period with the performance of the companies as defined in the scheme. The extent to which an award vests will depend on the VEDL'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. Dependent on the level of employee, part of these awards will be subject to a continued service condition only with the remainder measured in terms of TSR. Further in some schemes under the plan, business performance set against business plan for the financial year is included as an additional condition.

Options granted during the year ended 31 March 2023 and 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 INR 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 and 31 March 2022 is presented below:

Financial Year of Grant	Exercise Period	Options outstanding 01 April 2022	Options granted during the year	Options forfeited 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	323,015	-	-	281,565	41,450	41,450*
2019-20	29 November 2022 – 28 May 2023	11,481,718	-	6,153,328	4,176,303	1,152,087	1,152,087
2019-20	Cash settled	2,025,891	-	807,752	1,218,139	-	-
2020-21	06 November 2023 – 05 May 2024	10,807,521	-	2,481,770	-	8,325,751	-
2020-21	Cash settled	1,943,293	-	107,282	-	1,836,011	-
2021-22	01 November 2024 – 30 April 2025	11,304,599	-	1,783,209	-	9,521,390	-
2021-22	Cash settled	1,704,067	-	134,067	-	1,570,000	-
2022-23	01 November 2025 – 30 April 2026	-	14,437,268	910,824	-	13,526,444	-
2022-23	Cash settled	-	2,317,332	135,161	-	2,182,171	-
		39,590,104	**16,754,600**	**12,513,393**	**5,676,007**	**38,155,304**	**1,193,537**

*Options for some employees could not be exercised within exercise period due to technical issues.

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Financial Year of Grant	Exercise Period	Options outstanding 01 April 2021	Options granted during the year	Options forfeited 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	376,940	-	23,457	353,483	-	-
2018-19	01 November 2021 – 30 April 2022	9,912,240	-	6,906,444	2,682,781	323,015	323,015
2018-19	Cash settled	1,459,604	-	1,072,187	387,417	-	-
2019-20	29 November 2022 – 28 May 2023	13,572,278	-	2,090,560	-	11,481,718	-
2019-20	Cash settled	2,319,761	-	293,870	-	2,025,891	-
2020-21	06 November 2023 – 05 May 2024	12,711,112	-	1,903,591	-	10,807,521	-
2020-21	Cash settled	2,301,481	-	358,188	-	1,943,293	-
2021-22	01 November 2024 – 30 April 2025	-	12,083,636	779,037	-	11,304,599	-
2021-22	Cash settled	-	1,726,837	22,770	-	1,704,067	-
		42,653,416	**13,810,473**	**13,450,104**	**3,423,681**	**39,590,104**	**323,015**

The fair value of all awards has been determined at the date of grant of the award allowing for the effect of any market-based performance conditions. This fair value, adjusted by the Group's estimate of the number of awards that will eventually vest as a result of non-market conditions, is expensed on a straight-line basis over the vesting period.

Business Performance-Based and Sustained Individual Performance-Based Options:

The fair value of stock options following these types of vesting conditions have been estimated 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 value 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 awards granted during the year ended 31 March 2023 and 31 March 2022 are set out below:

	Year ended March 2023 ESOS 2022	Year ended March 2022 ESOS 2021
Number of instruments	2,317,332 (Cash settled) 14,437,268 (Equity Settled)	17,26,837 (Cash settled) 12,083,636 (Equity Settled)
Exercise price	INR 1	INR 1
Share price at the date of grant	INR 286.09	INR 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)	INR 182.46	INR 193.97

Weighted average share price at the date of exercise of stock options was INR 303.80 (2022: INR 339.32)

The weighted average remaining contractual life for the share options outstanding was 1.74 years (2022: 1.62 years).

The Group recognized total expenses of US$ 11 million (2022: US$ 6 million) related to equity settled share-based plans under the above scheme in the year ended 31 March 2023.

The total expense recognised on account of the cash settled option plans during the year ended 31 March 2023 is US$ 1 million (2022: US$ 5 million) and the carrying value of cash settled share based compensation liability as at 31 March 2023 is US$ 4 million (2022: US$ 7 million).

The Group has awarded certain other cash settled option plans indexed to shares of its subsidiaries. As the amounts under these plans are not material, accordingly no further disclosures have been provided.

Out of the total expense pertaining to equity settled and cash settled options for the year ended 31 March 2023, the Group has capitalised US$ 0 million (2022: US$ 0 million) expense for the year ended 31 March 2023.

29. Share capital

Shares in issue	As at 31 March 2023		As at 31 March 2022	
	Number	Paid up amount (US$ million)	Number	Paid up amount (US$ million)
Ordinary shares of 10 US cents each	285,246,698	29	285,246,698	29
Deferred shares of £1 each	50,000	0	50,000	0
Total	**285,296,698**	**29**	**285,296,698**	**29**

Rights and obligations attaching to shares

The rights and obligations attaching to the ordinary and deferred shares are set out in the Articles.

Each ordinary share carries the right to one vote at general meetings of the Company and is entitled to dividends. The Company did not issue any shares during the year ended 31 March 2023.

The holders of deferred shares do not have the right to receive notice of any general meeting of the Company nor the right to attend, speak or vote at any such general meeting. The deferred shares have no rights to dividends and, on a winding-up or other return of capital, entitle the holder only to the payment of the amounts paid on such shares after repayment to the holders of Ordinary Shares of the nominal amount paid up on the Ordinary Shares plus the payment of £100,000 per Ordinary

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Share. Of the 50,000 deferred shares, one deferred share was issued at par and has been fully paid, and 49,999 deferred shares were each paid up as to one-quarter of their nominal value.

30. Non-controlling interests ('NCI')

The Group consists of a parent Company, Vedanta Resources Limited, incorporated in UK and a number of subsidiaries held directly and indirectly by the Group which operate and are incorporated around the world. Note 38 to the financial statements lists details of the interests in the subsidiaries.

Non-controlling interests that are material to the Group relate to Hindustan Zinc Limited (HZL), Cairn India Holdings Limited (CIHL) and its subsidiaries and Vedanta Limited.

As at 31 March 2023, NCIs hold an economic interest of 55.74%, 31.82%, 65.23%, 49.55% and 31.82% respectively in HZL, CIHL and its wholly owned subsidiaries, Bharat Aluminium Company Limited (BALCO), Black Mountain Mining (BMM) and Vedanta Limited. In ASI (partly owned subsidiary of CIHL) and Facor Alloys Corporation Limited (FACOR), the NCI's economic interest is 64.80% and 0.00%. As at 31 March 2022, NCIs held an economic interest of 54.66%, 30.16%, 64.38%, 48.32% and 30.16% respectively in HZL, CIHL and its wholly owned subsidiaries, Bharat Aluminium Company Limited (BALCO), Black Mountain Mining (BMM) and Vedanta Limited. In ASI (partly owned subsidiary of CIHL) and FACOR Power Limited (FPL) (partly owned subsidiary of Ferro Alloy Corporation Limited), the NCI's economic interest was 63.94% and 37.14%.

Principal place of business of HZL, CIHL and its subsidiaries and Vedanta Limited is set out under note 38.

The table below shows summarised financial information of subsidiaries of the Group that have material non-controlling interests. The amounts are presented before intercompany elimination.

(US$ million)

Particulars	Year ended 31 March 2023					Year ended 31 March 2022				
	HZL	CIHL and its subsidiaries	Vedanta Limited	Others*	Total	HZL	CIHL and its subsidiaries	Vedanta Limited	Others*	Total
Profit/ (loss) Attributable to NCI	714	20	995	(886)	843	727	112	789	(52)	1,576
Equity Attributable to NCI **	895	322	2,895	(1,636)	2,476	2,500	387	3,347	(1,586)	4,648
Dividends paid / payable to NCI	(1,394)	-	(1,431)	-	(2,825)	(358)	-	(717)	-	(1075)

*Others consist of investment subsidiaries of Vedanta Limited, other individual non-material subsidiaries and consolidation adjustments.

**Loss of US$ 5 million (31 March 2022: loss of US$ 14 million) attributable to NCI of ASI transferred to put option liability. Refer note 23.

(US$ million)

Particulars	As at 31 March 2023					As at 31 March 2022				
	HZL	CIHL and its subsidiaries	Vedanta Limited	Others*	Total	HZL	CIHL and its subsidiaries	Vedanta Limited	Others*	Total
Non-current assets	2,411	1,189	15,836	(2,951)	16,485	2,639	1,838	16,262	(3,972)	16,767
Current assets	1,802	1,237	4,031	(125)	6,945	3,173	1,153	3,948	613	8,887
Current liabilities	2,104	686	6,626	3,833	13,249	788	1,078	5,760	3,916	11,542
Non-current liabilities	503	701	4,144	5,705	11,053	450	604	3,353	8,171	12,578
Net assets	**1,606**	**1,039**	**9,097**	**(12,614)**	**(872)**	**4,574**	**1,309**	**11,097**	**(15,446)**	**1,534**

*Others consist of investment subsidiaries of Vedanta Limited, Vedanta Resources Limited, other individual non-material subsidiaries and consolidation adjustments.

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(US$ million)

Particulars	Year ended 31 March 2023					Year ended 31 March 2022				
	HZL	CIHL and its subsidiaries	Vedanta Limited	Others*	Total	HZL	CIHL and its subsidiaries	Vedanta Limited	Others*	Total
Revenue	4,145	962	8,474	4,702	**18,283**	3,866	842	8,434	4,477	**17,619**
Profit/ (loss) for the year	1,306	53	3,299	(3,820)	**838**	1,289	334	2,453	(1,498)	**2,578**
Other comprehensive income / (loss)**	5	-	(17)	6	**(6)**	(8)	-	21	(5)	**8**
Net cash inflow/ (outflow) from operating activities	2,032	106	(188)	836	**2,786**	1,785	120	5	1,264	**3,174**
Net cash inflow/ (outflow) from investing activities	634	81	(501)	(851)	**(637)**	(12)	(17)	(219)	863	**615**
Net cash inflow/ (outflow) from financing activities	(2,857)	(159)	642	(100)	**(2,474)**	(1,602)	(136)	570	(2,011)	**(3,179)**

*Others consist of investment subsidiaries of Vedanta Limited, Vedanta Resources Limited, other Individual non-material subsidiaries and consolidation adjustments.

**Excluding exchange differences arising on translation of foreign operations.

The effect of changes in ownership interests in subsidiaries that did not result in a loss of control is as follows:

(US$ million)

For the year ended 31 March 2023	HZL	CIHL and its subsidiaries	Vedanta Limited	Others	Total
Changes in NCI due to merger	-	-	-	6	6
Other changes in non-controlling interests	-	-	126	5	131

(US$ million)

For the year ended 31 March 2022	HZL	CIHL and its subsidiaries	Vedanta Limited	Others	Total
Other changes in non-controlling interests	-	-	(1,223)	4	(1,219)

31. Capital management

The Group's objectives when managing capital are 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 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 requirement is met through a mixture of equity, internal accruals and other borrowings.

The Group monitors capital using a gearing ratio, being the ratio of net debt as a percentage of total capital.

(US$ million)

	As at 31 March 2023	As at 31 March 2022
Total equity	(872)	1,535
Net debt (Refer note 22(b))	12,730	11,686
Total capital	11,858	13,221
Gearing Ratio	**107%**	**88%**

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32. Commitments, guarantees, contingencies and other disclosures

A. Commitments

The Group has a number of continuing 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.

(US$ million)

	As at 31 March 2023	As at 31 March 2022
Capital commitments contracted but not provided	2,730	2,495

Estimated amounts of contracts remaining to be executed on capital accounts and not provided for:

(US$ million)

	As at 31 March 2023	As at 31 March 2022
Oil & Gas sector		
Cairn Oil & Gas	172	287
Aluminium sector		
Lanjigarh Refinery (Phase II)	297	379
Jharsuguda 1.25 MTPA smelter	154	209
BALCO Smelter Expansion from 0.57 MTPA to 1 MTPA	816	614
Zinc sector		
Zinc India (mines expansion, solar and smelter)	213	67
Gamsberg mining and milling project	-	27
Gamsberg mining and milling project (Phase II)	237	-
Copper sector		
Tuticorin Smelter 400 KTPA*	373	404
Others	468	508
Total	**2,730**	**2,495**

*currently contracts are under suspension under the force majeure clause as per the contract

Committed work programme (Other than capital commitment):

(US$ million)

	As at 31 March 2023	As at 31 March 2022
Oil & Gas sector		
Cairn Oil & Gas (OALP blocks)	631	743

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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 Odisha Electricity Regulatory Commission ("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 has filed an appeal against the said order and the matter is yet to be listed.

(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 US$ 30 million in Optionally Convertible Redeemable Preference shares ("OCRPS") of US$ 1 (INR 10) each of Serentica group companies. These OCRPS will be converted into equity basis conversion terms of the PDA, resulting in Vedanta Group holding twenty six percent stake in its equity. As at 31 March 2023, total outstanding commitments related to PDA with Serentica Group Companies are US$ 194 million (31 March 2022: US$ 58 million).

B. Guarantees

The aggregate amount of indemnities and other guarantees on which the Group does not expect any material losses, was US$ 1,031 million (31 March 2022: US$ 853 million).

The Group has given guarantees in the normal course of business as stated below:

i. Guarantees and bonds advanced to the Indian customs authorities of US$ 163 million (31 March 2022: US$ 65 million) relating to the export and payment of import duties on purchases of raw material and capital goods.

ii. Guarantees issued for the Group's share of minimum work programme commitments of US$ 334 million (31 March 2022: US$ 381 million).

iii. Guarantees of US$ 10 million (31 March 2022: US$ 13 million) issued under bid bond for placing bids.

iv. Bank guarantees of US$ 14 million (31 March 2022: US$ 15 million) has been provided by the Group on behalf of Volcan Investments Limited to the Indian Income tax department, as a collateral in respect of certain tax disputes.

v. Other guarantees worth US$ 510 million (31 March 2022: US$ 379 million) 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.

Cairn PSC/RSC guarantee to Government

The Group has provided guarantees for the Cairn India Group's obligation under the Production Sharing Contract ('PSC') and Revenue Sharing Contract ('RSC').

C. Export Obligations

The Indian entities of the Group have export obligations of US$ 168 million (31 March 2022: US$ 126 million) 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 prescribed by the Government of India.

In the event of the Group's inability to meet its obligations, the Group's liability would be US$ 39

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million (31 March 2022: US$ 27 million) plus applicable interest.

The Group has given bonds of US$ 98 million (31 March 2022: US$ 253 million) to custom authorities against these export obligations.

D. Contingencies

The Group discloses the following legal and tax cases as contingent liabilities.

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 US$ 41 million as at 31 March 2023 (31 March 2022: US$ 44 million) 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 the financial statements.

Ravva Joint Operations arbitration proceedings

ONGC Carry

The Ravva Production Sharing Contract (PSC) obliges the contractor parties 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 (including Vedanta Limited (Cairn India Limited which subsequently merged with Vedanta Limited, accordingly now referred to as Vedanta Limited)) 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 Vedanta Limited'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. Vedanta Limited 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 US$ 64 million plus interest (31 March 2022: US$ 64 million plus interest).

Proceedings related to the imposition of entry tax

Vedanta Limited and other Group companies, i.e., Bharat Aluminium Company Limited (BALCO) and Hindustan Zinc Limited (HZL) challenged the constitutional validity of the local statutes and related notifications in the states of Chhattisgarh, 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. Consequent to 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 proceeded with hearing the matters. The regular bench remanded the entry

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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, 1999 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 US$ 16 million against total claims of US$ 24 million.

The total claims against Vedanta Limited and its subsidiaries (net of provisions made) are US$ 100 million (31 March 2022: US$ 109 million) including interest and penalty till the date of order. Further interest and penalty if any, would be additional.

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 US$ 4 million.

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 started before the Supreme Court. In case the Supreme Court overturns the decision of the High Court, the Group would be liable to pay an additional amount of US$ 133 million (31 March 2022: US$ 135 million). As at 31 March 2023, an amount of US$ 137 million relating to principal has been considered as a contingent liability (31 March 2022: US$ 139 million).

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 ("CEI") issued a demand notice for electricity duty and interest thereon of US$ 108 million and US$ 72 million respectively for the period March 2015 to March 2021.

The Group carries an accrual for electricity duty of US$ 77 million (31 March 2022: US$ 108 million), net of US$ 69 million (31 March 2022: US$ 30 million) paid under protest. The Group 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 the 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, amount of US$ 111 million (INR 9,160 million) (31 March 2022: US$ 97 million (INR 7,311 million)) relating to interest has been considered as a contingent liability.

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

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and Hydrocarbon Energy Minerals) Concession Rules, 2016 (MCR 2016).

ESL has received demand notices dated 03 December 2022 aggregating US$ 208 million (INR 17,078 million) 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 US$ 6 million 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 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 US$ 214 million have been disclosed as contingent liability in the financial statements.

Miscellaneous disputes- Income tax

The Group is involved in various tax disputes amounting to US$ 177 million (31 March 2022: US$ 180 million) 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 disallowance 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.

Miscellaneous disputes- Others

The Group 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 companies' returns or other claims.

The approximate value of claims (excluding the items as set out separately above) against the Group companies total US$ 598 million (31 March 2022: US$ 616 million).

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.

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33. Other matters

i) Share transactions Call options

a. HZL

Pursuant to the Government of India's policy of divestment, the Group in April 2002 acquired 26% equity interest in HZL from the Government of India. Under the terms of the Shareholder's Agreement ('SHA'), the Group had two call options to purchase all of the Government of India's shares in HZL at fair market value. The Group also acquired an additional 20% of the equity capital in HZL through an open offer. The Group 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 Group 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 Group 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 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. Meanwhile, the Supreme Court has, in January 2016, 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.

b. BALCO

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 has a call option to purchase the Government of India's remaining ownership interest in BALCO at any point from 02 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 (erstwhile) 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 Group, the arbitral tribunal by a majority award rejected the claims of the Group 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 said Act and are not enforceable.

The Group has challenged the validity of the majority award before the 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 will be listed for hearing in due course. 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 9 January 2012, the Group offered to acquire the Government of India's interests in HZL and BALCO for US$ 1,885 million and US$ 217 million respectively. This offer was separate from the contested exercise of the call options, and 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 recognised in the financial statements.

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ii) 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 US$ 234 million (INR 19,250 million), further an additional demand was issued vide an office order dated 14 December 2020 for US$ 38 million on similar questions of law. The Group has challenged (the show cause notice or/ 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 in order to recover such miscomputed dues. Further, Revisionary Authority (RA), has granted a stay on the recovery under the March 2022 notice of US$ 173 million and recovery of US$ 38 million vide its order dated 15 June 2022. and 07 September 2022, respectively. Based on the opinion of external council, the Group believes that it has strong grounds of a successful appeal, and the chances of an outcome which is not in favour of the Group is remote.

iii) Vedanta Limited is purchasing bauxite under long term linkage arrangement (LTL) with Orissa Mining Corporation Ltd (OMC) at provisional price of US$ 12/ tonnes (INR 1000/tonnes) 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 Vedanta Limited.

The last successful e-auction based price discovery was done by OMC in April 2019 at US$ 8/tonnes (INR 673/tonnes) and supplied bauxite at this rate from September 2019 to September 2020 with an undertaking from Vedanta Limited to compensate the differential price discovered through successful national e-auction. Though the OMC conducted the next e-auction on 31 August 2020 with floor price of US$ 21/tonnes (INR 1,707/tonnes) determined on the basis of Rule 45 of Minerals Concession Rules, 2016 (hereafter referred as the Rules), there was no bidder at that floor price and hence, the auction could not be conducted. However, OMC issued a demand of US$ 34 million on Vedanta Limited towards differential pricing and interest for bauxite supplied till September 2020 considering the auction base price of US$ 21/tonnes (INR 1,707/tonnes).

Vedanta Limited had then filed a writ petition before Hon'ble High Court of Odisha in September 2020 which issued interim Order dated 8 October 2020 directing that the petitioner shall be permitted to lift the quantity of bauxite mutually agreed on payment of US$ 12/tonnes (INR 1,000/tonnes) and furnishing an undertaking for the differential amount with the floor price arrived at by OMC under the Rules, subject to final outcome of the writ petition.

OMC re-conducted e-auction on 09 March 2021 with floor price of US$ 25/tonnes (INR 2,011/tonnes) which was not successful. On 18 March 2021, Cuttack HC issued an order disposing off the writ petition, directing that the current arrangement of bauxite price @ US$ 12/tonnes (INR 1,000/tonnes) will continue for FY 2021-22. Further, on 06 April 2022, the Hon'ble Cuttack HC directed that the current arrangement will continue for FY 2022-23 also.

After the discussion with OMC, fresh LTL has been signed on 16 May 2023 for supply of bauxite at specified quatity for next 5 years. The matter was listed before the Hon'ble High Court of Odisha on 19th May 2023 wherein the Court has ordered to continue the arrangement of bauxite price @ US$ 12/ tonnes (INR 1,000/tonnes) till the next date of hearing which is pending to be scheduled.

Supported by legal opinions obtained, management believes that the provisions of Rule 45 of the Rules are not applicable to sale of bauxite and hence, it is not probable that Vedanta Limited will have any material obligation towards the aforesaid commitments over and above the price of US$ 8/tonnes (INR 673/tonnes) 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 US$ 12/tonnes (INR 1,000/tonnes).

iv) 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 Company Limited ('Malco') and Vedanta Limited (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 the Commissioner of Income Tax, Goa and the Ministry of Corporate Affairs through a Special Leave Petition before the Honourable Supreme Court and also by a creditor and a shareholder of Vedanta Limited. The said petitions are currently pending for hearing.

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v) **Flue-gas desulfurization (FGD) implementation:**

The Ministry of Environment, Forest and Climate Change (MOEFCC) 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 MoEFCC 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 MoEFCC 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 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 the SC issued notice and directed the respondents to file their respective counter affidavits in the matters. On 09 November 2022, TSPL filed its Counter Affidavit. The matter is pending for hearing.

(vi) 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 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

34. Related party transactions

The information below sets out transactions and balances between the Group and various related parties in the normal course of business for the year ended 31 March 2023.

HOLDING COMPANIES

Volcan Investments Limited

Volcan Investments Cyprus Limited

FELLOW SUBSIDIARY (with whom transactions have taken place)

Sterlite Technologies Limited

Sterlite Power Transmission limited

Sterlite Iron and Steel Company Limited

Twin Star Technologies Limited

Sterlite Power Grid Ventures Limited

Sterlite Grid 16 Limited

STL Digital Limited

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 5 Private Limited*

Serentica Renewables India 6 Private Limited*

Serentica Renewables India 7 Private Limited*

Serentica Renewables India 9 Private Limited*

NOTES TO THE FINANCIAL STATEMENTS

ASSOCIATES / 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

Post-retirement benefit plan

Sesa Group Employees Provident Fund Trust

Sesa Group Employees Gratuity Fund and Sesa Group Executives Gratuity Fund

Sesa Group Executives Superannuation Scheme Fund

Sesa Resources Limited Employees Provident Fund Trust

Sesa Resources Limited Employees Gratuity Fund

Sesa Mining Corporation Limited Employees Provident Fund Trust

Sesa Mining Corporation Limited Employees Gratuity Fund

Sesa Resources Limited and Sesa Mining Corporation Limited Employees Superannuation Fund

Hindustan Zinc Limited Employees Contributory Provident Fund Trust

HZL Employee Group Gratuity Trust

HZL Superannuation Trust

Balco Employees Provident Fund Trust

FACOR Superannuation Trust

FACOR Employees Gratuity Scheme

OTHERS (with whom transactions have taken place)

Enterprises over which key management personnel / their relatives have control or significant influence

Anil Agarwal Foundation

Cairn Foundation

Caitlyn India Private Limited

Fujairah Gold Ghana

Fujairah Metals LLC

Janhit Electoral Trust

Minova Runaya Private Limited

Runaya Refining LLP

Sesa Community Development Foundation

Vedanta Foundation

Vedanta Limited ESOS Trust

Radha Madhav Investments Private Limited

Vedanta Medical Research Foundation

Voorspoed Trust

* During the current year ended 31 March 2023, due to change in shareholding of the intermediate holding company of Serentica group companies, the relationship of Group with these companies has changed from fellow subsidiaries to associates of Volcan.

Details of transactions for the year ended 31 March 2023 are as follows:

(US$ million)

	Particulars	Holding Company/ Fellow Subsidiaries	Associates / Joint Ventures	Others	Total
	Income:				
(i)	Revenue from operations	228	-	6	234
(ii)	Dividend income	0	-	-	0
(iii)	Net interest received	4	-	-	4
(iv)	Miscellaneous income	-	-	0	0
	Expenditure:				
(i)	Purchases of goods/services	1	0	35	36
(ii)	Purchases of fixed assets	2	-	-	2
(iii)	Management fees paid	1	-	-	1
(iv)	Reimbursement for other expenses (net of recovery)	0	-	(0)	(0)
(v)	Donation	-	-	10	10
(vi)	Interest paid	1	-	-	1
(vii)	Dividend paid	19	-	0	19
(viii)	Contribution to post retirement employees benefit trust/fund	-	-	10	10
	Other transactions during the year:				
(i)	Loans given/ (repayment thereof)	-	1	-	1
(ii)	Guarantees given during the year (net of relinquishment)	-	-	(0)	(0)
(iii)	Bond issued during the year	2	-	-	2
(iv)	Investments made during the year (refer note 32)	-	-	30	30

NOTES TO THE FINANCIAL STATEMENTS

Details of balances as at 31 March 2023 are as follows:

(US$ million)

	Particulars	Holding Company/ Fellow Subsidiaries	Associates/ Joint Ventures	Others	Total
(i)	Net amounts receivable at year end	2	-	0	2
(ii)	Net amounts payable at year end	2	-	9	11
(iii)	Investment in equity Share and OCRPS	10	-	30	40
(iv)	Value of bonds held by Volcan	9	-	-	9
(v)	Interest payable	0	-	-	0
(vi)	Dividend payable	2	-	-	2
(vii)	Net advance given at year end	-	1	4	5
(viii)	Financial guarantee given *	14	-	-	14
(x)	Loans given**	-	1	-	1

*Bank guarantee has been provided by the Group on behalf of Volcan in favour of Income tax department, India as collateral in respect of certain tax disputes of Volcan. The guarantee amount is US$ 14 million (31 March 2022: US$ 15 million).

** 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 US$ 1 million (31 March 2022: US$ 1 million). The loan is unsecured in nature and carries an interest rate of 11.13% per annum. The said loan including accrued interest thereon have been fully provided for in the books of accounts.

Details of transactions for the year ended 31 March 2022 are as follows:

(US$ million)

	Particulars	Holding Company/ Fellow Subsidiaries	Associates / Joint Ventures	Others	Total
	Income:				
(i)	Revenue from operations	187	-	8	195
(ii)	Dividend income	0	-	-	0
(iii)	Net interest received	1	-	-	1
(iv)	Guarantee commission income	0	-	-	0
	Expenditure:				
(i)	Purchases of goods/services	-	-	22	22
(ii)	Management fees paid	1	-	-	1
(iii)	Reimbursement for other expenses (net of recovery)	2	-	0	2
(iv)	Donation	-	-	6	6
(v)	Interest paid	1	-	-	1
(vi)	Dividend paid	131	-	-	131
(vii)	Contribution to post retirement employees benefit trust/fund	-	-	15	15
	Other transactions during the year:				
(i)	Loans given/ (repayment thereof)	0	-	-	0
(ii)	Guarantees given during the year (net of relinquishment)	(0)	-	(1)	(1)
(iii)	Bond redeemed during the year	6	-	-	6
(iv)	Investments made during the year	-	0	-	0

NOTES TO THE FINANCIAL STATEMENTS

Details of balances as at 31 March 2022 are as follows:

(US$ million)

	Particulars	Holding Company/ Fellow Subsidiaries	Associates/ Joint Ventures	Others	Total
(i)	Net amounts receivable at year end *	3	0	1	4
(ii)	Net amounts payable at year end	0	-	10	10
(iii)	Investment in equity Share	16	0	-	16
(iv)	Value of bonds held by Volcan	7	-	-	7
(v)	Interest payable	0	-	-	0
(vi)	Dividend payable	0	-	-	0
(vii)	Net advance given at year end	-	1	0	1
(viii)	Financial guarantee given *	15	-	0	15
(x)	Loans given**	-	1	-	1

Remuneration of Key Management Personnel

(US$ million)

	Year ended 31 March 2023	Year ended 31 March 2022
Short-term employee benefits	8	22
Post-employment benefits*	1	1
Share-based payments	4	2
	13	**25**
Compensation for Non-Executive Directors	0	0
Commission/Sitting Fees to KMP	0	0

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise).

*Does not include the provision made for gratuity and leave benefits, as they are determined on an actuarial basis for all the employees together.

Other related party#

(US$ million)

	Year ended 31 March 2023	Year ended 31 March 2022
Remuneration to relatives	3	3
Commission/ sitting fees to relatives of KMP	0	0

close relatives of the executive chairman

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35. Subsequent events

There are no other material adjusting or non-adjusting subsequent events, except already disclosed.

36. Auditor's remuneration

The table below shows the fees payable globally to the Company's auditor, MHA and their associate firms, for statutory external audit and audit related services, as well as fees paid to other accountancy firms for statutory external audit and audit related services for the year ended 31 March 2023:

(US$ million)

	Year ended 31 March 2023	Year ended 31 March 2022
Fees payable to the Company's auditor for the audit of Vedanta Resources Limited annual accounts	1	1
The audit of the Company's subsidiaries pursuant to legislation	0	0
Total audit fees	**1**	**1**
Fees payable to the Company's auditor and their associates for other services to the Group	0	0
Other services pursuant to legislation (1)	-	0
Corporate finance services (2)	-	0
Total non-audit fees	**0**	**0**
Total fees paid to the Company's auditor	**1**	**1**
Audit fees payable to other auditors of the Group's subsidiaries	2	2
Non-audit fees payable to other auditors of the Group's subsidiaries	1	1
Total fees paid to other auditors	**3**	**3**

(1) Other services pursuant to legislation principally comprise assurance services and the half year review of the Group's results.

(2) Corporate finance services principally comprise services in connection with debt raising transactions. These assurance-related services are ordinarily provided by the auditor.

37. Joint Arrangements

Joint Operations

The Group's principal licence interests in oil and gas business are joint operations. The principal licence interests for the years ended 31 March 2023 and 31 March 2022 are as follows:

Oil & Gas blocks/ fields (a)	Area	Participating Interest
Operating blocks		
Ravva block-Exploration, Development & production	Krishna Godavari	22.50%
CB-OS/2 – Exploration	Cambay Offshore	60.00%
CB-OS/2 - Development & production	Cambay Offshore	40.00%
RJ-ON-90/1 – Exploration	Rajasthan Onshore	100.00%
RJ-ON-90/1 – Development & production	Rajasthan Onshore	70.00%
KG-OSN-2009/3 – Exploration	Krishna Godavari Offshore	100.00%
Non-operating blocks		
KG-ONN-2003/1	Krishna Godavari Onshore	49.00%

NOTES TO THE FINANCIAL STATEMENTS

38. List of Subsidiaries

The Group owns directly or indirectly through subsidiaries, more than half of the voting power of all of its subsidiaries as mentioned in the list below, and has power over the subsidiaries, is exposed or has rights, to variable returns from its involvement with the subsidiaries and has the ability to affect those returns through its power over the subsidiaries.

Subsidiaries	Principal activities	Registered Address	Country of incorporation	The Company's economic percentage holding		Immediate holding company	The Company's immediate percentage holding	
				31 March 2023	31 March 2022		31 March 2023	31 March 2022
Direct Subsidiaries of the Parent Company								
Vedanta Resources Jersey Limited ('VRJL")	Investment company	47 Esplanade, St Helier JE1 0BD	Jersey (CI)	100%	100%	VRL	100%	100%
Vedanta Resources Jersey II Limited ('VRJL-II')	Investment company	47 Esplanade, St Helier JE1 0BD	Jersey (CI)	100%	100%	VRL	100%	100%
Vedanta Holdings Jersey Limited	Investment company	47 Esplanade, St Helier JE1 0BD	Jersey (CI)	100%	100%	VRL	100%	100%
Vedanta Resources Holdings Limited ('VRHL')	Holding company	8th Floor, 20 Farringdon Street, London EC4A 4AB, United Kingdom	United Kingdom	100%	100%	VRL	100%	100%
Vedanta Resources Investments Limited (a)	Investment Company	8th Floor, 20 Farringdon Street, London EC4A 4AB, United Kingdom	United Kingdom	-	100%	VRL	-	100%
Indirect Subsidiaries of the Parent Company								
Richter Holding Limited ('Richter')	Investment company	221 Christodoulou Chatzipavlou, Helios Court, 3rd Floor, 3036 Limassol, Cyprus	Cyprus	100%	100%	VRCL	100%	100%
Vedanta Resources Cyprus Limited ('VRCL')	Investment company	221 Christodoulou Chatzipavlou, Helios Court, 3rd Floor, 3036 Limassol, Cyprus	Cyprus	100%	100%	VRFL	100%	100%
Welter Trading Limited ('Welter')	Investment company	28th Oktovriou Street, 205 Louloupis Court, 1st Floor P.C. 3035, Limassol, Cyprus	Cyprus	100%	100%	VRCL	100%	100%
Valliant (Jersey) Limited	Investment company	47 Esplanade, St Helier JE1 0BD, Jersey	Jersey (CI)	100%	100%	VRJ2L	100%	100%
Twin Star Holdings Limited ('Twin Star')	Holding company	IQ EQ Corporate Services (Mauritius) Ltd, 33, Edith Cavell Street, Port Louis, 11324 Mauritius	Mauritius	100%	100%	VRHL	100%	100%

NOTES TO THE FINANCIAL STATEMENTS

Subsidiaries	Principal activities	Registered Address	Country of incorporation	The Company's economic percentage holding		Immediate holding company	The Company's immediate percentage holding	
				31 March 2023	31 March 2022		31 March 2023	31 March 2022
Westglobe Limited ('Westglobe')	Investment company	IQ EQ Corporate Services (Mauritius) Ltd, 33, Edith Cavell Street, Port Louis, 11324 Mauritius	Mauritius	100%	100%	Richter	100%	100%
Vedanta Holdings Mauritius Limited (VHML)	Investment company	Amicorp (Mauritius) Limited, 6th Floor, Tower 1, Nexteracom	Mauritius	100%	100%	VHJL	100%	100%
Vedanta Holdings Mauritius II Limited ('VHM2L')	Investment company	Amicorp (Mauritius) Limited, 6th Floor, Tower 1, Nexteracom	Mauritius	100%	100%	Finsider	100%	100%
Vedanta Resources Mauritius Limited [(b)]	Investment Company	Amicorp Mauritius, 6th Floor, Tower 1, Nextera Building, Ebene, Mauritius	Mauritius	100%	100%	VRCL	100%	100%
Vedanta Netherlands Investments BV [(c)] ('VNIBV')	Investment Company	Strawinskylaan 1143, 1077XX Amsterdam, Netherlands	The Netherlands	100%	100%	VUIL	100%	100%
Vedanta Netherlands Investments II BV [(d)]	Investment Company	Strawinskylaan 1143, 1077XX Amsterdam, Netherlands	The Netherlands	100%	100%	VUIL	100%	100%
Vedanta Resources Finance II Plc	Investment company	8th Floor, 20 Farringdon Street, London EC4A 4AB, United Kingdom	United Kingdom	100%	100%	VRHL	100%	100%
Vedanta Resources Finance Limited ('VRFL')	Investment company	8th Floor, 20 Farringdon Street, London EC4A 4AB, United Kingdom	United Kingdom	100%	100%	VRHL	100%	100%
Finsider International Company Limited ('Finsider')	Investment company	8th Floor, 20 Farringdon Street, London EC4A 4AB, United Kingdom	United Kingdom	100%	100%	Richter, Westglobe	100%	100%
Vedanta Finance UK Limited	Investment company	8th Floor, 20 Farringdon Street, London EC4A 4AB, United Kingdom	United Kingdom	100%	100%	Welter	100%	100%
Vedanta UK Investments Limited [(d)] ('VUIL')	Investment Company	8th Floor 20 Farringdon Street, London, United Kingdom, EC4A 4AB	United Kingdom	100%	100%	Vedanta Resources Holding Limited	100%	100%
Vedanta Limited	Copper smelting, Iron ore mining, Aluminium mining, refining and smelting, Power generation, Oil and Gas exploration, and production	Vedanta Limited 1st Floor, 'C' wing, Unit 103, Corporate Avenue, Atul Projects, Chakala, Andheri (East), Mumbai–400093, Maharashtra	India	68.18%	69.84%	Twin Star, Welter, Westglobe Finsider and Vedanta Holdings Mauritius II Limited	68.18%	69.84%

NOTES TO THE FINANCIAL STATEMENTS

Subsidiaries	Principal activities	Registered Address	Country of incorporation	The Company's economic percentage holding		Immediate holding company	The Company's immediate percentage holding	
				31 March 2023	31 March 2022		31 March 2023	31 March 2022
Copper Mines of Tasmania Pty Limited ("CMT")	Copper Mining	c/o MCullough Robertson lawyers 44 martin place, Sydney NSW 2000	Australia	68.18%	69.84%	Monte Cello BV	100%	100%
Thalanga Copper Mines Pty Limited ("TCM")	Copper Mining	c/o MCullough Robertson lawyers 44 martin place, Sydney NSW 2000	Australia	68.18%	69.84%	Monte Cello BV	100%	100%
Athena Chattisgarh power limited (e)	Power Generation	7-1-24/1/RT, G-1, B-Block, Roxana Towers, Greenland's, Begumpet, Hyderabad, Telangana-500016	India	68.18%	-	Vedanta Limited	100%	-
Bharat Aluminium Company Limited ("BALCO")	Aluminium mining and smelting	Aluminium Sadan Core -6 Scope Office Complex 7 Lodhi Road New Delhi 110003	India	34.77%	35.54%	Vedanta Limited	51%	51%
Desai Cement Company Private Limited	Cement	Survey no. 184, Maina, Navelim, Bicholim North Goa 403505, Goa	India	68.18%	69.84%	Sesa Mining Corporation Limited	100%	100%
ESL Steel Limited	Manufacturing of Steel & DI Pipe	Village -Siyaljori, Post – Jogidih, O.P. – Bangaria, PS-Chandankyari Bokaro Steel City Bokaro JH 828303 IN	India	65.11%	66.54%	Vedanta Limited	95.49%	95.49%
FACOR Power Ltd (Refer Note 3(c))	Power generation	D P Nagar, Randia, Bhadrak-756135, Odisha	India	-	62.71%	Ferro Alloy Corporation Limited ("FACOR")	-	90%
Facor Realty and Infrastructure Limited (f)	Real estate	Corporate One, Suite 401 Plot No. 5, Jasola Delhi-110025	India	-	69.84%	FACOR	-	100%
Ferro Alloy Corporation Limited ("FACOR") (Refer Note 3(c))	Manufacturing of Ferro Alloys and Mining and generation of power	D P Nagar, Randia, Bhadrak-756135, Odisha	India	68.17%	69.84%	Vedanta Limited	99.9995%	100%
Goa Sea Port Private Limited (2)	Infrastructure	SIPCOT Industrial Complex, Madurai Bypass Road, T.V. Puram P.O., Tuticorin,Thoothukudi Tuticorin Thoothukudi TN – 628 002 IN	India	68.18%	69.84%	Sterlite Ports Limited	100%	100%
Hindustan Zinc Alloys Private Limited	Manufacturing of metals and its alloys	Yashad Bhawan, Udaipur, Rajasthan 313004	India	44.26%	45.34%	Hindustan Zinc Limited	100%	100%
Hindustan Zinc Fertilisers Private Limited (g)	Manufacturing of phosphatic fertilisers	Yashad Bhawan, Udaipur, Rajasthan 313004	India	44.26%	-	Hindustan Zinc Limited	100%	-

NOTES TO THE FINANCIAL STATEMENTS

Subsidiaries	Principal activities	Registered Address	Country of incorporation	The Company's economic percentage holding		Immediate holding company	The Company's immediate percentage holding	
				31 March 2023	31 March 2022		31 March 2023	31 March 2022
Hindustan Zinc Limited ("HZL")	Exploring, extracting, processing of minerals and manufacturing of metals	Yashad Bhawan, Udaipur, Rajasthan 313004	India	44.26%	45.24%	Vedanta Limited	64.92%	64.92%
MALCO Energy Limited ("MEL")	Power Generation	SIPCOT Industrial Complex, Madurai Bypass Road, Thoothukudi (Tamil Nadu) 628002	India	68.18%	69.84%	Vedanta Limited	100%	100%
Maritime Ventures Private Limited [2]	Infrastructure	SIPCOT Industrial Complex, Madurai By pass Road, T V Puram PO, Tuticorin Tuticorin Thoothukudi TN 628002 IN	India	68.18%	69.84%	Sterlite Ports Limited	100%	100%
Paradip Multi Cargo Berth Private Limited [2]	Infrastructure	SIPCOT Industrial Complex, Madurai Bypass Road, T. V. Puram P.O., Tuticorin, Thoothukudi TN 628002 IN	India	68.18%	69.84%	Sesa Resources Limited	100%	100%
Sesa Mining Corporation Limited [2]	Iron ore mining	Sesa Ghor, 20 EDC Complex, Patto Panaji (Goa) - 403001	India	68.18%	69.84%	Sesa Resources Limited	100%	100%
Sesa Resources Limited ("SRL")	Iron ore mining	Sesa Ghor, 20 EDC Complex, Patto Panaji (Goa) - 403001	India	68.18%	69.84%	Vedanta Limited	100%	100%
Sterlite Ports Limited [2]	Infrastructure	MALCO POWER COMPANY LIMITED SIPCOT INDUSTRIAL COMPLEX, MADURAI BYE PASS ROAD TUTICORIN Thoothukudi TN 628002	India	68.18%	69.84%	Sesa Resources Limited	100%	100%
Talwandi Sabo Power Limited ("TSPL")	Power Generation	Vill. Banawala, Mansa - Talwandi Sabo Road, Mansa, Punjab - 151302	India	68.18%	69.84%	Vedanta Limited	100%	100%
Vedanta Zinc Football & Sports Foundation	Sports Foundation	Yashad Bhawan, Udaipur, Rajasthan 313004	India	44.26%	45.34%	Hindustan Zinc Limited	100%	100%
Vizag General Cargo Berth Private Limited	Infrastructure	SIPCOT Industrial Complex Madurai Bye Pass Road, T. V. Puram P.O Thoothukudi TN 628002 IN	India	68.18%	69.84%	Vedanta Limited	100%	100%
Zinc India Foundation [(h)]	CSR Activities	Yashad Bhawan, Udaipur, Rajasthan 313004	India	44.26%	-	Hindustan Zinc Limited	100%	-
AvanStrate Inc. ("ASI")	Manufacturing of LCD Glass Substrate	1-11-1 , Nishi - Gotanda, Shinagwa-Ku, Tokyo, Japan	Japan	35.20%	35.98%	Cairn India Holdings Limited	51.63	51.63
Cairn India Holdings Limited	Investment company	22-24 Seale Street, St Helier, Jersey, JE2 3QG	Jersey	68.18%	69.84%	Vedanta Limited	100%	100%

NOTES TO THE FINANCIAL STATEMENTS

Subsidiaries	Principal activities	Registered Address	Country of incorporation	The Company's economic percentage holding		Immediate holding company	The Company's immediate percentage holding	
				31 March 2023	31 March 2022		31 March 2023	31 March 2022
AvanStrate Taiwan Inc	Manufacturing of LCD Glass Substrate	No.8,Industry III Road Annan, Tainan 709-55, Taiwan, R.O.C.	Korea	35.20%	35.98%	AvanStrate Inc. ("ASI")	100%	100%
Western Cluster Limited	Iron ore mining	Amir Building, 18th Street, Sinkor, Tubman Boulevard,Sinkor, Monrovia, Liberia,West Africa	Liberia	68.18%	69.84%	Bloom Fountain Limited	100%	100%
Bloom Fountain Limited	Operating (Iron ore) and Investment Company	IQ EQ Corporate Services (Mauritius) Ltd 33, Edith Cavell Street Port Louis, 11324 Mauritius	Mauritius	68.18%	69.84%	Vedanta Limited	100%	100%
CIG Mauritius Holdings Private Limited (i)	Investment Company	6th floor, Tower A 1 CyberCity Ebene Republic of Mauritius	Mauritius	-	69.84%	Cairn Energy Hydrocarbons Ltd.	-	100%
CIG Mauritius Private Limited (i)	Investment Holding Company and to provide services and resources relevant to oil & gas exploration, production and development	6th floor, Tower A 1 CyberCity Ebene Republic of Mauritius	Mauritius	-	69.84%	CIG Mauritius Holding Private Ltd.	100%	100%
THL Zinc Ltd	Investment Company	IQ EQ Corporate Services (Mauritius) Ltd, 33, Edith Cavell Street Port Louis, 11324, Mauritius	Mauritius	68.18%	69.84%	THL Zinc Ventures Limited	100%	100%
THL Zinc Ventures Limited	Investment Company	IQ EQ Corporate Services (Mauritius) Ltd, 33, Edith Cavell Street Port Louis, 11324, Mauritius	Mauritius	68.18%	69.84%	Vedanta Limited	100%	100%
Amica Guesthouse (Proprietary) Limited	Accomodation and catering services	Unit 1, Hartmann Suites, Cnr Robert Mugabe Avenue & Ballot Street, Windhoek, Namibia	Nambia	68.18%	69.84%	Skorpion Zinc (Proprietary) Limited	100%	100%
Namzinc (Proprietary) Limited	Owns and operates a zinc refinery	24 Orban Street, Klein Windhoek, Windhoek, Namibia	Nambia	68.18%	69.84%	Skorpion Zinc (Proprietary) Limited	100%	100%
Skorpion Mining Company (Proprietary) Limited ('NZ')	Exploration, development,treatment, production and sale of zinc ore	24 Orban Street, Klein Windhoek, Windhoek, Namibia	Nambia	68.18%	69.84%	Skorpion Zinc (Proprietary) Limited	100%	100%
Skorpion Zinc (Proprietary) Limited ("SZPL")	Operating (zinc) and investing company	24 Orban Street, Klein Windhoek, Windhoek, Namibia	Nambia	68.18%	69.84%	THL Zinc Namibia Holdings (Proprietary) Ltd	100%	100%

NOTES TO THE FINANCIAL STATEMENTS

Subsidiaries	Principal activities	Registered Address	Country of incorporation	The Company's economic percentage holding		Immediate holding company	The Company's immediate percentage holding	
				31 March 2023	31 March 2022		31 March 2023	31 March 2022
THL Zinc Namibia Holdings (Proprietary) Limited ("VNHL")	Mining and Exploration and Investment company	24 Orban Street, Klein Windhoek, Windhoek, Namibia	Nambia	68.18%	69.84%	THL Zinc Ltd	100%	100%
Vedanta Lisheen Holdings Limited	Investment company	Deloitte & Touche House, Charlottes Quay, Ireland	Republic of Ireland	68.18%	69.84%	THL Zinc Holding BV	100%	100%
Killoran Lisheen Mining Limited	Development of a zinc/ lead mine	Deloitte & Touche House, Charlotte's Quay, Ireland	Republic of Ireland	68.18%	69.84%	Vedanta Lisheen Holdings Limited	100%	100%
Lisheen Milling Limited	Manufacturing [j]	Deloitte & Touche House, Charlottes Quay, Ireland	Republic of Ireland	68.18%	69.84%	Vedanta Lisheen Holdings Limited	100%	100%
Lisheen Mine Partnership	Development and operation of a zinc/lead mine	Deloitte & Touche House, Charlottes Quay, Ireland	Republic of Ireland	68.18%	69.84%	50% each held by Killoran Lisheen Mining Limited & Vedanta Lisheen Mining Limited	100%	100%
Vedanta Lisheen Mining Limited	Development of a zinc/ lead mine	Deloitte & Touche House, Charlotte's Quay, Ireland	Republic of Ireland	68.18%	69.84%	Vedanta Lisheen Holdings Limited	100%	100%
Cairn Energy Gujarat Block 1 Limited [k]	Oil and gas exploration, development and production	272 Bath Street, Glasgow, United Kingdom, G2 4JR	Scotland	-	69.84%	Cairn India Holdings Limited	-	100%
Cairn Energy Hydrocarbons Limited	Oil and gas exploration, development and production	272 Bath Street, Glasgow, United Kingdom, G2 4JR	Scotland [l]	68.18%	69.84%	Cairn India Holdings Limited	100%	100%
Black Mountain Mining (Proprietary) Limited	Exploration, development, production and sale of zinc, lead, copper and associated mineral concentrates	Penge Road , Aggeneys	South Africa	50.45%	51.56%	THL Zinc Ltd	74%	74%
Cairn Lanka Private Limited	Oil and gas exploration, development and production	Lanka Shipping Tower No. 99, St Michael's Road, Colombo 3, Sri Lanka	Sri Lanka	68.18%	69.84%	Cairn Energy Hydrocarbons Limited	100%	100%

NOTES TO THE FINANCIAL STATEMENTS

Subsidiaries	Principal activities	Registered Address	Country of incorporation	The Company's economic percentage holding		Immediate holding company	The Company's immediate percentage holding	
				31 March 2023	31 March 2022		31 March 2023	31 March 2022
AvanStrate Korea Inc	Manufacturing of LCD Glass Substrate	84, Hyeongoksandan-ro, Cheongbuk-eup,Pyeongtaek-si, Gyeonggi-do,17812, Republic of Korea	Taiwan	35.20%	35.98%	AvanStrate Inc. ("ASI")	100%	100%
Lakomasko BV[m]	Investment company	Atrium Building, 8th Floor, Strawinskylaan, 3127, Amsterdam, Netherlands	The Netherlands	-	69.84%	THL Zinc Holding BV	100%	100%
Monte Cello BV ("MCBV")	Holding company	Atrium Building, 8th Floor, Strawinskylaan, 3127, Amsterdam, Netherlands	The Netherlands	68.18%	69.84%	Vedanta Limited	100%	100%
THL Zinc Holding BV	Investment company	Atrium Building, 8th Floor, Strawinskylaan, 3127, Amsterdam, Netherlands	The Netherlands	68.18%	69.84%	Vedanta Limited	100%	100%
Fujairah Gold FZC	Manufacturing of Copper Rod and Refining of Precious Metals (Gold & Silver)	P.O. Box 3992, Fujairah, United Arab Emirates	United Arab Emirates	68.18%	69.84%	Malco Energy Limited	100%	100%

(a) Dissolved on 13 January 2023
(b) Incorporated on 12 January 2022
(c) Incorporated on 01 November 2021
(d) Incorporated on 11 January 2022
(e) Acquired on 21 July 2022 (Refer note 3(b))
(f) Struck off on 13 January 2023
(g) Incorporated on 07 September 2022
(h) Incorporated on 05 August 2022
(i) Dissolved on 01 March 2023.
(j) Activity of the company ceased in February 2016
(k) Dissolved on 05 July 2022
(l) Principal place of business in India
(m) Deregistered 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 Ministry of Corporate Affairs (MCA), India is in progress.

39. Ultimate controlling party

At 31 March 2023, all of the issued shares of the Company were held by Volcan Investments Limited and its wholly owned subsidiary. Accordingly, the ultimate controlling party of the Group was Volcan, which is beneficially owned by the Anil Agarwal Discretionary Trust. Volcan Investments Limited is incorporated in the Bahamas and does not produce Group accounts.

COMPANY BALANCE SHEET

As at 31 March 2023

(US$ million)

	Note	As at 31 March 2023	As at 31 March 2022
Fixed assets			
Tangible assets	2	10	12
Investments in subsidiaries	3	1,731	1,731
Financial asset investment	4	0	0
		1,741	**1,743**
Current assets			
Debtors due within one year	5	2,977	819
Debtors due after one year	5	2,345	4,713
Investments	6	79	27
Cash and cash equivalents		9	7
Current tax asset		22	-
		5,432	**5,566**
Creditors: amounts falling due within one year			
Trade and other creditors	7	464	152
Lease liability	9	2	2
External borrowings	7	774	1,831
Loan from subsidiary	7	698	473
		1,938	**2,458**
Net current assets		**3,494**	**3,108**
Total assets less current liabilities		**5,235**	**4,851**
Creditors: amounts falling due after one year			
External borrowings	8	1,883	2,008
Loan from subsidiary	8	2,638	2,260
Other creditors	8	3	8
Lease liability	9	5	6
		4,529	**4,282**
Net assets		**706**	**569**
Capital and reserves			
Called up share capital		29	29
Capital reduction reserve Other reserves		2 (2)	2 (2)
Retained earnings		677	540
Equity shareholders' funds		**706**	**569**

As permitted by section 408 of the Companies Act, 2006, the profit and loss account of the Company is not presented as part of these financial statements. The profit after tax for the year of the Company amounted to US$ 156 million (2022: US$ 220 million)

The separate Financial Statements of the Company, registration number 4740415 were approved by the Board of Directors on 08 June 2023 and signed on their behalf by

AR Narayanaswamy
Director

Deepak Kumar
Company Secretary

COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2023

(US$ million)

	Share capital*	Share premium	Capital redemption Reserve	Retained earnings	Other Reserves	Total
Equity shareholders' funds at 01 April 2022	**29**	**-**	**2**	**540**	**(2)**	**569**
Profit for the year	-	-	-	156	-	156
Dividends paid (note 13 of Group financial statements)	-	-	-	(19)	-	(19)
Movement in fair value of Financial Investment	-	-	-	-	(0)	(0)
Equity shareholders' funds at 31 March 2023	**29**	**-**	**2**	**677**	**(2)**	**706**

* For details, refer note 30 of Group financial statements

For the year ended 31 March 2022

(US$ million)

	Share capital*	Share premium	Capital redemption Reserve	Retained earnings	Other Reserves	Total
Equity shareholders' funds at 01 April 2021	**29**	**-**	**2**	**451**	**(2)**	**480**
Profit for the year	-	-	-	220	-	220
Dividends paid (note 13 of Group financial statements)	-	-	-	(131)	-	(131)
Movement in fair value of Financial Investment	-	-	-	-	0	0
Equity shareholders' funds at 31 March 2022	**29**	**-**	**2**	**540**	**(2)**	**569**

NOTES TO THE FINANCIAL STATEMENTS

1. Company accounting policies

Basis of Accounting

The Company meets the definition of a qualifying entity in accordance with Financial Reporting Standard 100 'Application of Financial Reporting Requirements' (FRS 100) issued by the Financial Reporting Council and in accordance with 101 Reduced Disclosure Framework (FRS 101). Accordingly, these financial statements have been prepared on a going concern basis and in accordance with the provisions of the UK Companies Act, 2006 and applicable UK accounting standards.

These financial statements have been prepared under the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

These financial statements are presented in US dollars being the functional currency of the Company and all values are rounded off to the nearest million except when indicated otherwise. Amounts less than US$ 0.5 million have been presented as "0".

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- The requirements of paragraph 38, 134 and 136 of IAS 1 'Presentation of Financial Statements';
- The requirements of IAS 7 'Statement of Cash Flows';
- Paragraphs 45 (b) and 46 to 52 of IFRS 2, "Share-based payment" (details of the number and weighted average exercise prices of share options and how the fair value of goods and services received was determined);
- The requirements of IFRS 7 'Financial Instruments: Disclosures';
- The requirements of Paragraph 17 of IAS 24 "Related party disclosures";
- The requirements of IAS 24, "Related party disclosures" to disclose related-party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- Paragraphs 91-99 of IFRS 13 "Fair value measurement" (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities);
- The requirements of Paragraph 30 and 31 of IAS 8 "Accounting policies, changes in accounting estimates and errors" in relation to standards not yet effective.

Significant accounting policies

Investments in subsidiaries

Investments in subsidiaries represent equity holdings in subsidiaries except preference shares, valued at cost less any provision for impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in 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.

Currency translation

Transactions in currencies other than the functional currency of the Company, being US dollars, are translated into US dollars at the spot exchange rates ruling at the date of transaction. Monetary assets and liabilities denominated in other currencies at the balance sheet date are translated into US dollars at year end exchange rates, or at a contractual rate if applicable.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and provision for impairment.

Depreciation on tangible fixed assets 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.

Estimated useful life of assets are as follows:

Asset	Useful life (in years)
IT equipment	5
Office equipment	10
Furniture and fixtures	10
Leasehold improvement	10

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.

NOTES TO THE FINANCIAL STATEMENTS

Deferred taxation

Deferred taxation is provided in full on all timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, subject to the recoverability of deferred tax assets. Deferred tax assets and liabilities are not discounted.

Borrowings

Interest bearing loans are recorded at the net proceeds received i.e. net of direct transaction costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on accruals basis and charged to the profit and loss account using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

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.

(a) **Financial Assets – Recognition**

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 on the trade date.

For purposes of subsequent measurement, financial assets are classified in the following categories:

Debt instruments at amortised cost

A 'debt instrument' 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.

Equity instruments

All equity investments in scope of IFRS 9 are measured at fair value. For all equity instruments not held for trading, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value.

Dividends

Dividend income is recognised in the income statement 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) **Financial Asset - Derecognition**

The Company derecognises a financial asset when the contractual rights to 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.

(c) **Impairment of financial assets**

In accordance with IFRS 9, the Company applies expected credit loss ("ECL") model for measurement and recognition of impairment loss on financial assets.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The Company 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 increased significantly, lifetime ECL is used instead of 12-month ECL.

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.

(d) **Financial liabilities – Recognition & Subsequent measurement**

The Company's financial liabilities include trade and other payables and loans and borrowings. 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.

NOTES TO THE FINANCIAL STATEMENTS

After initial recognition, interest-bearing loans and borrowings and trade and other payables are subsequently measured at amortised cost using the EIR method.

(e) **Financial liabilities – Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

2. Company tangible fixed assets

(US$ million)

Cost	
At 01 April 2021	8
ROU Asset as at 01 April 2021	10
Additions	0
At 31 March 2022	**18**
Additions	0
At 31 March 2023	**18**
Accumulated depreciation	
At 01 April 2021	4
ROU assets	1
Other assets	1
Charge for the period	2
ROU assets	1
Other assets	1
At 31 March 2022	6
Charge for the period	**2**
At 31 March 2023	**8**
Net book value	
At 01 April 2021	14
At 31 March 2022	**12**
At 31 March 2023	**10**

Details of Right of Use (ROU) Assets

Particulars	Building
Net book value as at 01 April 2021	8
Depreciation	(1)
Net book value as at 31 March 2022	**7**
Depreciation	(1)
Net book value as at 31 March 2023	**6**

3. Investments in subsidiaries

(US$ million)

Cost	
At 01 April 2021	1,731
Additions during the year*	0
At 31 March 2022	**1,731**
At 01 April 2022	**1,731**
Investments written off during the year**	(0)
At 31 March 2023	**1,731**

* During the previous year, the Company acquired one share in Vedanta Resources Investments Limited ('VRIL'), being 100% of its issued equity share capital for a consideration of US$ 1.

**During the current year, VRIL has been liquidated. Accordingly, the Company has written off its investment in VRIL.

NOTES TO THE FINANCIAL STATEMENTS

At 31 March 2023, the Company held 662,073,200 shares in Vedanta Resources Holdings Limited ('VRHL') (March 2022: 662,073,200 shares), being 100% of VRHL's issued equity share capital. The Company also held one deferred share in VRHL (31 March 2022: one). At 31 March 2023, the Company held two shares in Vedanta Resources Jersey Limited ('VRJL') (31 March 2022: two), two shares in Vedanta Resources Jersey II Limited ('VRJL-II') (31 March 2022: two) and one share in Vedanta Holdings Jersey Limited ('VHJL') (31 March 2022: one), being 100% of its issued equity share capital.

VRHL is an intermediary holding company incorporated in the United Kingdom (note 39 of the financial statements of the Group) and registered in England and Wales. VRJL, VHJL and VRJL-II are companies, registered and incorporated in Jersey, established to raise funds for the Vedanta Group.

4. Financial asset investment

(US$ million)

Fair value	
As at 01 April 2021	0
Fair value movement	0
As at 31 March 2022	0
As at 01 April 2022	0
Fair value movement	(0)
As at 31 March 2023	0

The investment relates to an equity investment in the shares of Victoria Gold Corporation. As at 31 March 2023, the investment in Victoria Gold Corporation was revalued and loss of US$ 0 million (2022: gain of US$ 0 million) was recognised in equity.

5. Company debtors

(US$ million)

	As at 31 March 2023	As at 31 March 2022
Amounts due from subsidiary undertakings	6,072	6,352
Amounts due from Konkola Copper Mines (note 3(a) of Group financial statements)*	305	305
Advance to vendors and deposit	0	0
Prepayments and accrued income	0	0
Other taxes	0	0
Less: Provision for impairment*	(1,055)	(1,125)
Total	**5,322**	**5,532**
Debtors due within one year	2,977	819
Debtors due after one year	2,345	4,713
Total	**5,322**	**5,532**

Amounts due from subsidiary undertakings

At 31 March 2023, the Company had loans of US$ 2,447 million (31 March 2022: US$ 2,352 million) due from VRHL which represented the funds being loaned for funding the subsidiaries. Out of the total loans, US$ 1,334 million bears interest at 8.09%, US$ 560 million at 7.80%, US$ 553 million at 9.70% and US$ 0 million at 14.375%.

At 31 March 2023, the Company had loans of US$ 1,133 million (31 March 2022: US$ 1,170 million) due from Vedanta Resources Jersey II Limited (VRJL-II). Out of the total loans, US$ 301 million bears interest at 8.09%, US$ 172 million at 7.64%, US$ 460 million at 8.05% (Net of impairment provision US$ 1,055 million) and US$ 200 million at 6.82%.

At 31 March 2023, the Company had loan of US$ NIL (31 March 2022: US$ 78 million) due from Vedanta Holdings Mauritius II Limited (VHM2L). During the year, the loan plus interest outstanding has been assigned to Twin Star Holdings Limited (THL).

At 31 March 2023, the Company had loans of US$ 303 million (31 March 2022: US$ 140 million) due from Vedanta Holdings Mauritius Limited (VHML). Out of the total loans, US$ 104 million bears interest at 8.10% and US$ 199 million at 8.13%.

NOTES TO THE FINANCIAL STATEMENTS

At 31 March 2023, the Company had loan of US$ NIL (31 March 2022: US$ 408 million) due from Westglobe Limited (WL). During the year US$ 24 million has been repaid by Westglobe Limited and the balance loan plus interest outstanding has been assigned to Twin Star Holdings Limited (THL).

At 31 March 2023, the Company had loan of US$ 5 million (31 March 2022: US$ 147 million) due from Vedanta Netherlands Investment BV (VNIBV) at 7.95%.

At 31 March 2023, the Company had loan of US$ 333 million (31 March 2022: US$ 248 million) due from Twin Star Holdings Limited (THL) at 10.60%.

At 31 March 2023, the Company had loans of US$ 8 million (31 March 2022: US$ 8 million) due from Vedanta Resources Financial Limited (VRFL). Out of the total loans, US$ 8 million bears interest at 7.84% and US$ 0 million at 7.64%.

The Company was owed US$ 743 million (31 March 2022: US$ 625 million) of accrued interest from VRHL, VRJL-II, Westglobe, VHML, VNIBV, VRFL and THL.

The Company had given a corporate guarantee for loan facilities/ trade advances on behalf of Konkola Copper Mines Plc (KCM), an erstwhile subsidiary of Vedanta Resources Holding Limited (VRHL). During the year ended 31 March 2020, due to loss of control over KCM and the resulting developments (for details refer note 3 (a) of group financial statements), the Company had recognised a liability of US$ 355 million (inclusive of interest), towards the guarantee liability and a corresponding receivable from KCM. Of the said liability, the Company had paid an amount of US$ 250 million to the lenders of KCM. During the year ended 31 March 2021, the Company has made further payments of US$ 23 million to lenders of KCM. The Company has also reversed the amount of corporate guarantees which have expired, from the amount receivable and from the corresponding liability. The balance is presented as creditors due within one year.

Additionally, the Company was owed US$ 16 million (31 March 2022: US$ 16 million) from KCM in the form guarantee commission and other receivables.

In addition to the loans, the Company also owes US$ 46 million (31 March 2022: US$ 51 million) (impairment provision US$ 70 million created during the previous year has been written off during the year) of other receivables from Group companies. The above amounts include brand fee receivable from subsidiaries (refer note 11).

* The Company had given loans to its subsidiary, VRJL - II in previous years, which was further advanced as inter-company loans to its then fellow subsidiary, (KCM). With the loss of control over KCM w.e.f. 21 May 2019 and the ensuing recoverability assessment (Refer note 3 (a) of Group Financial Statements for details), VRJL- II had impaired its receivables from KCM in the year ended 31 March 2020. Consequently, the Company had also carried out an impairment assessment of its receivables from VRJL- II and had recognised an impairment of US$ 1,102 million during the year ended 31 March 2020. During the year ended 31 March 2021, VRJL- II has reversed the previously recognised impairment on its receivables from KCM, amounting to $ 118 million. Consequently, the Company has also carried out an impairment assessment of its receivables from VRJL- II and had recognised an impairment reversal of US$ 118 million during the year ended 31 March 2021. During the current year, the directors have assessed receivables from KCM for indicators of impairment and are of opinion that no further impairment has to be provided on these receivables.

6. Company current asset investments

(US$ million)

	As at 31 March 2023	As at 31 March 2022
Liquid investments	30	-
Bank term deposits	49	27
Total	**79**	**27**

NOTES TO THE FINANCIAL STATEMENTS

7. Company creditors: amounts falling due within one year

(US$ million)

	As at 31 March 2023	As at 31 March 2022
Accruals	246	126
Advance from related parties	201	11
Loan from subsidiary (Note 8)	698	473
Term Loans (Note 8)	274	832
Bonds	500	999
Guarantee amount payable on behalf of KCM (Refer note 5)	15	15
Dividend payable	2	0
Total	**1,936**	**2,456**

8. Company creditors: amounts falling due after one year

(US$ million)

	As at 31 March 2023	As at 31 March 2022
Loan from subsidiaries	2,638	2,260
Advance from related parties	3	8
Term loans	1,210	1,348
Bonds:		
6.125% bonds due August 2024	947	994
7.125% bonds due May 2023	500	498
6.375% bonds due July 2022	-	999
Less: Current Maturities (Note 7)		
Term Loans	(274)	(832)
Bonds	(500)	(999)
Total	**4,524**	**4,276**

As at 31 March 2023, loans from subsidiaries includes US$ 1,203 million (31 March 2022: US$ 149 million) due to Vedanta Finance UK Limited. During the year 2019-20, its maturity was extended to January 2022 and the rate of interest was amended to US$ LIBOR plus 410 basis points. During the year 2020-21, maturity of the said loan was further extended to October 2023 and rate of interest was amended to 7.84%. In addition, during the current year, new loan has been given by Vedanta Finance UK Limited under facility of US$ 1,000 million at an interest rate of 6.26%with maturity in July 2027.

Loan from subsidiaries also includes US$ 1,749 million (31 March 2022: US$ 1,985 million) due to Vedanta Resources Finance II Plc (VRF2). Out of the total loan, US$ 549 million bears an interest at the rate 14.13% and is repayable in January 2024 and remaining amount of US$ 1,200 million bears an interest at the rate of 9.20% payable in March 2025.

Loan from subsidiaries also included US$ NIL (31 March 2022: US$ 299 million) due to Twin Star Holdings Limited (THL). During the current year, the loan has been fully repaid.

Loan from subsidiaries also included US$ NIL (31 March 2022: US$ 174 million) due to Vedanta Holdings Mauritius II Limited (VHM2L) bearing an interest at the rate of 13.15% and was repayable in August 2022. During the current year, additional loan of US$ 1 million was drawn and $ 37 million was repaid and remaining outstanding loan has been assigned to VRHL.

Loan from subsidiaries also included US$ NIL (31 March 2022: US$ 126 million) due to Welter Trading Limited (WTL) bearing an interest at the rate of 5.13% and was repayable in October 2024, which was assigned from Westglobe to WTL in July 2021. During the current year the loan has been assigned to Twin star holdings Limited (THL) from VRL.

Loan from subsidiaries also includes US$ 384 million (31 March 2022: US$ NIL) due to Finsider Limited (FI). Out of the total loans, US$ 340 million bears an interest at the rate of 6.82% and is repayable in November 2027 and US$

NOTES TO THE FINANCIAL STATEMENTS

44 million bears an interest at the rate of 6.82% and is repayable in July 2027.

Terms loans are made up of the following loan arrangements that the Company has executed:

In March 2015, the Company executed a facility agreement with State Bank of India for borrowing up to US$ 350 million bearing interest at a rate of LIBOR plus 453 basis points. During the current year US$ 150 million has been repaid. As at 31 March 2023, the outstanding amount under this facility is US$ NIL (31 March 2022: US$ 150 million). The unamortized expense on this loan as at 31 March 2023 is US$ NIL.

In January 2016, the Company executed a facility agreement with State Bank of India for borrowing up to US$ 300 million. US$ 120 million is repaid during the previous year. US$ 180 million was repayable in February 2023 bearing interest at a rate of LIBOR plus 503 basis points. During the current year, US$ 180 million has been repaid. As at 31 March 2023, the outstanding amount under this facility is US$ NIL. The unamortized expense on this loan as at 31 March 2023 is US$ NIL.

In November 2017, the Company executed a facility agreement with Syndicate Bank (since amalgamated into Canara Bank) for borrowing up to US$ 100 million and bears interest at a rate of 3 months LIBOR plus 325 basis points. US$ 1 million is repaid during the previous year and US$ 99 million was repayable in November 2022. During the year, US$ 99 million has been repaid. As at 31 March 2023, the outstanding amount under this facility is US$ NIL. The unamortized expense on this loan as at 31 March 2023 is US$ NIL.

During the year 2017-18, the Company executed facility agreements with State Bank of India for borrowings up to US$ 200 million in different tranches and bears interest at a rate of LIBOR plus 389 basis points. The loan is repayable in January 2025. As at 31 March 2023, the outstanding amount under this facility is US$ 200 million. The unamortized expense on this loan as at 31 March 2023 is US$ 3 million.

During the year 2018-2019, the Company executed facility agreements with ICICI Bank Limited for borrowings up to US$ 200 million in different tranches and bears interest at a rate of LIBOR plus 390 basis points. The loan is repayable in various instalments till September 2023. During the previous year, US$ 60 million was repaid. As at 31 March 2023, the outstanding amount under this facility is US$ NIL (31 March 2022: US$ 120 million). The unamortized expense on this loan as at 31 March 2023 is US$ NIL.

During the year 2018-2019, the Company executed facility agreements with Bank of Baroda for borrowings up to US$ 200 million in different tranches and bears interest at a rate of LIBOR plus 350 basis points. The loan is repayable in various instalments till June 2024. During the previous year, US$ 20 million was repaid. As at 31 March 2023, the outstanding amount under this facility is US$ 145 million (31 March 2022: US$ 165 million). The unamortized expense on this loan as at 31 March 2023 is US$ 1 million.

During the year 2019-20, the Company executed facility agreements with Syndicate Bank (since amalgamated into Canara Bank) for borrowings up to US$ 200 million in different tranches and bears interest at a rate of LIBOR plus 375 basis points. The loan is repayable in various instalments till December 2024. As at 31 March 2023, the outstanding amount under this facility is US$ 180 million (31 March 2022: US$ 200 million). The unamortized expense on this loan as at 31 March 2023 is US$ 2 million.

During the previous year, the Company executed into facility agreements with Standard Chartered Bank for borrowings up to US$ 250 million and bears interest at a rate of LIBOR plus 600 basis points. The entire outstanding has been repaid during the year. As at 31 March 2023, the outstanding amount under this facility is US$ NIL. The unamortized expense on this loan as at 31 March 2023 is US$ NIL.

During the year, the Company executed into facility agreements with DBS RCF Bank for borrowings up to US$ 100 million and bears interest at a rate of LIBOR plus 450 basis points. As at 31 March 2023, the outstanding amount under this facility is US$ 100 million. The loan has been fully repaid in May 2023.

During the year, the Company executed into facility agreements with State Bank of India for borrowings up to US$ 500 million and bears interest at a rate of LIBOR plus 506 basis points repayable as US$ 25 million in June 2023, US$ 100 million in June 2024, US$ 100 million in June 2025, US$ 125 million in June 2026 and US$ 150 million in June 2027. As at 31 March 2023, the outstanding amount under this facility is US$ 500 million. The unamortized expense on this loan as at 31 March 2023 is US$ 7 million.

During the year, the Company executed into facility agreements with Canara Bank for borrowings up to US$ 100 million and bears interest at a rate of LIBOR plus 350 basis points repayable in September 2025. As at 31 March 2023, the outstanding amount under this facility is US$ 100 million. The unamortized expense on this loan as at 31 March 2023 is US$ 2 million.

NOTES TO THE FINANCIAL STATEMENTS

During the year, the Company has repaid bond amount of US$ 999 million bearing interest at the rate of 6.375% which was repayable in July 2022 and US$ 49 million bearing interest at the rate of 6.125% which was repayable in August 2024.

Further, subsequent to the year, the Company has repaid bond amount of US$ 500 million bearing interest at the rate of 7.125% which was repayable in May 2023.

9. Lease liability

Movement in Lease liabilities is as follows:

(US$ million)

Particulars	Amount
At 01 April 2021	9
Interest on Lease Liabilities	0
Payments made	(1)
At 31 March 2022/ 01 April 2022	**8**
Interest on Lease Liabilities	0
Payments made	(1)
As at 31 March 2023	**7**

10. Company contingent liabilities

Vedanta Resources Limited ("VRL" or "the Company") has provided a financial and performance guarantee to the Government of India for erstwhile Vedanta Limited's ('VEDL') obligation under the Production Sharing Contract ('PSC') provided for onshore block RJ-ON-90/1, for making available financial resources equivalent to VEDL's share for its obligations under the PSC, personnel and technical services in accordance with industry practices and any other resources in case VEDL is unable to fulfil its obligations under the PSC. Similarly, the Company has also provided financial and performance guarantee to the Government of India for VEDL'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.

The Company has guaranteed US$ 180 million for a facility agreement entered by Vedanta Resources Jersey II Limited with Yes Bank Limited as facility agent. As at 31 March 2023, US$ NIL is outstanding under the said facility (31 March 2022: US$ 108 million). During the current year, the entire outstanding amount of US$ 108 million has been repaid under the said facility and the guarantee has been relinquished.

The Company has guaranteed US$ 575 million for a facility agreement entered by Twin Star Holdings Limited with Citicorp International Limited as facility agent. As at 31 March 2023, US$ NIL is outstanding under the said facility (31 March 2022: US$ 178 million). During the year 2022-23, the entire outstanding amount of US$ 178 million has been repaid under the said facility and the guarantee has been relinquished.

The Company has guaranteed US $100 million for a facility agreement entered by Twin Star Holdings Limited with First Abu Dhabi Bank PJSC as facility agent. As at 31 March 2023, US$ NIL is outstanding under the said facility (31 March 2022: US$ 24 million). During the year 2022-23, the entire outstanding amount of US$ 24 million has been repaid under the said facility and the guarantee has been relinquished.

During the year 2019-20, Vedanta Resources Finance II Plc (VRFII Plc) issued US$ 1,000 million bonds which were guaranteed by the Company. During the year 2020-21, VRFII Plc further issued US$ 1,000 million and US$ 1,200 million bonds which were guaranteed by the Company along with Twin Star Holdings Limited and Welter Trading Ltd as co-guarantors. As at 31 March 2023, the entire amount is outstanding.

During the year 2020-21, the Company has guaranteed US$ 350 million for a facility agreement entered by Vedanta Holdings Mauritius Limited with First Abu Dhabi Bank PJSC as facility agent. Outstanding amount as on 31 March 2023 is US$ NIL (31 March 2022: US$ 175 million). During the year 2022-23, the entire outstanding amount of US$ 175 million has been repaid under the said facility and the guarantee has been relinquished.

During the year 2020-21, the Company, along with Finsider International Company Limited and Westglobe Limited as co-guarantors, has guaranteed US$ 1,000 million for a facility agreement entered by Vedanta Holdings Mauritius II Limited with OCM Verde XI Investments Pte. Limited as facility agent. US$ 427 million and US$ 323 million have been drawn under this facility during the years 2020-21 and

NOTES TO THE FINANCIAL STATEMENTS

2021-22 respectively. Outstanding amount as at 31 March 2023 is US$ 750 million (31 March 2022: US$ 427 million).

During the previous year, the Company has guaranteed, jointly with Welter Trading Limited, US$ 100 million for a facility agreement entered by Twin Star Holdings Limited with Deutsche Bank Plc. US$ 100 million has been drawn under the facility. During the year, the entire outstanding amount of US$ 100 million has been repaid under the said facility and the guarantee has been relinquished.

During the previous year, the Company has guaranteed, jointly with Welter Trading Limited, US$ 180 million for a facility agreement entered by Twin Star Holdings Limited with Barclays Bank Plc. US$ 180 million has been drawn under the facility. During the year 2022-23, the entire outstanding amount of US$ 180 million has been repaid under the said facility.

During the previous year, the Company has guaranteed US$ 400 million and $150 million for facility agreement entered by Twin Star Holdings Limited and Vedanta Netherlands Investments BV, respectively with Standard Chartered Bank. As at 31 March 2023, amount outstanding under the said facility is US$ 250 million by Twin Star Holdings Limited and US $ 150 million by Vedanta Netherlands Investments BV.

During the current year, the Company has guaranteed, jointly with Welter Trading Limited, US$ 200 million for a facility agreement executed by Twin Star Holdings Limited with Canara Bank. As at 31 March 2023, US$ 200 million has been drawn under the facility.

During the current year, the Company has guaranteed, jointly with Welter Trading Limited, US$ 150 million for a facility agreement executed by Twin Star Holdings Limited with Union Bank of India. As at 31 March 2023, US$ 150 million has been drawn under the facility.

During the current year, the Company has guaranteed, jointly with Welter Trading Limited, US$ 100 million for a facility agreement executed by Twin Star Holdings Limited with Standard Chartered Bank. As at 31 March 2023, US$ 100 million has been drawn under the facility.

11. Related party transactions

During the year, the Company executed transactions, in the ordinary course of business, with other related parties. The Company has taken advantage of the exemption under paragraph 8(k) of FRS101 not to disclose transactions with wholly-owned subsidiaries. Transactions entered into and trading balances outstanding at 31 March 2023 with other related parties, are as follows:

(US$ million)

Name of Company	Relationship	Nature of transaction	Year Ended 2023	Year Ended 2022
Vedanta Limited	Subsidiary	PCO Income and Management & Brand fees charged	217	174
Vedanta Limited	Subsidiary	Sale of alumina	-	10
Vedanta Limited	Subsidiary	Agency commission	0	-
Volcan Investments Limited	Holding Company	Dividend declared	12	86
Volcan Investments Cyprus Limited	Holding Company	Dividend declared	6	45
Vedanta Limited	Subsidiary	Receipt of service	(1)	(0)
Vedanta Limited	Subsidiary	Guarantee commission income	20	17
Vedanta Limited	Subsidiary	(Reimbursement)/ Payment of expenses	(0)	0
Cairn India Holdings Limited	Subsidiary	Payment of expenses	-	0
Cairn Energy Hydrocarbon Limited	Subsidiary	Payment of expenses	0	-
ESL Steels Ltd (ESL)	Subsidiary	Brand fee charged	13	13
Talwandi Sabo Power Ltd	Subsidiary	Brand fee charged	5	4
Black Mountain Mining (Pty) Limited	Subsidiary	Brand fee charged	10	9
Cairn Energy Hydrocarbon Limited	Subsidiary	Brand fee charged	18	12
Cairn Energy Hydrocarbon Limited	Subsidiary	Guarantee commission income	3	3
THL Zinc Limited	Subsidiary	Payment of expenses	-	0
THL Zinc Ventures Limited	Subsidiary	Payment of expenses	-	0
Bloom Fountain Limited	Subsidiary	Payment of expenses	-	0
Fujairah Gold FZC	Subsidiary	Reimbursement of expenses	(0)	-

NOTES TO THE FINANCIAL STATEMENTS

Outstanding balances

(US$ million)

Name of Company	Relationship	Nature of transaction	As at 31 March 2023	As at 31 March 2022
Vedanta Limited	Subsidiary	Receivable	31	3
Vedanta Limited	Subsidiary	Advance received	177	-
Sterlite Technologies Limited	Fellow Subsidiary	Receivable	0	0
Namzinc Pty Limited	Subsidiary	Receivable	0	0
Cairn India Holdings Limited	Subsidiary	Receivable	0	0
ESL Steels Ltd (ESL)	Subsidiary	(Payable)	(7)	-
Black Mountain Mining (Pty) Limited	Subsidiary	Receivable	2	3
Talwandi Sabo Power Ltd	Subsidiary	Receivable	1	3
Western Cluster Limited	Subsidiary	Receivable	0	0
THL Zinc Limited	Subsidiary	Receivable	0	0
THL Zinc Ventures Limited	Subsidiary	Receivable	0	0
Monte Cello BV	Subsidiary	(Payable)	(1)	(1)
Cairn Energy Hydrocarbon Limited	Subsidiary	(Payable)/receivable	(15)	2
Bloom Fountain Limited	Subsidiary	Receivables	0	0
Volcan Investments limited	Holding Company	Dividend payable	(1)	(0)
Volcan Investments Cyprus limited	Holding Company	Dividend payable	(1)	(0)

For details relating to Ultimate controlling party, refer note 39 of Group financial statements.

12. Subsequent Events

There have been no material events after reporting date, other than those already reported, which would require disclosure or adjustment to the financial statements for the year ended 31 March 2023.

S.R. BATLIBOI & CO. LLP
Chartered Accountants

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Sector 44, Gurugram - 122 003
Haryana, India

Tel: +91 124 681 6000

Report on review of interim financial information
To the Board of Directors of
Vedanta Limited

Introduction

1. We have reviewed the accompanying interim condensed consolidated financial statements of Vedanta Limited ('the Holding Company') and its subsidiaries, associates and joint ventures (collectively 'the Group') as at June 30, 2024 which comprise the interim condensed consolidated balance sheet as at June 30, 2024 and the related interim condensed consolidated statements of profit & loss, changes in equity and cash flows for the three-month period then ended and explanatory notes. Management of the Holding Company is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with the requirements of Indian Accounting Standards (Ind AS) 34 Interim Financial Reporting specified under section 133 of the of the Companies Act 2013, ("the Act"), read with the Companies (Indian Accounting Standards) Rules, 2015, as amended as explained in note 2. As described in note 2 of the financial statements, these financial statements have been prepared solely for inclusion in the Offering Circular in connection with the proposed issuance of bonds to be issued by the Holding Company's parent company, Vedanta Resources Limited ('VRL') and/or VRL's subsidiaries. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

2. We conducted our review in accordance with Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India ("ICAI"). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

3. Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with the principles of Indian Accounting Standards (Ind AS) 34 specified under section 133 of the of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

Other matters

4. The accompanying interim condensed consolidated financial statements includes the unaudited interim condensed financial statements and other financial information, in respect of:
   - 20 subsidiaries, whose unaudited interim condensed financial statements include total assets of Rs. 41,035 Crore as at June 30, 2024, total revenues of Rs 2,854 Crore, total net loss after tax of Rs 571 crore, total comprehensive loss of Rs. 559 crore and net cash outflows of Rs. 390 Crore for the period April 01, 2024 to June 30, 2024, as considered in the unaudited interim condensed consolidated financial statements which have been reviewed by their respective independent auditors.
   - 1 associate and 1 joint venture, whose unaudited interim condensed financial statements include Group's share of net profit of Rs. Nil and Group's share of total comprehensive income of Rs. Nil for the period April 01, 2024 to June 30, 2024, as considered in the unaudited interim condensed

consolidated financial statements, whose unaudited interim condensed financial statements and other financial information have been reviewed by their respective independent auditors.

The independent auditor's reports on unaudited interim condensed financial statements of these entities have been furnished to us by the Management and our conclusion on the unaudited interim condensed consolidated financial statements, in so far as it relates to the amounts and disclosures in respect of these subsidiaries, associates and joint ventures is based solely on the report of such auditors and procedures performed by us as stated in paragraph 2 above.

5. Certain of these subsidiaries, associate and joint venture are located outside India whose interim condensed 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 and associates located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Holding Company's management. Our conclusion in so far as it relates to the balances and affairs of such subsidiaries and associates located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and reviewed by us.

6. The accompanying interim condensed consolidated financial statements includes interim condensed financial statements and other financial information in respect of:

   - 16 subsidiaries, whose interim condensed financial statements and other financial information reflect total assets of Rs 1,811 Crore as at June 30, 2024, total revenues of Rs 116 Crore, total net profit after tax of Rs. 6 crore, total comprehensive income of Rs 6 crore and total net cash outflows of Rs. 14 Crore for the period April 01, 2024 to June 30, 2024, as considered in the interim condensed consolidated financial statements;
   - 1 associate and 3 joint ventures, whose interim condensed financial statements includes the Group's share of net profit of Rs. Nil for the period April 01, 2024 to June 30, 2024;
   - 1 unincorporated joint venture not operated by the Group; whose interim condensed financial statements includes the Group's share of total assets of Rs. 201 crores as at June 30, 2024, total revenues of Rs 35 Crore, total net profit after tax of Rs. 6 crore, total comprehensive income of Rs 6 crore and total net cash inflows of Rs. Nil crore.

   which have neither been audited nor reviewed by their auditor(s). These unaudited interim condensed financial statements and other unaudited financial information have been approved and furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the affairs of these subsidiaries, joint ventures and joint operations and associates, is based solely on such unaudited interim condensed financial statements and other unaudited financial information. According to the information and explanations given to us by the Management, these interim condensed financial statements and other financial information are not material to the Group.

   Our conclusion on the unaudited interim condensed financial statements in respect of matters stated in para 5, 6 and 7 above is not modified with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

7. Our report is intended solely for the information and use of the Board for Directors while including the accompanying interim condensed consolidated financial statements in the Offering Circular in connection with the proposed issuance of bonds by the Holding Company's parent company, Vedanta Resources

Limited (‘VRL’) and/or VRL’s subsidiaries. and should not be used or referred to for any other purpose, or distributed to any other person.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

AMIT CHUGH
Digitally signed by AMIT CHUGH
DN: cn=AMIT CHUGH, c=IN, o=Personal, email=amit.chugh@srb.in
Date: 2024.08.28 13:00:48 +05'30'

per Amit Chugh
Partner
Membership Number: 505224

UDIN: 24505224BKFJZY8370

Place: Gurugram
Date: August 28, 2024

Vedanta Limited
Unaudited Condensed Consolidated Interim Balance Sheet as at 30 June 2024

(₹ in Crore)

Particulars	Note	As at 30 June 2024	As at 31 March 2024
ASSETS			
Non-current assets			
Property, Plant and Equipment		**96,309**	96,715
Capital work-in-progress		**22,799**	20,331
Intangible assets		**2,183**	2,248
Exploration intangible assets under development		**2,689**	2,558
Financial assets			
Investments		**1,305**	987
Trade receivables		**2,452**	2,409
Loans		**5**	5
Derivatives		**0**	3
Others		**3,769**	2,670
Deferred tax assets (net)		**3,358**	2,689
Income tax assets (net)		**3,792**	3,796
Other non-current assets		**4,420**	4,472
Total non-current assets		**1,43,081**	1,38,883
Current assets			
Inventories		**15,169**	13,001
Financial assets			
Investments		**11,051**	10,882
Trade receivables		**4,205**	3,607
Cash and cash equivalents	6	**2,397**	2,812
Other bank balances		**2,500**	1,515
Loans		**3,620**	3,364
Derivatives		**169**	168
Others		**12,878**	12,757
Income tax assets (net)		**16**	48
Other current assets		**6,168**	3,770
Total current assets		**58,173**	51,924
Total Assets		**2,01,254**	1,90,807
EQUITY AND LIABILITIES			
Equity			
Equity share capital		**372**	372
Other equity		**30,425**	30,350
Equity attributable to owners of Vedanta Limited		**30,797**	30,722
Non-controlling interests		**11,160**	11,347
Total Equity		**41,957**	42,069
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	7A	**48,238**	50,633
Lease liabilities		**554**	536
Derivatives		**13**	-
Other financial liabilities		**584**	493
Provisions		**3,128**	3,105
Deferred tax liabilities (net)		**10,122**	10,152
Other non-current liabilities		**4,303**	5,158
Total non-current liabilities		**66,942**	70,077
Current liabilities			
Financial liabilities			
Borrowings	7B	**29,778**	21,125
Lease liabilities		**476**	477
Operational buyers' credit / suppliers' credit		**15,757**	14,935
Trade payables		**10,634**	10,095
Derivatives		**205**	144
Other financial liabilities		**18,293**	17,569
Other current liabilities		**13,841**	11,477
Provisions		**397**	341
Income tax liabilities (net)		**2,974**	2,498
Total current liabilities		**92,355**	78,661
Total Equity and Liabilities		**2,01,254**	1,90,807

See accompanying notes to the unaudited condensed consolidated interim financial statements

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

AMIT CHUGH
Digitally signed by AMIT CHUGH
DN: cn=AMIT CHUGH, c=IN, o=Personal, email=amit.chugh@srb.in
Date: 2024.08.28 13:01:28 +05'30'

per Amit Chugh
Partner
Membership No: 505224

Place: Gurugram
Date: 28 August 2024

For and on behalf of the Board of Directors

Arun Misra
Digitally signed by Arun Misra
Date: 2024.08.27 19:06:47 +05'30'

Arun Misra
Executive Director
(Whole-Time Director)
DIN 01835605
Place: Udaipur

AJAY KUMAR GOEL
Digitally signed by AJAY KUMAR GOEL
Date: 2024.08.27 19:11:13 +05'30'

Ajay Goel
Chief Financial Officer
PAN AEAPG8383C
Place: Mumbai

Prerna Halwasiya
Digitally signed by Prerna Halwasiya
Date: 2024.08.27 19:04:11 +05'30'

Prerna Halwasiya
Company Secretary and Compliance Officer
ICSI Membership No. A20856
Place: New Delhi

Date: 27 August 2024

Vedanta Limited

Unaudited Condensed Consolidated Interim Statement of Profit and Loss for the three months ended 30 June 2024

(₹ in Crore, except otherwise stated)

Particulars	Note	Three months ended 30 June 2024	Three months ended 30 June 2023
Revenue from operations	9	**35,239**	33,342
Other operating income	10	**525**	391
Other income		**934**	546
Total income		**36,698**	34,279
Expenses			
Cost of materials consumed		**11,166**	11,090
Purchases of stock-in-trade		**14**	13
Changes in inventories of finished goods, work-in-progress and stock in trade		**(1,390)**	(86)
Power and fuel charges		**5,872**	6,181
Employee benefits expense	11	**901**	853
Finance costs	12	**2,222**	2,110
Depreciation, depletion and amortisation expense		**2,731**	2,550
Other expenses	13	**9,286**	9,262
Total expenses		**30,802**	31,973
Profit before share in profit/ (loss) of jointly controlled entities and associates, exceptional items and tax		**5,896**	2,306
Add: Share in profit/ (loss) of jointly controlled entities and associates		**0**	0
Profit before exceptional items and tax		**5,896**	2,306
Net exceptional gain	14	**-**	1,780
Profit before tax		**5,896**	4,086
Tax expense:	15		
Net current tax expense		**1,558**	679
Net deferred tax (benefit)/ expense		**(734)**	99
Net tax expense:		**824**	778
Profit after tax for the period (A)		**5,072**	3,308
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gain on defined benefit plans		**11**	2
Tax benefit		**1**	1
Gain on FVOCI equity investment		**12**	0
		24	3
Items that will be reclassified to profit or loss			
Net gain on cash flow hedges recognised during the period		**290**	180
Tax expense		**(73)**	(59)
Net loss on cash flow hedges recycled to profit or loss		**(148)**	(54)
Tax benefit		**37**	21
Net gain on FVOCI debt investment		**1**	33
Tax benefit/ (expense)		**0**	(4)
Exchange differences on translation		**206**	(1,965)
Tax expense		**(2)**	(5)
		311	(1,853)
Total other comprehensive income/ (loss) (B)		**335**	(1,850)
Total comprehensive income for the period (A+B)		**5,407**	1,458

Profit attributable to:		
Owners of Vedanta Limited	**3,592**	2,640
Non-controlling interests	**1,480**	668
Other comprehensive income/ (loss) attributable to:		
Owners of Vedanta Limited	**272**	(1,853)
Non-controlling interests	**63**	3
Total comprehensive income attributable to:		
Owners of Vedanta Limited	**3,864**	787
Non-controlling interests	**1,543**	671
Earnings per equity share attributable to owners of Vedanta Limited (₹) (not annualised):		
- Basic	**9.72**	7.11
- Diluted	**9.64**	7.06

See accompanying notes to the unaudited condensed consolidated interim financial statements

As per our report of even date

For and on behalf of the Board of Directors

Arun Misra Digitally signed by Arun Misra Date: 2024.08.27 19:07:43 +05'30'

Arun Misra
Executive Director
(Whole-Time Director)
DIN 01835605
Place: Udaipur

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

AMIT CHUGH Digitally signed by AMIT CHUGH DN: cn=AMIT CHUGH, c=IN, o=Personal, email=amit.chugh@srb.in Date: 2024.08.28 13:01:40 +05'30'

per Amit Chugh
Partner
Membership No: 505224

AJAY KUMAR GOEL Digitally signed by AJAY KUMAR GOEL Date: 2024.08.27 19:11:46 +05'30'

Ajay Goel
Chief Financial Officer
PAN AEAPG8383C
Place: Mumbai

Prerna Halwasiya Digitally signed by Prerna Halwasiya Date: 2024.08.27 19:04:34 +05'30'

Prerna Halwasiya
Company Secretary and Compliance Officer
ICSI Membership No. A20856
Place: New Delhi

Place: Gurugram
Date: 28 August 2024

Date: 27 August 2024

Vedanta Limited
Unaudited Condensed Consolidated Interim Statement of Cash Flows for the three months ended 30 June 2024

(₹ in Crore)

Particulars	Three months ended 30 June 2024	Three months ended 30 June 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	5,896	4,086
Adjustments for:		
Depreciation, depletion and amortisation	2,749	2,555
Net exceptional gain	-	(1,780)
Provision for doubtful advances/ expected credit loss/ bad debts written off	78	7
Exploration costs written off	97	312
Liabilities written back	(89)	(20)
Fair value gain on financial assets held at fair value through profit or loss	(58)	(44)
Gain on sale/ discard of property, plant and equipment (net)	(97)	(5)
Foreign exchange loss (net)	48	203
Unwinding of discount on decommissioning liability	34	30
Share based payment expense	29	32
Interest and dividend income	(610)	(386)
Interest expense	2,188	2,080
Deferred government grant	(73)	(77)
Changes in working capital		
Increase in trade and other receivables	(3,350)	(1,810)
Increase in inventories	(2,242)	(212)
Increase in trade and other payables	3,760	825
Cash generated from operations	**8,360**	**5,796**
Income taxes (paid)/ refund (net)	(1,014)	353
Net cash generated from operating activities	**7,346**	**6,149**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment (including intangibles, CWIP, capital advances and creditors)	(4,511)	(4,217)
Proceeds from sale of property, plant and equipment	261	22
Deposits made	(8,257)	(112)
Proceeds from redemption of deposits	6,357	611
Short term investments made	(16,163)	(13,188)
Proceeds from sale of short term investments	16,228	15,111
Interest received	604	367
Dividends received	5	14
Payment made to site restoration fund	(25)	-
Purchase of long term investments	(280)	(106)
Net cash used in investing activities	**(5,781)**	**(1,498)**
CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayment of)/ Proceeds from short-term borrowings (net)	(37)	1,074
Proceeds from current borrowings	2,854	5,739
Repayment of current borrowings	(527)	(7,811)
Proceeds from long-term borrowings	5,551	9,919
Repayment of long-term borrowings	(1,735)	(1,529)
Interest paid	(2,457)	(1,944)
Payment of dividends to equity holders of the Company, net of taxes	(4,082)	(14,485)
Payment of dividends to non-controlling interests	(1,481)	-
Payment of lease liabilities	(79)	(42)
Net cash used in financing activities	**(1,993)**	**(9,079)**
Effect of exchange rate changes on cash and cash equivalents	13	(17)
Net decrease in cash and cash equivalents	**(415)**	**(4,445)**
Cash and cash equivalents at the beginning of the period	2,812	6,926
Cash and cash equivalents at end of the period (Refer note 6)	**2,397**	**2,481**

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 unaudited condensed consolidated interim financial statements
As per our report of even date

For and on behalf of the Board of Directors

Arun Misra
Digitally signed by Arun Misra
Date: 2024.08.27 19:08:10 +05'30'

Arun Misra
Executive Director
(Whole-Time Director)
DIN 01835605
Place: Udaipur

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

AMIT CHUGH
Digitally signed by AMIT CHUGH
DN: cn=AMIT CHUGH, c=IN, o=Personal, email=amit.chugh@srb.in
Date: 2024.08.28 13:01:50 +05'30'

per Amit Chugh
Partner
Membership No: 505224

AJAY KUMAR GOEL
Digitally signed by AJAY KUMAR GOEL
Date: 2024.08.27 19:12:12 +05'30'

Ajay Goel
Chief Financial Officer
PAN AEAPG8383C
Place: Mumbai

Prerna Halwasiya
Digitally signed by Prerna Halwasiya
Date: 2024.08.27 19:04:54 +05'30'

Prerna Halwasiya
Company Secretary and Compliance Officer
ICSI Membership No. A20856
Place: New Delhi

Place: Gurugram
Date: 28 August 2024

Date: 27 August 2024

Vedanta Limited

Unaudited Condensed Consolidated Interim Statement of Changes in Equity for the three months ended 30 June 2024

A. Equity Share Capital

Equity shares of ₹ 1 each issued, subscribed and fully paid	**Number of shares (in Crore)**	**Amount (₹ in Crore)**
As at 30 June 2024, 31 March 2024, 30 June 2023*	372	372

*There are no prior period errors for the year ended 31 March 2024 and three months ended 30 June 2023.

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**	**Attributable to owners of the Company**	**Non-controlling interests**	**Total**
Balance as at 01 April 2023	**18,573**	**19,009**	**(22,755)**	**19,304**	**4,851**		**51**	**18**	**39,051**	**10,004**	**49,055**
Profit for the period	-	-	2,640	-	-		-	-	2,640	668	3,308
Other comprehensive income for the period (net of tax impact)	-	-	1	-	(1,946)		19	73	(1,853)	3	(1,850)
Total comprehensive income for the period	**-**	**-**	**2,641**	**-**	**(1,946)**		**19**	**73**	**787**	**671**	**1,458**
Recognition of share based payment	-	-	-	32	-	-	-	-	32	-	32
Exercise of stock option	-	-	(18)	22	-	-	-	-	4	-	4
Recognition of put option liability/derecognition of non controlling interest	(47)	-	-	-	-	-	-	-	(47)	49	2
Dividend	-	-	(6,872)	-	-	-	-	-	(6,872)	-	(6,872)
Balance as at 30 June 2023	**18,526**	**19,009**	**(27,004)**	**19,358**	**2,905**		**70**	**91**	**32,955**	**10,724**	**43,679**
Balance as at 01 April 2023	**18,573**	**19,009**	**(22,755)**	**19,304**	**4,851**		**51**	**18**	**39,051**	**10,004**	**49,055**
Profit for the year	-	-	4,239	-	-		-	-	4,239	3,300	7,539
Other comprehensive income for the year (net of tax impact)	-	-	(5)	-	(1,790)		(16)	(68)	(1,879)	(9)	(1,888)
Total comprehensive income for the year	**-**	**-**	**4,234**	**-**	**(1,790)**		**(16)**	**(68)**	**2,360**	**3,291**	**5,651**
Recognition of share based payment	-	-	-	92	-		-	-	92	-	92
Purchase of treasury shares	-	-	-	(200)	-		-	-	(200)	-	(200)
Exercise of stock option	-	-	(32)	52	-		-	-	20	-	20
Recognition of put option liability/derecognition of non controlling interest	(14)	-	-	-	-		-	-	(14)	(20)	(34)
Dividend	-	-	(10,959)	-	-		-	-	(10,959)	(1,928)	(12,887)
Balance as at 31 March 2024	**18,559**	**19,009**	**(29,512)**	**19,248**	**3,061**		**35**	**(50)**	**30,350**	**11,347**	**41,697**
Balance as at 01 April 2024	**18,559**	**19,009**	**(29,512)**	**19,248**	**3,061**		**35**	**(50)**	**30,350**	**11,347**	**41,697**
Profit for the period	-	-	3,592	-	-		-	-	3,592	1,480	5,072
Other comprehensive income for the period (net of tax impact)	-	-	5	-	156		13	98	272	63	335
Total comprehensive income for the period	**-**	**-**	**3,597**	**-**	**156**		**13**	**98**	**3,864**	**1,543**	**5,407**
Recognition of share based payment	-	-	-	32	-		-	-	32	-	32
Exercise of stock option	-	-	(3)	15	-		-	-	12	-	12
Recognition of put option liability/derecognition of non controlling interest	249	-	-	-	-		-	-	249	(249)	-
Dividend	-	-	(4,082)	-	-		-	-	(4,082)	(1,481)	(5,563)
Balance as at 30 June 2024	**18,808**	**19,009**	**(30,000)**	**19,295**	**3,217**		**48**	**48**	**30,425**	**11,160**	**41,585**

(₹ in Crore)

Note:
Other reserves comprise:

Particulars	Capital 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 2023	**23**	**3,087**	**10**	**168**	**25**	**(104)**	**16,095**	**19,304**
Recognition of share based payment	-	-	-	32	-	-	-	32
Exercise of stock options	-	-	-	(7)	-	29	-	22
Balance as at 30 June 2023	**23**	**3,087**	**10**	**193**	**25**	**(75)**	**16,095**	**19,358**
Balance as at 01 April 2023	**23**	**3,087**	**10**	**168**	**25**	**(104)**	**16,095**	**19,304**
Recognition of share based payment	-	-	-	92	-	-	-	92
Purchase of treasury shares	-	-	-	-	-	(200)	-	(200)
Exercise of stock options	-	-	-	(47)	-	99	-	52
Balance as at 31 March 2024	**23**	**3,087**	**10**	**213**	**25**	**(205)**	**16,095**	**19,248**
Balance as at 01 April 2024	**23**	**3,087**	**10**	**213**	**25**	**(205)**	**16,095**	**19,248**
Recognition of share based payment	-	-	-	32	-	-	-	32
Exercise of stock options	-	-	-	(19)	-	34	-	15
Balance as at 30 June 2024	**23**	**3,087**	**10**	**226**	**25**	**(171)**	**16,095**	**19,295**

Subsequent to the period ended 30 June 2024, the Hon'ble NCLT vide its order dated 16 July 2024 ("the Order") has sanctioned the Scheme of Arrangement ("the Scheme") at Hindustan Zinc Limited ("HZL") which envisages transfer of the entire balance of INR 10,383 Crores standing to the credit of the general reserves of HZL as at 31 March 2024 to retained earnings. The certified true copy of the said Order was filed with the Registrar of Companies on 22 July 2024, and accordingly the Scheme has come into effect. HZL will maintain the minimum net worth as per the undertaking given to NCLT and as mentioned in the Order. There is no impact of the said Order on the unaudited condensed consolidated interim financial statements as on 30 June 2024 of the Company.

See accompanying notes to the unaudited condensed consolidated interim financial statements

As per our report of even date

For and on behalf of the Board of Directors

Arun Misra
Digitally signed by Arun Misra
Date: 2024.08.27 19:08:40 +05'30'

Arun Misra
Executive Director
(Whole-Time Director)
DIN 01835605
Place: Udaipur

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

AMIT CHUGH
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DN: cn=AMIT CHUGH, c=IN, o=Personal, email=amit.chugh@srb.in
Date: 2024.08.28 13:02:00 +05'30'

per Amit Chugh
Partner
Membership No: 505224

AJAY KUMAR GOEL
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Date: 2024.08.27 19:12:38 +05'30'

Ajay Goel
Chief Financial Officer
PAN AEAPG8383C
Place: Mumbai

Prerna Halwasiya
Digitally signed by Prerna Halwasiya
Date: 2024.08.27 19:05:14 +05'30'

Prerna Halwasiya
Company Secretary and Compliance Officer
ICSI Membership No. A20856
Place: New Delhi

Place: Gurugram
Date: 28 August 2024

Date: 27 August 2024

Vedanta Limited

Notes forming part of the unaudited condensed consolidated interim financial statements as at and for the three months ended 30 June 2024

1 Group overview

Vedanta Limited ("the Company") (CIN: L13209MH1965PLC291394) 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.

The Company is majority owned by Twin Star Holdings Limited ("Twin Star"), 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 59.31% (31 March 2024: 61.95%) of the Company's equity as at 30 June 2024.

For further details on the Group's various businesses, refer Group's consolidated financial statements as at and for the year ended 31 March 2024.

2 Basis of preparation and basis of measurement of financial statements

These unaudited condensed consolidated interim financial statements have been prepared in accordance with Indian Accounting Standard (Ind AS) 34 Interim Financial Reporting notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other relevant provisions of the Companies Act, 2013 (the "Act") (as amended from time to time) and the Guidance Note on Accounting for Oil and Gas Producing Activities issued by the Institute of Chartered Accountants of India ("ICAI").

The condensed consolidated interim financial statements do not include all of the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at and for the year ended 31 March 2024.

The Group's has identified 12 months as its operating cycle for the classification of assets and liabilities into current and non-current.

These financial statements are approved for issue by the Board of Directors on 26 August 2024.

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".

These condensed consolidated interim financial statements have been prepared solely for inclusion in the Offering Circular (OC) to be issued by VRL and/or VRL's subsidiaries for a proposed issuance of bonds.

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. The Company has availed long term debt (Refer Note 7A and 7B). In the unlikely event, VRL (together with its subsidiaries) ceases to hold more than 50.1% stake in the Company, ₹ 50,969 Crore of the Group's outstanding long-term debt would become repayable on demand. Management basis assessment of free cash flows, its ability to refinance existing debt and other strategic initiatives, considers the same as remote.

3(a) Material accounting policy information

These unaudited condensed consolidated interim financial statements are prepared, in all material aspects, using the same accounting policies as applied in the audited consolidated financial statements of the Group for the year ended 31 March 2024.

3(b) Application of new and amended standards

No new standards have been notified during the three months ended 30 June 2024.

3(c) Significant accounting estimates

i) Recoverability of deferred tax and other income tax assets

The Group has carry forward tax losses and unabsorbed depreciation 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 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.

As at 30 June 2024, based on financial projections and requirements of Ind AS 12, ESL Steel Limited ("ESL") has deferred tax assets balance on carry forward unabsorbed depreciation of ₹ 2,787 Crore (31 March 2024: ₹ 2,787 Crore), which based on management's estimate is probable to realise.

(ii) 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 Ministry of Environment, Forests and Climate Change ("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 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 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.

On 05 June 2023, MoEFCC revoked the FC Stage-I against which ESL has written a letter for reconsideration. Against the revocation, the State Govt of Jharkhand has also submitted its request letter to MoEFCC to reconsider its decision as substantial progress has been made in identification and procurement of land and grant some more time. Referring to the State's letter, MoEFCC has issued a letter dated 18 August 2023 to the Principal Secretary (Forest), Jharkhand to submit the compliance status report, which was submitted on 17 November 2023 with positive remarks. During the period, Hon'ble High Court of Jharkhand vide its order dated 26 June 2024 has also taken on record the progress made by ESL in terms of the procurement of land for the purpose of compensatory afforestation. Next date of hearing is yet to be scheduled. Management believes no further provision is required.

4 Restructuring

(A) Scheme of Arrangement for demerger

The Board of Directors, in its meeting held on 29 September 2023, had approved a Scheme of Arrangement ("the Scheme") for demerger of various businesses of the Company. The Scheme entails demerger of the Company's Aluminium (represented by the Aluminium segment), Merchant Power (represented by the Power segment), Oil & Gas (represented by the Oil and Gas segment), Base Metals (represented by the Copper and Zinc International segment) and Iron Ore (represented by Iron Ore segment and Steel business) Undertakings, into 6 separate companies with a mirrored shareholding and consequent listings at BSE Limited and National Stock Exchange of India Limited ('the Stock Exchanges').

Subsequent to 30 June 2024, the Company has received necessary approvals from the Stock Exchanges. The Company has filed the Scheme with National Company Law Tribunal, Mumbai for its approval. Pending regulatory and other substantive approvals, no adjustments have been recorded during the period ended 30 June 2024.

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, semiconductor, display, 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 for the three months ended 30 June 2024 and 30 June 2023 and certain assets and liabilities information regarding the Group's business segments as at and for the period ended 30 June 2024 and 31 March 2024 respectively.

Vedanta Limited
Notes forming part of the unaudited condensed consolidated interim financial statements as at and for the three months ended 30 June 2024

For the three months ended 30 June 2024 (₹ in Crore)

Particulars	Business Segments									
	Zinc India	**Zinc International**	**Oil & Gas**	**Aluminium**	**Copper**	**Iron Ore**	**Power**	**Others**	**Eliminations**	**Total**
Revenue										
External revenue	7,839	753	2,925	13,501	4,731	1,312	1,689	2,489	-	35,239
Inter segment revenue	9	-	-	14	3	8	-	85	(119)	-
Segment revenue	**7,848**	**753**	**2,925**	**13,515**	**4,734**	**1,320**	**1,689**	**2,574**	**(119)**	**35,239**
Results										
Segment results (EBITDA) [a]	**3,873**	**185**	**1,081**	**4,441**	**(57)**	**183**	**282**	**257**	**-**	**10,245**
Less: Depreciation, depletion and amortisation	847	97	682	719	12	65	161	148	-	2,731
Add: Other income, net of expenses [b,c]	45	-	(97)	24	-	2	3	-	-	(23)
Add: Other unallocable income, net of expenses										627
Less: Finance costs										2,222
Add: Share in profit/ (loss) of jointly controlled entities and associates										0
Net profit before tax										**5,896**
Other information										
Segment assets	**23,376**	**8,791**	**28,686**	**71,035**	**4,439**	**6,321**	**15,685**	**11,108**		**1,69,441**
Financial assets investments										12,356
Deferred tax assets										3,358
Income tax assets										3,808
Cash and bank balances (including restricted cash and bank balances)										6,799
Others										5,492
Total assets										**2,01,254**
Segment liabilities	**7,987**	**2,460**	**15,771**	**25,631**	**5,812**	**3,369**	**897**	**4,382**		**66,309**
Deferred tax liabilities										10,122
Borrowing										78,016
Income tax liabilities (net of payments)										2,974
Others										1,876
Total liabilities										**1,59,297**

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 ₹ 97 Crore.

For the three months ended 30 June 2023

(₹ in Crore)

Particulars	Business Segments									
	Zinc India	Zinc International	Oil & Gas	Aluminium	Copper	Iron Ore	Power	Others	Eliminations	Total
Revenue										
External revenue	7,062	1,103	2,857	11,890	4,733	1,974	1,588	2,135	-	33,342
Inter segment revenue	-	-	-	15	-	64	-	105	(184)	-
Segment revenue	**7,062**	**1,103**	**2,857**	**11,905**	**4,733**	**2,038**	**1,588**	**2,240**	**(184)**	**33,342**
Results										
Segment results (EBITDA) [a]	**3,314**	**282**	**1,145**	**1,817**	**(2)**	**164**	**287**	**(32)**	**-**	**6,975**
Less: Depreciation, depletion and amortisation	806	124	578	632	38	38	163	171	-	2,550
Add: Other income, net of expenses [b,c]	43	-	(312)	23	5	2	3	-	-	(236)
Add: Other unallocable income, net of expenses										227
Less: Finance costs										2,110
Add: Net exceptional gain										1,780
Net profit before tax										**4,086**
As at 31 March 2024										
Segment assets	**22,594**	**7,957**	**28,028**	**68,400**	**3,439**	**5,716**	**15,209**	**10,736**	**-**	**1,62,079**
Financial assets investments										11,869
Deferred tax assets										2,689
Income tax assets										3,844
Cash and bank balances (including restricted cash and bank balances)										5,152
Others										5,174
Total assets										**1,90,807**
Segment liabilities	**7,353**	**2,099**	**14,671**	**25,322**	**5,398**	**3,486**	**837**	**3,805**	**-**	**62,971**
Deferred tax liabilities										10,152
Borrowing										71,758
Income tax liabilities (net of payments)										2,498
Others										1,359
Total liabilities										**1,48,738**

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 of ₹ 312 Crore.

B) Disaggregation of Revenue

Below table summarises the disaggregated revenue from contracts with customers

(₹ in Crore)

Particulars	Three months ended 30 June 2024	Three months ended 30 June 2023
Zinc metal	**6,083**	5,819
Lead metal	**1,133**	1,172
Silver metals and bars	**1,476**	1,336
Oil	**2,341**	2,265
Gas	**602**	652
Aluminium products	**13,021**	11,566
Copper products	**4,696**	4,682
Iron ore	**501**	1,073
Metallurgical coke	**72**	50
Pig iron	**936**	1,111
Power	**1,282**	1,487
Steel products	**1,558**	1,484
Ferro alloys	**310**	94
Others	**1,426**	922
Revenue from contracts with customers*	**35,437**	33,713
Revenue from contingent rents	**345**	354
Losses on provisionally priced contracts under Ind AS 109	**(543)**	(725)
Total revenue	**35,239**	33,342

*includes revenues from sale of services aggregating to ₹ 103 Crore (30 June 2023: ₹ 86 Crore) which is recorded over a period of time. The balance revenue from contracts with customers is recognised at a point in time.

6 Cash and cash equivalents

(₹ in Crore)

Particulars	As at 30 June 2024	As at 31 March 2024
Balances with banks	**1,643**	2,682
Bank deposits with original maturity of less than 3 months (including interest accrued thereon)	**754**	129
Cash on hand	**0**	1
Total	**2,397**	2,812

7 Financial liabilities - Borrowings

A) Non-current borrowings

(₹ in Crore)

Particulars	As at 30 June 2024	As at 31 March 2024
At amortised cost		
Secured		
Non convertible debentures	**15,850**	13,402
Term loans from banks		
-Rupee term loans	**34,773**	34,165
-Foreign currency term loans	**2,227**	1,917
-External commercial borrowings	**2,921**	2,917
Term loans from others	**7,446**	7,433
Others	**407**	440
Unsecured		
Deferred sales tax liability	**5**	12
Non convertible bonds	**30**	31
Term loans from banks		
-Rupee term loans	**7,744**	7,168
Redeemable preference shares	**2**	2
Term loans from others	**7**	7
Non-current Borrowings	**71,412**	67,494
Less: Current maturities of long term borrowings	**(23,174)**	(16,861)
Total non-current Borrowings (Net) (A)	**48,238**	50,633
Current Borrowings (Refer note 7B) (B)	**29,778**	21,125
Total Borrowings (A+B)	**78,016**	71,758

B) Current borrowings

(₹ in Crore)

Particulars	As at 30 June 2024	As at 31 March 2024
At amortised cost		
Secured		
Non Convertible Debentures	**1,600**	1,600
Working capital loan	**494**	489
Term loans from banks	**2,224**	1,856
Amounts due on factoring	**10**	29
Bank Overdraft	**8**	9
Current maturities of long term borrowings	**20,204**	13,925
Unsecured		
Rupee term loans from banks	**58**	58
Loans repayable on demand from banks	**-**	21
Commercial paper	**1,727**	-
Working capital loan	**483**	202
Current maturities of long term borrowings	**2,970**	2,936
Total	**29,778**	21,125

In May 2024, Vedanta Semiconductor Limited issued secured NCDs of ₹ 2,500 Crore at an interest rate of 10%. 25% of the these i.e., ₹ 625 Crore will be repaid in May 2025 and 75% of the these i.e., ₹ 1,875 Crore will be repaid in May 2026.

C) Movement in borrowings during the period is provided below -

(₹ in Crore)

Particulars	Short term borrowing	Long term borrowing*	Total
Opening balance at 01 April 2023	12,458	53,724	66,182
Net cash inflow/ (outflow)	(998)	8,390	7,392
Other non-cash changes	59	21	80
Foreign exchange currency translation differences	(25)	(145)	(170)
As at 30 June 2023	**11,494**	**61,990**	**73,484**
Opening balance at 01 April 2024	4,264	67,494	71,758
Net cash inflow/ (outflow)	2,290	3,816	6,106
Other non-cash changes	37	120	157
Foreign exchange currency translation differences	13	(18)	(5)
As at 30 June 2024	**6,604**	**71,412**	**78,016**

*including Current maturities of Long term borrowing

Other non-cash changes include amortisation of borrowing costs and foreign exchange difference on borrowings.

Debt securities issued/repaid during the period

During the period ended 30 June 2024, the Group has issued and repaid debt securities of ₹ 8,405 Crore (30 June 2023: ₹ 16,732 Crore) and ₹ 2,299 Crore (30 June 2023: ₹ 9,340 Crore), respectively.

8 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 30 June 2024

(₹ 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*	7,397	4,934	-	-	12,331	12,331
Trade receivables	136	-	-	6,521	6,657	6,657
Loans	-	-	-	3,625	3,625	3,625
Other financial assets	-	-	-	16,647	16,647	16,647
Derivatives	37	-	132	-	169	169
Cash and cash equivalents	-	-	-	2,397	2,397	2,397
Other bank balances	-	-	-	2,500	2,500	2,500
Total	**7,570**	**4,934**	**132**	**31,690**	**44,326**	**44,326**

(₹ 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	-	-	78,016	-	78,016	78,290
Trade payables	189	-	10,445	-	10,634	10,634
Operational buyers' credit / suppliers' credit	-	-	15,757	-	15,757	15,757
Derivatives	116	102	-	-	218	218
Other financial liabilities**	-	-	19,659	248	19,907	19,907
Total	**305**	**102**	**1,23,877**	**248**	**1,24,532**	**1,24,806**

As at 31 March 2024

(₹ 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*	7,117	4,749	-	-	11,866	11,866
Trade receivables	196	-	-	5,820	6,016	6,016
Loans	-	-	-	3,369	3,369	3,369
Other financial assets	-	-	-	15,427	15,427	15,427
Derivatives	67	-	104	-	171	171
Cash and cash equivalents	-	-	-	2,812	2,812	2,812
Other bank balances	-	-	-	1,515	1,515	1,515
Total	**7,380**	**4,749**	**104**	**28,943**	**41,176**	**41,176**

(₹ 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	-	-	71,758	-	71,758	72,024
Trade payables	555	-	9,540	-	10,095	10,095
Operational buyers' credit / suppliers' credit	-	-	14,935	-	14,935	14,935
Derivatives	61	83	-	-	144	144
Other financial liabilities**	-	-	18,811	264	19,075	19,075
Total	**616**	**83**	**1,15,044**	**264**	**1,16,007**	**1,16,273**

* Investments exclude equity investment in associates and joint ventures which are accounted as per the equity method of accounting.

** Includes lease liability of ₹ 1,030 Crore (31 March 2024: ₹ 1,013 Crore)

*** Represents net put option liability with non-controlling interests accounted for at fair value.

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 30 June 2024 and 31 March 2024 measured at fair value:

As at 30 June 2024

(₹ in Crore)

Financial Assets	Level 1	Level 2	Level 3
At fair value through profit or loss			
Investments	2,659	3,876	862
Derivative financial assets	-	37	-
Trade receivables	-	136	-
At fair value through other comprehensive income			
Investments	66	4,688	180
Derivatives designated as hedging instruments			
Derivative financial assets	-	132	-
Total	**2,725**	**8,869**	**1,042**

(₹ in Crore)

Financial Liabilities	Level 1	Level 2	Level 3
At fair value through profit or loss			
Derivative financial liabilities	-	116	-
Trade payables	-	189	-
Derivatives designated as hedging instruments			
Derivative financial liabilities	-	102	-
Other financial liabilities - Net put option liability with non-controlling interests accounted for at fair value.	-	-	248
Total	**-**	**407**	**248**

As at 31 March 2024

(₹ in Crore)

Financial Assets	Level 1	Level 2	Level 3
At fair value through profit or loss			
Investments	2,659	3,796	662
Derivative financial assets	-	67	-
Trade receivables	-	196	-
At fair value through other comprehensive income			
Investments	53	4,596	100
Derivatives designated as hedging instruments			
Derivative financial assets	-	104	-
Total	**2,712**	**8,759**	**762**

(₹ in Crore)

Financial Liabilities	Level 1	Level 2	Level 3
At fair value through profit or loss			
Derivative financial liabilities	-	61	-
Trade payable	-	555	-
Derivatives designated as hedging instruments			
Derivative financial liabilities	-	83	-
Other financial liabilities - Net put option liability with non-controlling interests accounted for at fair value.	-	-	264
Total	**-**	**699**	**264**

Reconciliation of Level 3 fair value measurement

(₹ in Crore)

As at 01 April 2023	**290**
Investments made during the period	105
As at 30 June 2023	**395**
As at 01 April 2023	**290**
Investments made during the year	480
Investments redeemed during the year	(8)
As at 31 March 2024	**762**
As at 01 April 2024	**762**
Investments made during the period	280
As at 30 June 2024	**1,042**

As at 30 June 2024

(₹ in Crore)

Financial Assets	Level 1	Level 2	Level 3
Loans*	-	3,625	-
Total	**-**	**3,625**	**-**

(₹ in Crore)

Financial Liabilities	Level 1	Level 2	Level 3
Borrowings	-	78,290	-
Total	**-**	**78,290**	**-**

As at 31 March 2024 (₹ in Crore)

Financial Assets	**Level 1**	**Level 2**	**Level 3**
Loans*	-	3,369	-
Total	**-**	**3,369**	**-**

(₹ in Crore)

Financial Liabilities	**Level 1**	**Level 2**	**Level 3**
Borrowings	-	72,024	-
Total	**-**	**72,024**	**-**

*Refer note 19 (L)

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 quoted prices in an active market in case of listed securities and by 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 investments, inputs for which are not based on observable market data (unobservable inputs), are valued on the basis of net assets value method.
  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, 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.
- Non-current fixed-rate and variable-rate borrowings: Fair value has been determined using discounted cash flow model 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 30 June 2024 and 31 March 2024 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 period.

9 Revenue from operations

(₹ in Crore)

Particulars	Three months ended 30 June 2024	Three months ended 30 June 2023
Sale of products	**34,791**	32,902
Sale of services	**103**	86
Revenue from contingent rents	**345**	354
Total	**35,239**	33,342

10 Other operating income

(₹ in Crore)

Particulars	Three months ended 30 June 2024	Three months ended 30 June 2023
Export incentives	**92**	108
Scrap sales	**234**	172
Miscellaneous income	**199**	111
Total	**525**	391

11 Employee benefits expense

(₹ in Crore)

Particulars	Three months ended 30 June 2024	Three months ended 30 June 2023
Salaries and wages	**889**	837
Share based payments	**29**	32
Contributions to provident and other funds	**70**	69
Staff welfare expenses	**86**	91
Less: Cost allocated/directly booked in joint ventures	**(173)**	(176)
Total	**901**	853

12 Finance cost

(₹ in Crore)

Particulars	Three months ended 30 June 2024	Three months ended 30 June 2023
Interest expense on financial liabilities at amortised cost	**2,410**	2,041
Other finance costs	**104**	189
Net interest on defined benefit arrangement	**3**	4
Unwinding of discount on provisions	**34**	30
Less: Capitalisation of finance cost/borrowing cost	**(324)**	(154)
Less: Cost allocated/directly booked in joint ventures	**(5)**	0
Total	**2,222**	2,110

13 Other expenses

(₹ in Crore)

Particulars	Three months ended 30 June 2024	Three months ended 30 June 2023
Cess on crude oil	**936**	696
Royalty	**1,617**	1,704
Consumption of stores and spare parts	**956**	881
Share of expenses in producing oil and gas blocks	**821**	888
Repairs to plant and equipment	**1,058**	882
Repairs to building	**72**	62
Repairs others	**55**	53
Carriage	**539**	586
Mine expenses	**798**	853
Net loss on foreign currency transactions and translations	**10**	180
Other selling expenses	**2**	6
Insurance	**66**	67
Rent*	**19**	12
Rates and taxes	**78**	10
Exploration costs written off	**97**	312
Provision for doubtful advances/ expected credit loss/ bad debts written off	**78**	8
Miscellaneous expenses	**2,143**	2,136
Less: Cost allocated/directly booked in joint ventures	**(59)**	(74)
Total	**9,286**	9,262

*Rent represents expense on short term/ low value leases.

14 Exceptional items

(₹ in Crore)

Particulars	Three months ended 30 June 2024			Three months ended 30 June 2023		
	Exceptional items	**Tax effect of Exceptional items**	**Exceptional items after tax**	Exceptional items	Tax effect of Exceptional items	Exceptional items after tax
Foreign currency translation reserve recycled to profit or loss on redemption of optionally convertible redeemable preference shares *	-	-	-	1,780	-	1,780
Total	-	-	-	1,780	-	1,780

* The Company recorded reversal of previously recognized impairment on investments in OCRPS of ₹ 634 Crore and ₹ 3,187 Crore in THL Zinc Holding BV ("THLZBV") and THL Zinc Ventures Limited ("THLZVL"), wholly owned subsidiaries of the Company for the period ended 30 June 2023 and year ended 31 March 2023, respectively in the statement of profit and loss. Further, the above investment in OCRPS of THLBV and THLZVL was redeemed during the period ended 30 June 2023, pursuant to which ₹ 1,780 Crore being the proportionate share of FCTR in the subsidiaries was recycled to the consolidated statement of profit and Loss.

15 Tax

(a) Tax charge/(credit) recognised in profit or loss (including on exceptional items) (₹ in Crore)

Particulars	Three months ended 30 June 2024	Three months ended 30 June 2023
Current tax:		
Current tax on profit for the period	1,558	679
Charge in respect of exceptional items*	-	541
Total Current Tax (a)	**1,558**	1,220
Deferred tax:		
Recognition of temporary differences**	(734)	99
Benefit in respect of exceptional items*	-	(541)
Deferred Tax (b)	**(734)**	(442)
Total income tax expense for the period (a+b)	**824**	778
Profit before tax	5,896	4,086
Effective income tax rate (%)	**14%**	19%

Tax expense/ (benefit) (₹ in Crore)

Particulars	Three months ended 30 June 2024	Three months ended 30 June 2023
Tax effect on exceptional items	-	-
Tax expense- others	824	778
Net tax expense	**824**	**778**

*It includes current tax charge of ₹ 541 Crore and deferred tax credit of ₹ 541 Crore on gain on redemption of OCRPS at the Company which gets eliminated at consolidated statement of profit and loss (Refer note 14).

**The Group holds approximately 52% stake in AvanStrate Inc, Japan ("ASI") which has wholly owned subsidiaries in Korea and Taiwan. Subsequent to the period ended 30 June 2024, the Group has executed a commercial agreement with Hoya Corporation, Japan ("Hoya") to acquire its stake of ~ 46% in ASI. In order to strengthen the ASI operations, the Group expects to re-organise the capital structure of ASI and its subsidiaries ("ASI Group") and is evaluating multiple options. The said reorganization is expected to result in utilization of brought forward losses at the ASI Group. Hence, net deferred tax asset of ₹ 662 Crore pertaining to such unutilized tax losses have been recorded during the period ended 30 June 2024, in accordance with principles of Ind AS-12 - Income taxes.

(b) Tax expense for the period ended 30 June 2024 is provided under New Tax Regime as per provisions of section 115BAA of the Income-tax Act, 1961. Accordingly, tax expense for period ended 30 June 2024 is not comparable with the reported tax expense for the period ended 30 June 2023.

(c) The tax department had issued demands on account of remeasurement of certain tax incentives, under section 80IA and 80IC of the Income-tax Act, 1961. For AY 2009-10 to 2012-13, 2017-18 & 2018-19, Hon'ble Income Tax Appellate Tribunal (ITAT) has allowed these claims. For AY 2013-14 to 2016-17, the cases are pending before Hon'ble ITAT. Against the Tribunal order, the department had filed an appeal in Hon'ble Rajasthan High Court in FY 2017-18 (for AY 2009-10 to AY 2012-13) and in FY 2023-24 (for AY 2017-18 and AY 2018-19) which are 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 favor of the Group. The amount involved in this dispute as of 30 June 2024 is ₹ 12,447 Crore (31 March 2024: ₹ 12,447 Crore) plus applicable interest upto the date of settlement of the dispute.

16 Distributions made and proposed

(₹ in Crore, except otherwise stated)

Particulars	Three months ended 30 June 2024	Three months ended 30 June 2023
Amounts recognised as distributions to equity share holders:		
Interim dividends: ₹ 11/- per share (30 June 2023: ₹ 18.5/- per share)	4,082	6,872
	4,082	6,872

17 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.

a) Estimated amount of contracts remaining to be executed on capital accounts and not provided for:

(₹ in Crore)

Particulars	As at 30 June 2024	As at 31 March 2024
Oil & Gas sector		
Cairn India	**1,514**	1,079
Aluminium sector		
Lanjigarh Refinery (Phase II)	**1,407**	1,557
Jharsuguda 1.25 MTPA smelter	**422**	545
BALCO smelter expansion 0.57 MTPA to 1 MTPA	**4,440**	5,186
Zinc sector		
Zinc India (mines expansion and smelter)	**2,116**	2,010
Gamsberg mining and milling project (Phase II)	**1,392**	1,635
Others	**7,267**	6,652
Total	**18,558**	18,664

b) Committed work programme (Other than capital commitment):

(₹ in Crore)

Particulars	As at 30 June 2024	As at 31 March 2024
Oil & Gas sector		
Cairn India (OALP - New Oil and Gas blocks)*	**13,423**	5,073

* The capital commitment for OALP blocks relates to the minimum work program ('MWP') as per the revenue sharing contract of each block under the OALP scheme. The estimated capital commitment for the MWP has been revised based on the current executed contract rates with vendors.

c) 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. Against the final order passed by the OERC, the Company has preferred an appeal before Appellate Tribunal for Electricity on 03 May 2023. The matter is currently listed for hearing.

(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) The Group has executed 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, Serentica Renewables India 8 Private Limited and Serentica Renewables India 9 Private Limited), which are associates of Vedanta Incorporated, 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 1,826 MW (31 March 2024: 1,826 MW). During the current period ended 30 June 2024, the Group has invested ₹ 280 Crore (30 June 2023 : ₹ 106 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 twenty six percent stake in its equity. As at 30 June 2024, total outstanding commitments related to PDA with Serentica Group Companies are ₹ 947 Crore (31 March 2024: ₹ 1,227 Crore).

B) Guarantees

The aggregate amount of indemnities and other guarantees on which the Group does not expect any material losses, was ₹ 10,475 Crore (31 March 2024: ₹ 9,348 Crore).

a) Guarantees and bonds advanced to the customs authorities in India of ₹ 1,724 Crore relating to the export and payment of import duties on purchases of raw material and capital goods (31 March 2024: ₹ 1,717 Crore).

b) Guarantees issued for Group's share of minimum work programme commitments of ₹ 3,358 Crore (31 March 2024: ₹ 3,071 Crore).

c) Guarantees of ₹ 13 Crore issued under bid bond (31 March 2024: ₹ 158 Crore).

d) Bank guarantees of ₹ 115 Crore (31 March 2024: ₹ 115 Crore) has been provided by the Group on behalf of Vedanta Incorporated to Income tax department, India as a collateral in respect of certain tax disputes.

e) Other guarantees worth ₹ 5,265 Crore (31 March 2024: ₹ 4,287 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 ₹ 2,603 Crore (31 March 2024: ₹ 2,689 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 ₹ 620 Crore (31 March 2024: ₹ 581 Crore) reduced in proportion to actual exports, plus applicable interest.

The Group has given bonds of ₹ 1,252 Crore (31 March 2024: ₹ 1,030 Crore) to custom authorities against these export obligations.

D) 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 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 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 ₹ 534 Crore (US$ 64 million) plus interest. (31 March 2024: ₹ 533 Crore (US$ 64 million) plus interest).

b) Proceedings related to the imposition of entry tax

Vedanta Limited and other Group company, i.e., BALCO 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.

The total claims against Vedanta Limited and its subsidiaries (net of provisions made) are ₹ 760 Crore (31 March 2024: ₹ 800 Crore) including interest and penalty till the date of order. Further interest and penalty if any, would be additional.

c) 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 ₹ 1,202 Crore (31 March 2024: ₹ 1,179 Crore). As at 30 June 2024, an amount of ₹ 1,236 Crore relating to principal has been considered as a contingent liability (31 March 2024: ₹ 1,214 Crore).

d) 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 ₹ 431 Crore (31 March 2024: ₹ 460 Crore), net of ₹ 1,022 Crore (31 March 2024: ₹ 942 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 30 June 2024, no confirmation has been received on this matter and therefore an amount of ₹ 1,079 Crore (31 March 2024: ₹ 1,051 Crore) relating to interest is considered as a contingent liability.

e) 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 dispatch 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 dispatch 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 dispatch 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 Revisionary 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 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 (31 March 2024: ₹ 1,758 Crore) have been disclosed as contingent liability in the financial statements.

f) Miscellaneous disputes- Income tax

The Group is involved in various tax disputes amounting to ₹ 1,354 Crore (31 March 2024: ₹ 1,354 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.

g) 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 ₹ 4,616 Crore (31 March 2024: ₹ 4,683 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.

Based on reassessments during the period, the following matter that was reported as contingent liability as at March 31, 2024 is no more considered as contingent liability:

Hindustan Zinc Limited (HZL) : Department of Mines and Geology matter of ₹ 334 Crore, management believes that no liability will be imposed on the Group as it is entitled to mine lead, zinc and associated minerals under the existing mining lease and royalty is also being paid on these associated minerals. This assessment is supported by a legal opinion obtained by the management.

18 Other Matters

a) The Government of India ("GoI"), acting through the Directorate General of Hydrocarbons ("DGH"), had raised demand 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) and applicable interest thereon representing share of Vedanta Limited and its subsidiary.

The Group had disputed the aforesaid demand and invoked arbitration as per the provisions of the Production Sharing Contract. The Group had received the Final Partial Award dated 22 August 2023 from the Arbitration Tribunal ('the Tribunal') as amended by order dated 15 November 2023 and 08 December 2023 ("the Award"), dismissing the Government's contention of additional Profit Petroleum in relation to allocation of common development costs across Development Areas and certain other matters in accordance with terms of the Production Sharing Contract for Rajasthan Block, while allowing some aspects of the objections. Further, the Tribunal had decided that the Group was allowed to claim cost recovery of exploration cost as per terms of the Production Sharing Contract.

Pursuant to the Award, the Group had recognized a benefit of ₹ 4,761 Crore (US$ 578 million) in revenue from operations in year ended 31 March 2024.

The Group has adjusted the liability of ₹ 3,146 Crore (US$ 377 million) (31 March 2024: ₹ 1,940 Crore (US$ 233 million) against the aforesaid benefits recognized as per the Award upto 30 June 2024.

GoI had filed interim relief application on 03 February 2024 stating that the Group has unilaterally enforced the award although the quantification of the same is pending. The matter was heard on 26 March 2024 and the Tribunal vide its order dated 29 April 2024 has denied GoI's interim relief application in favour of the Group. GoI has filed an appeal before the Delhi High Court ("Section 37 Appeal"). The Section 37 Appeal is listed on 13 September 2024. The Group is of the view that there is no merit in the appeal filed by GoI, as the Order of the Tribunal is very well written and clearly upholding the actions of the Group.

GoI had also filed a challenge against the Award on 07 March 2024 in Delhi High Court and the matter was first heard on 14 March 2024. Notice has been issued on 01 August 2024 in Section 34 and granted liberty to the Group to file its response. No stay has been granted to GoI against the recovery by the Group. Next date of hearing is 13 September 2024. The Court may not re-appreciate the evidence in Section 34 appeal as the interpretation by the Tribunal is plausible.

In the interim, vide letter dated 06 May 2024, GoI has submitted its calculation of the quantum, basis the Award. GoI has claimed a sum of US$ 224 million from the Group. The Group is of the view that the GoI computation is prima-facie contrary to the Award including clarifications issued by the Tribunal. The Tribunal has allowed these costs for cost recovery but this was not considered by GoI in their calculation of the quantum. The Group has responded to the GoI with its detailed analysis and is awaiting a response.

Vedanta Limited

Notes forming part of the unaudited condensed consolidated interim financial statements as at and for the three months ended 30 June 2024

19 Related party Disclosures

List of related parties and relationships

A) Entities controlling the Company (Holding Companies)

Vedanta Incorporated (formerly known as Volcan Investments Limited) *
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
Sterlite Convergence Limited
STL Digital Limited
Sterlite Grid 16 Limited
Twin Star Technologies Limited
Vedanta Resources Investments Limited

C) Associate of ultimate controlling party (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 5 Private Limited
Serentica Renewables India 6 Private Limited
Serentica Renewables India 7 Private Limited
Serentica Renewables India 8 Private Limited
Serentica Renewables India 9 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 Metals LLC
Janhit Electoral Trust
Minova Runaya Private Limited
Radha Madhav Investments Private Limited
Runaya Refining LLP
Runaya Green Tech Limited
Runaya Private Limited
Sesa Community Development Foundation
Vedanta Foundation
Vedanta Limited ESOS Trust
Vedanta Medical Research Foundation
Voorspoed Trust

* The name of ultimate holding Company "Volcan Investments Limited" has been changed to 'Vedanta Incorporated' effective 13 October 2023.

\# These entities are subsidiary companies of VRL and VRL through its certain subsidiaries holds 59.31% in the Company as on 30 June 2024.

Ultimate Controlling party

Vedanta Limited is a majority-owned and controlled subsidiary of Vedanta Resources Limited ('VRL'). Vedanta Incorporated ("Vedanta Inc") and its wholly owned subsidiary together hold 100 % of the share capital and 100 % of the voting rights of VRL. Vedanta Inc is 100 % beneficially owned and controlled by the Anil Agarwal Discretionary Trust ('Trust'). Vedanta Inc, Volcan Investments Cyprus Limited and other intermediate holding companies except VRL do not produce Group financial statements.

G) A summary of significant related party transactions for the three months ended 30 June 2024 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	568	-	52	620
(ii)	Other income				
a)	Interest and guarantee commission	156	-	1	157
b)	Outsourcing service fees	1	-	-	1
c)	Miscellaneous income	-	-	0	0
	Expenditure and other transactions:				
(i)	Purchase of goods/ services [M]	31	1	168	200
(ii)	Management and brand fees [J]	704	-	-	704
(iii)	Reimbursement for other expenses (net of recovery)	(2)	(1)	(1)	(4)
(iv)	Corporate social responsibility expenditure/ Donation	-	-	23	23
(v)	Contribution to post retirement employee benefit trust/fund	-	-	27	27
(vi)	Remuneration to relatives of key management personnel	-	-	5	5
(vii)	Purchase/(sale) of fixed assets	-	-	(17)	(17)
(viii)	Commission/sitting fees				
	-To Non executive directors	-	-	1	1
	-To relatives of key management personnel	-	-	0	0
(ix)	Dividend paid				
	-To holding companies	2,533	-	-	2,533
	-To key management personnel and their relatives	-	-	0	0
	-To Non executive directors and their relatives	-	-	0	0
(x)	Interest and guarantee commission expense [N]	32	-	-	32

(₹ in Crore)

	Particulars	Entities controlling the Company/ Fellow subsidiaries	Associates /Joint ventures	Others	Total
	Other Transactions during the period:				
(ii)	Investment purchased during the period (refer note 17 (c) (iii))	-	-	280	280
	Balances as at period end:				
(i)	Trade receivables	38	20	27	85
(ii)	Loan given [L,K]	3,618	6	-	3,624
(iii)	Loan taken	7	-	-	7
(iv)	Other receivables and advances (including brand fee prepaid) [J,N]	2,609	9	114	2,732
(v)	Trade payables	6	-	46	52
(vi)	Other payables	41	-	63	104
(vii)	Bank guarantee given [I]	115	-	-	115
(viii)	Sitting fee, remuneration, commission and consultancy fees payable to KMP and their relatives	-	-	1	1

Remuneration of key management personnel

(₹ in Crore)

Particulars	For the period ended 30 June 2024
Short-term employee benefits	5
Post employment benefits **	0
Share based payments	0
	5

** Does not include the provision made for gratuity and leave benefits, as they are determined on an actuarial basis for all the employees together.

G) A summary of significant related party transactions for the three months ended 30 June 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	403	-	4	407
(ii)	Other income				
a)	Interest and guarantee commission	95	-	-	95
b)	Outsourcing service fees	1	-	-	1
c)	Dividend income	0	-	-	0
d)	Miscellaneous income	-	-	0	0
	Expenditure and other transactions:				
(i)	Purchase of goods/ services [M]	6	1	85	92
(ii)	Management and brand fees [J]	696	-	-	696
(iii)	Reimbursement for other expenses (net of recovery)	0	-	4	4
(iv)	Corporate social responsibility expenditure/ Donation	-	-	17	17
(v)	Contribution to post retirement employee benefit trust/fund	-	-	17	17
(vi)	Remuneration to relatives of key management personnel	-	-	5	5
(vii)	Purchase of fixed assets	-	-	(0)	(0)
(viii)	Commission/sitting fees				
	-To Non executive directors	-	-	1	1
	-To key management personnel	-	-	0	0
	-To relatives of key management personnel	-	-	0	0
(ix)	Dividend paid				
	-To holding companies	4,684	-	-	4,684
	-To key management personnel and their relatives	-	-	1	1
	-To Non executive directors and their relatives	-	-	0	0
(x)	Interest and guarantee commission expense [N]	78	-	-	78

H) A summary of significant related party transactions as at 31 March 2024 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
	Balances as at period end:				
(i)	Trade receivables	14	10	30	54
(ii)	Loan given [K,L]	3,361	5	-	3,366
(iii)	Loan taken	7	-	-	7
(iv)	Other receivables and advances (including brand fee prepaid[#]) [J,N]	262	9	59	330
(v)	Trade payables	16	-	45	61
(v)	Other payables	102	-	57	159
(vi)	Bank guarantee given [I]	115	-	-	115
(vii)	Sitting fee, remuneration, commission and consultancy fees payable to KMP, non executive directors and their relatives	-	-	1	1
	Other Transactions during the period:				
(i)	Investment purchased during the period (refer note 17 (c) (iii))	-	-	106	106

Net of refund received of ₹ 1,030 crore against prepaid brand fee during the year ended 31 March 2024.

Remuneration of key management personnel

(₹ in Crore)

Particulars	**For the period ended 30 June 2023**
Short-term employee benefits	6
Post employment benefits *	0
Share based payments	0
	6

* 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 Vedanta Inc in favour of Income Tax department, India as collateral in respect of certain tax disputes of Vedanta Inc.

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%-3% of turnover of the Company and certain subsidiaries. During the year ended 31 March 2024, VRL has assigned the Agreement including sublicensing agreement to its wholly owned subsidiary Vedanta Resources Investments Limited ("VRIL"), whereby the Group will fulfil its obligations under the Agreement via VRIL with effect from 01 April 2024. The Group has recorded an expense of ₹ 689 Crore (30 June 2023: 558 Crore) for the period ended 30 June 2024. The Group generally pays such fee in advance, at the beginning of the year based on estimated annual turnover.

Furthermore, the Company has 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") at a net sub-licensing fee of 1.70% of HZL's annual consolidated turnover with VRL, resulting in an expense of ₹ 133 Crore (30 June 2023: ₹ 121 Crore) for the period ended 30 June 2024.

K) During the period ended 30 June 2024, 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 30 June 2024 is ₹ 5 Crore (31 March 2024: ₹ 5 Crore). The loan is unsecured in nature and carries an interest rate of 12.90% 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 as at 30 June 2024 is ₹ 83 Crore (US $10 million) (31 March 2024: ₹ 82 Crore (US $10 million)).

These loans including accrued interest thereon have been fully provided for in the books of accounts.

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 year ended 31 March 2024, based on the request from the Borrower, the loan has been extended to 31 December 2024 at the prevailing arms-length interest rate with interest payable half-yearly.

During the period ended 30 June 2023, based on the request from the Borrower, the loan was extended to 31 December 2024 at the prevailing arms-length interest rate with interest payable half-yearly.
As the change in the net present value of the loan is within the 10% threshold prescribed by Ind AS 109 Financial Instruments and the other terms of the loan largely remain unchanged, the modification was considered to be not substantial in nature. Consequently, the net impact due to the modification and expected credit loss, aggregating to approx. ₹ 38 Crore (approx. US$ 5 million) was recognized as finance cost in the consolidated statement of profit and loss.

As of 30 June 2024, loans having contractual value of ₹ 3,475 Crore (US$ 417 million) (31 March 2024: 3,473 Crore (US$ 417 million)) were outstanding from the VRL group at an interest rate of 17%.

M) Tthe Group has an agency contract with VRL. Pursuant to which, the Group procured calcined alumina amounting to ₹ Nil Crore (30 June 2023: ₹ 272 Crore) on which an agency commission of ₹ Nil Crore (30 June 2023: ₹ 1 Crore) is paid to VRL during the period ended 30 June 2024.

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.

Subsequent to the period ended 30 June 2024, based on updated benchmarking analysis conducted by independent experts, the Group has executed revised agreement with VRL with effect from 01 April 2024. The Group will pay an annual guarantee fee of US$ 9 million (31 March 2024: US$ 10 million) for the OALP Blocks and fee of US$ 5 million (31 March 2024: US$ 5 million) for the RJ-ON-90/1 block, in ratio of participating interests held equally by the Company and its step-down subsidiary, Cairn Energy Hydrocarbons Ltd ("CEHL").

Accordingly, the Group has recorded a guarantee commission expense of ₹ 32 Crore ($ 3.8 million) (30 June 2023: ₹ 40 Crore (US$ 5 million)) for the period ended 30 June 2024 and ₹ 51 Crore (US$ 6 million) (31 March 2024: ₹ 57 Crore (US$ 7 million) is outstanding as a pre-payment as at 30 June 2024. Further, group has a guarantee commission payable balance of ₹ 5 Crore (US$ 0.625 million) (31 March 2024: NIL) as at 30 June 2024.

20 Subsequent events

a. Subsequent to 30 June 2024, the Company has allotted 19,31,81,818 equity shares on 20 July 2024 to eligible Qualified Institutions Buyers (QIB) at a price of ₹ 440 per equity share (including a premium of ₹ 439 per equity share) aggregating to ₹ 8,500 Crore pursuant to Qualified Institutions Placement (QIP), in accordance with provisions of SEBI ICDR Regulations.
Pursuant to the said issuance, the promoter's shareholding has decreased from 59.31% to 56.38%. The management does expect any material impact on account of the change in the promoter's shareholding on unaudited condensed consolidated interim financial statements as at and for the three months ended 30 June 2024.

b. Subsequent to 30 June 2024, the Board of Directors of the Company at its meeting held on 26 July 2024, approved the second interim dividend of ₹ 4 per equity share on face value of ₹ 1/- per equity share for FY 2024-25. With this, the total dividend declared for FY 2024-25 currently stands at ₹ 15 per equity share of ₹ 1/- each.

c. Subsequent to 30 June 2024, the Company has reduced its shareholding in its subsidiary, Hindustan Zinc Limited (“HZL”) from 2,74,31,54,310 shares to 2,67,95,48,419 equity shares by way of an offer for sale through stock exchange mechanism, for a net consideration of ₹ 3,134 Crore, resulting in net gain of ₹ 2,106 Crore. Consequent to the aforesaid sale, the Company’s overall stake has decreased from 64.92% to 63.42% of the total paid-up share capital of HZL.
The management does not expect any material impact of this sale on the unaudited condensed consolidated interim financial statements of the Company as at and for the three months ended 30 June 2024.

d. Subsequent to 30 June 2024, the Finance (No 2) Act 2024 was notified, whereby the statutory tax rate of foreign companies has been reduced to 35% from 40% along with other amendments to the Income Tax Act, 1961. The management does not expect any material impact of amendments to the Income Tax Act, 1961 on the unaudited condensed consolidated interim financial statements of the Company as at and for the three months ended 30 June 2024.

e. On 25 July 2024, the Supreme Court of India has passed an Order in the matter of Mineral Area Development Authority vs. Steel Authority of India Ltd, whereby it has opined that the respective state governments have powers to levy additional taxes/ levies on mineral bearing land and mining rights thereof. The Supreme Court, vide its further Order dated 14 August 2024, has clarified that the respective state governments can levy or renew demands of tax on the existing cases initiated on or after 1 April 2005, the payment of which will be made over a period of twelve years beginning 1 April 2026, without interest or penalty. The management is in the process of carrying out a detailed assessment of the implications of these Orders and based on a preliminary assessment, no material impact is expected on the financial results of the Group.

As per our report of even date

For and on behalf of the Board of Directors

Arun Misra
Digitally signed by Arun Misra
Date: 2024.08.27 19:06:13 +05'30'

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No.
301003E/E300005

Arun Misra
Executive Director
(Whole-Time Director)
DIN 01835605
Place: Udaipur

AMIT CHUGH
Digitally signed by AMIT CHUGH
DN: cn=AMIT CHUGH, c=IN, o=Personal, email=amit.chugh@srb.in
Date: 2024.08.28 13:02:18 +05'30'

AJAY KUMAR GOEL
Digitally signed by AJAY KUMAR GOEL
Date: 2024.08.27 19:10:25 +05'30'

Prerna Halwasiya
Digitally signed by Prerna Halwasiya
Date: 2024.08.27 19:05:36 +05'30'

per Amit Chugh
Partner
Membership No: 505224

Ajay Goel
Chief Financial Officer
PAN AEAPG8383C
Place: Mumbai

Prerna Halwasiya
Company Secretary and Compliance Officer
ICSI Membership No.
A20856
Place: New Delhi

Place: Gurugram
Date: 28 August 2024

Date: 27 August 2024

S.R. BATLIBOI & CO. LLP
Chartered Accountants

Unitech Cyber Park, Tower A, 6th
Floor, Sector-39, Village Jharsa,
District & Tehsil - Gurugram,
Haryana- 122001, India

Report on review of interim financial information
To the Board of Directors of
Vedanta Limited

Introduction

1. We have reviewed the accompanying interim condensed consolidated financial statements of Vedanta Limited ('the Holding Company') and its subsidiaries, associates and joint ventures (collectively 'the Group') as at June 30, 2023 which comprise the interim condensed consolidated balance sheet as at June 30, 2023 and the related interim condensed consolidated statements of profit & loss, changes in equity and cash flows for the three-month period then ended and explanatory notes. Management of the Holding Company is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with the requirements of Indian Accounting Standards (Ind AS) 34 Interim Financial Reporting specified under section 133 of the of the Companies Act 2013, ("the Act"), read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. As described in note 2 (A) of the financial statements, these financial statements have been prepared solely for inclusion in the Offering Circular in connection with the proposed issuance of bonds to be issued by the Holding Company's parent company, Vedanta Resources Limited ('VRL') and/or VRL's subsidiaries. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

2. We conducted our review in accordance with Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India ("ICAI"). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

3. Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with the recognition and measurement principles of Indian Accounting Standards (Ind AS) 34 specified under section 133 of the of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

Emphasis of Matter

4. We draw attention to Note 4 of the financial statements, with respect to accounting for an acquisition approved by the National Company Law Tribunal, Hyderabad Bench, overriding the applicable Ind-AS requirements. Further as stated in the aforesaid note, the comparative financial information for the year ended March 31, 2023 has also been restated to give effect to the terms of merger. Our conclusion is not modified in respect of this matter.

Other matters

5. The accompanying interim condensed consolidated financial statements includes the unaudited interim condensed financial statements and other financial information, in respect of:
   - 14 subsidiaries, whose unaudited interim condensed financial statements include total assets of Rs. 31,472 Crore as at June 30, 2023, total revenues of Rs 3,024 Crore, total net loss after tax of Rs 157 crore, total comprehensive loss of Rs. 158 crore and net cash inflows of Rs. 132 Crore for the period April 01, 2023 to June 30, 2023, as considered in the unaudited interim condensed consolidated financial statements which have been reviewed by their respective independent auditors.
   - 1 associate and 1 joint venture, whose unaudited interim condensed financial statements include Group's share of net profit of Rs. Nil and Group's share of total comprehensive income of Rs. Nil for the period April 01, 2023 to June 30, 2023, as considered in the unaudited interim condensed consolidated financial statements, whose unaudited interim condensed financial statements and other financial information have been reviewed by their respective independent auditors.

   The independent auditor's reports on unaudited interim condensed financial statements of these entities have been furnished to us by the Management and our conclusion on the unaudited interim condensed consolidated financial

S.R. BATLIBOI & CO. * GURUGRAM * LLP

statements, in so far as it relates to the amounts and disclosures in respect of these subsidiaries, associates and joint ventures is based solely on the report of such auditors and procedures performed by us as stated in paragraph 2 above.

6. Certain of these subsidiaries, associate and joint venture are located outside India whose interim condensed 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 and associates located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Holding Company's management. Our conclusion in so far as it relates to the balances and affairs of such subsidiaries and associates located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and reviewed by us.

7. The accompanying interim condensed consolidated financial statements includes interim condensed financial statements and other financial information in respect of:

   - 15 subsidiaries, whose interim condensed financial statements and other financial information reflect total assets of Rs 5,176 Crore as at June 30, 2023, total revenues of Rs 157 Crore, total net loss after tax of Rs. 203 crore, total comprehensive loss of Rs 192 crore and total net cash outflows of Rs. 13 Crore for the period April 01, 2023 to June 30, 2023, as considered in the interim condensed consolidated financial statements;
   - 1 associate and 3 joint ventures, whose interim condensed financial statements includes the Group's share of net profit of Rs. Nil for the period April 01, 2023 to June 30, 2023;
   - 1 unincorporated joint venture not operated by the Group; whose interim condensed financial statements includes the Group's share of total assets of Rs. 168 crores as at June 30, 2023, total revenues of Rs 19 Crore, total net profit after tax of Rs. 8 crore, total comprehensive income of Rs 8 crore and total net cash inflows of Rs. Nil crore.

   which have neither been audited nor reviewed by their auditor(s). These unaudited interim condensed financial statements and other unaudited financial information have been approved and furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the affairs of these subsidiaries, joint ventures and joint operations and associates, is based solely on such unaudited interim condensed financial statements and other unaudited financial information. According to the information and explanations given to us by the Management, these interim condensed financial statements and other financial information are not material to the Group.

   Our conclusion on the unaudited interim condensed financial statements in respect of matters stated in para 5, 6 and 7 above is not modified with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

8. As described in note 2 (A), the accompanying interim condensed consolidated financial statements have been prepared solely for inclusion in the Offering Circular in connection with the proposed issuance of bonds to be issued by the Holding Company's parent company, Vedanta Resources Limited ('VRL') and/or VRL's subsidiaries. As a result, these financial statements may not be suitable for another purpose. Accordingly, this report is intended solely for the said purpose and should not be used or referred to for any other purpose, or distributed to any other person.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

S.R. BATLIBOI & CO. LLP GURUGRAM

per Amit Chugh
Partner
Membership Number: 505224

UDIN: 23505224BGRURR7962

Place: Gurugram
Date: August 04, 2023

Vedanta Limited

Unaudited Condensed Consolidated Balance Sheet as at 30 June 2023

(₹ in Crore)

Particulars	Note	As at 30 June 2023	As at 31 March 2023*
ASSETS			
Non-current assets			
Property, Plant and Equipment		92,675	93,607
Capital work-in-progress		18,812	17,162
Intangible assets		1,928	1,976
Exploration intangible assets under development		2,568	2,528
Financial assets			
Investments		626	514
Trade receivables		2,568	2,532
Loans		3,565	10
Others		3,780	3,784
Deferred tax assets (net)		7,558	7,074
Income tax assets (net)		2,277	2,077
Other non-current assets		4,008	3,606
Total non-current assets		1,40,365	1,34,870
Current assets			
Inventories		15,163	15,012
Financial assets			
Investments		10,945	12,636
Trade receivables		3,550	4,014
Cash and cash equivalents	6	2,481	6,926
Other bank balances		608	2,328
Loans		243	3,760
Derivatives		284	214
Others		8,846	7,868
Income tax assets (net)		162	1,256
Other current assets		8,071	6,493
Total current assets		50,353	60,507
Total Assets		1,90,718	1,95,377
EQUITY AND LIABILITIES			
Equity			
Equity share capital		372	372
Other equity		32,955	39,051
Equity attributable to owners of Vedanta Limited		33,327	39,423
Non-controlling interests		10,724	10,004
Total Equity		44,051	49,427
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	7A	51,438	43,476
Lease liabilities		204	144
Derivatives		61	20
Other financial liabilities		1,562	1,606
Provisions		3,386	3,426
Deferred tax liabilities (net)		5,868	5,922
Other non-current liabilities		4,312	4,309
Total non-current liabilities		66,831	58,903
Current liabilities			
Financial liabilities			
Borrowings	7B	22,046	22,706
Lease liabilities		282	302
Operational buyers' credit / suppliers' credit		14,645	13,701
Trade payables		11,315	11,043
Derivatives		242	193
Other financial liabilities		17,597	24,861
Provisions		383	381
Income tax liabilities (net)		1,304	622
Other current liabilities		12,022	13,238
Total current liabilities		79,836	87,047
Total Equity and Liabilities		1,90,718	1,95,377

*Restated, refer note 4

See accompanying notes to the financial statements

As per our report of even date

For and on behalf of the Board of Directors

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

per Amit Chugh
Partner
Membership No: 505224

Place: Gurugram
Date: 04 August 2023

Arun Misra
Executive Director
DIN 01835605
Place: Udaipur

Sonal Shrivastava
Group Chief Financial Officer PAN AXAPS5233J

Place: Mumbai
Date: 04 August 2023

Prerna Halwasiya
Company Secretary and Compliance Officer
ICSI Membership No. A20856
Place: New Delhi

S.R. BATLIBOI & CO. LLP GURUGRAM

VEDANTA LIMITED

Vedanta Limited

Unaudited Condensed Consolidated Statement of Profit and Loss for the three months ended 30 June 2023

(₹ in Crore, except otherwise stated)

Particulars	Note	Three months ended 30 June 2023	Three months ended 30 June 2022
Revenue from operations	9	**33,342**	38,251
Other operating income	10	**391**	371
Other income		**546**	733
Total income		**34,279**	39,355
Expenses			
Cost of materials consumed		**11,090**	10,901
Purchases of stock-in-trade		**13**	12
Changes in inventories of finished goods, work-in-progress and stock in trade		**(86)**	(813)
Power and fuel charges		**6,181**	8,826
Employee benefits expense	11	**853**	780
Finance costs	12	**2,110**	1,206
Depreciation, depletion and amortisation expense		**2,550**	2,464
Other expenses	13	**9,262**	8,719
Total expenses		**31,973**	32,095
Profit before exceptional items and tax		**2,306**	7,260
Net exceptional gain	14	**1,780**	-
Profit before tax		**4,086**	7,260
Tax expense:	15		
Net current tax expense		**679**	1,516
Net deferred tax expense		**99**	152
Tax expense on exceptional items			
Net tax benefit on exceptional items	15	**-**	-
Net tax expense:		**778**	1,668
Profit after tax for the period before share in profit of jointly controlled entities and associates		**3,308**	5,592
Add: Share in profit of jointly controlled entities and associates		**0**	1
Profit for the period after share in profit of jointly controlled entities and associates (A)		**3,308**	5,593
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gain/ (loss) on defined benefit plans		**2**	(2)
Tax benefit		**1**	1
Loss on FVOCI equity investment		**0**	(36)
		3	(37)
Items that will be reclassified to profit or loss			
Net gain on cash flow hedges recognised during the period		**180**	3,052
Tax expense		**(59)**	(1,063)
Net loss on cash flow hedges recycled to profit or loss		**(54)**	(722)
Tax benefit		**21**	257
Net gain/(loss) on FVOCI debt investment		**33**	(11)
Tax (expense)/ benefit		**(4)**	1
Exchange differences on translation		**(1,965)**	444
Tax (expense)/ benefit		**(5)**	48
		(1,853)	2,006
Total other comprehensive (loss)/ income (B)		**(1,850)**	1,969
Total comprehensive income for the period (A+B)		**1,458**	7,562

Vedanta Limited
Unaudited Condensed Consolidated Statement of Profit and Loss for the three months ended 30 June 2023

(₹ in Crore, except otherwise stated)

Particulars	Note	Three months ended 30 June 2023	Three months ended 30 June 2022
Profit attributable to:			
Owners of Vedanta Limited		**2,640**	4,421
Non-controlling interests		**668**	1,172
Other comprehensive (loss)/ income attributable to:			
Owners of Vedanta Limited		**(1,853)**	1,754
Non-controlling interests		**3**	215
Total comprehensive income attributable to:			
Owners of Vedanta Limited		**787**	6,175
Non-controlling interests		**671**	1,387
Earnings per equity share (₹) (not annualised):			
- Basic		**7.11**	11.92
- Diluted		**7.06**	11.84

See accompanying notes to the financial statements

As per our report of even date

For and on behalf of the Board of Directors

Arun Misra
Executive Director
DIN 01835605

Place: Udaipur

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

per Amit Chugh
Partner
Membership No: 505224

Place: Gurugram
Date: 04 August 2023

Sonal Shrivastava
Group Chief Financial Officer
PAN AXAPS5233J

Place: Mumbai
Date: 04 August 2023

Prerna Halwasiya
Company Secretary and Compliance Officer
ICSI Membership No. A20856

Place: New Delhi

S.R. BATLIBOI & CO. LLP * GURUGRAM *

VEDANTA LIMITED *

Vedanta Limited

Unaudited Condensed Consolidated Statement of Cash Flows for the three months ended 30 June 2023

(₹ in Crore)

Particulars	Three months ended 30 June 2023	Three months ended 30 June 2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	4,086	7,260
Adjustments for:		
Depreciation, depletion and amortisation	2,555	2,470
Provision for doubtful debts/ advance/ bad debts written off	7	81
Exploration costs written off	312	62
Liabilities written back	(20)	(84)
Net exceptional gain	(1,780)	-
Fair value gain/ (loss) on financial assets held at fair value through profit or loss	(44)	99
Profit on sale/ discard of property, plant and equipment (net)	(5)	(16)
Foreign exchange loss (net)	203	331
Unwinding of discount on decommissioning liability	30	21
Share based payment expense	32	29
Interest and dividend income	(386)	(618)
Interest expense	2,080	1,185
Deferred government grant	(77)	(65)
Changes in assets and liabilities		
Increase in trade and other receivables	(1,810)	(3,394)
Increase in inventories	(212)	(3,488)
Increase in trade and other payables	825	4,835
Cash generated from operations	**5,796**	**8,708**
Income taxes refund/ (paid) (net)	353	(779)
Net cash generated from operating activities	**6,149**	**7,929**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment (including intangibles)	(4,217)	(4,009)
Proceeds from sale of property, plant and equipment	22	31
Loans repaid by related parties	-	2,408
Deposits made	(112)	(1,016)
Proceeds from redemption of deposits	611	1,193
Short term investments made	(13,188)	(27,634)
Proceeds from sale of short term investments	15,111	24,914
Interest received	367	617
Dividends received	14	0
Purchase of long term investments	(106)	-
Net cash used in investing activities	**(1,498)**	**(3,496)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings (net)	1,074	3,805
Proceeds from current borrowings	5,739	2,250
Repayment of current borrowings	(7,811)	(2,536)
Proceeds from long-term borrowings	9,919	7,121
Repayment of long-term borrowings	(1,529)	(2,702)
Interest paid	(1,944)	(1,168)
Payment of dividends to equity holders of the Company, net of taxes	(14,485)	(11,656)
Payment of lease liabilities	(42)	(27)
Net cash used in financing activities	**(9,079)**	**(4,913)**
Effect of exchange rate changes on cash and cash equivalents	(17)	14
Net decrease in cash and cash equivalents	**(4,445)**	**(466)**
Cash and cash equivalents at the beginning of the period	6,926	8,671
Cash and cash equivalents at end of the period (Refer note 6)	**2,481**	**8,205**

S.R. BATLIBOI & CO. LLP GURUGRAM

VEDANTA LIMITED

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 Amit Chugh
Partner
Membership No: 505224

Place: Gurugram
Date: 04 August 2023

For and on behalf of the Board of Directors

Arun Misra
Executive Director
DIN 01835605

Place: Udaipur

Sonal Shrivastava
Group Chief Financial Officer
PAN AXAPS5233J

Place: Mumbai
Date: 04 August 2023

Prerna Halwasiya
Company Secretary and Compliance Officer
ICSI Membership No. A20856

Place: New Delhi

S.R. BATLIBOI & CO. LLP * GURUGRAM *

VEDANTA LIMITED

Vedanta Limited
Unaudited Condensed Consolidated Statement of Changes in Equity for the three months ended 30 June 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 30 June 2023, 31 March 2023 and 30 June 2022*	372	372

*There are no prior period errors for the year ended 31 March 2023 and three months ended 30 June 2022.

B. Other Equity

(₹ in Crore)

	Reserves and surplus				Items of OCI					
Particulars	**Capital reserve**	**Securities premium**	**Retained earnings**	**Other reserves (Refer note below)**	**Foreign currency translation reserve**	**Instruments through OCI**	**Effective portion of cash flow hedges**	**Equity attributable to owners of the Company**	**Non-controlling interests**	**Total**
Balance as at 01 April 2022	**18,610**	**19,009**	**4,316**	**19,146**	**3,779**	**108**	**43**	**65,011**	**17,321**	**82,332**
Profit for the period	-	-	4,421	-	-	-	-	4,421	1,172	5,593
Other comprehensive income for the period (net of tax impact)	-	-	0	-	523	(43)	1,274	1,754	215	1,969
Total comprehensive income for the period	**-**	**-**	**4,421**	**-**	**523**	**(43)**	**1,274**	**6,175**	**1,387**	**7,562**
Recognition of share based payment	-	-	-	29	-	-	-	29	-	29
Stock options cancelled during the period	-	-	-	(1)	-	-	-	(1)	-	(1)
Exercise of stock option	-	-	4	4	-	-	-	8	-	8
Recognition of put option liability/derecognition of non controlling interest	48	-	-	-	-	-	-	48	(4)	44
Dividend	-	-	(11,656)	-	-	-	-	(11,656)	-	(11,656)
Balance as at 30 June 2022	**18,658**	**19,009**	**(2,915)**	**19,178**	**4,302**	**65**	**1,317**	**59,614**	**18,704**	**78,318**
Balance as at 01 April 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 Facor Power Limited	(58)	-	-	-	-	-	-	(58)	41	(17)
Dividend	-	-	(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**
Balance as at 01 April 2023	**18,573**	**19,009**	**(22,755)**	**19,304**	**4,851**	**51**	**18**	**39,051**	**10,004**	**49,055**
Profit for the period	-	-	2,640	-	-	-	-	2,640	668	3,308
Other comprehensive income for the period (net of tax impact)	-	-	1	-	(1,946)	19	73	(1,853)	3	(1,850)
Total comprehensive income for the period	**-**	**-**	**2,641**	**-**	**(1,946)**	**19**	**73**	**787**	**671**	**1,458**
Recognition of share based payment	-	-	-	32	-	-	-	32	-	32
Exercise of stock option	-	-	(18)	22	-	-	-	4	-	4
Recognition of put option liability/derecognition of non controlling interest	(47)	-	-	-	-	-	-	(47)	49	2
Dividend	-	-	(6,872)	-	-	-	-	(6,872)		(6,872)
Balance as at 30 June 2023	**18,526**	**19,009**	**(27,004)**	**19,358**	**2,905**	**70**	**91**	**32,955**	**10,724**	**43,679**

(₹ in Crore)

Note:
Other reserves comprise:

Particulars	Capital 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 2022	**23**	**3,087**	**10**	**136**	**25**	**(230)**	**16,095**	**19,146**
Recognition of share based payment	-	-	-	29	-	-	-	29
Stock options cancelled during the period	-	-	-	(1)	-	-	-	(1)
Exercise of stock options	-	-	-	(5)	-	9	-	4
Balance as at 30 June 2022	**23**	**3,087**	**10**	**159**	**25**	**(221)**	**16,095**	**19,178**
Balance as at 01 April 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**
Balance as at 01 April 2023	**23**	**3,087**	**10**	**168**	**25**	**(104)**	**16,095**	**19,304**
Recognition of share based payment	-	-	-	32	-	-	-	32
Exercise of stock options	-	-	-	(7)	-	29	-	22
Balance as at 30 June 2023	**23**	**3,087**	**10**	**193**	**25**	**(75)**	**16,095**	**19,358**

See accompanying notes to the financial statements

As per our report of even date

For and on behalf of the Board of Directors

Arun Misra
Executive Director
DIN 01835605

Place: Udaipur

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

S.R. BATLIBOI & CO. LLP GURUGRAM

per Amit Chugh
Partner
Membership No: 505224

Sonal Shrivastava
Group Chief Financial Officer
PAN AXAPS5233J

Prerna Halwasiya
Company Secretary and Compliance Officer
ICSI Membership No. A20856
Place: New Delhi

VEDANTA LIMITED

Place: Gurugram
Date: 04 August 2023

Place: Mumbai
Date: 04 August 2023

Vedanta Limited

Notes forming part of the unaudited condensed consolidated interim financial statements as at and for the three months ended 30 June 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.

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 2023: 68.11%; 30 June 2022: 69.69%) of the Company's equity as at 30 June 2023.

For further details on the Group's various businesses, refer Group's consolidated financial statements as at and for the year ended 31 March 2023.

2 Basis of preparation and basis of measurement of financial statements

(A) Basis of preparation

i) These condensed consolidated interim financial statements have been prepared in accordance with Indian Accounting Standard (Ind AS) 34 Interim Financial Reporting notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other relevant provisions of the Companies Act, 2013 (the "Act") (as amended from time to time) and the Guidance Note on Accounting for Oil and Gas Producing Activities issued by the Institute of Chartered Accountants of India ("ICAI").

The condensed consolidated interim financial statements do not include all of the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at and for the year ended 31 March 2023.

These financial statements are approved for issue by the Board of Directors on 04 August 2023.

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) These condensed consolidated interim financial statements have been prepared solely for inclusion in the Offering Circular (OC) to be issued by VRL and/or VRL's subsidiaries for a proposed issuance of bonds.

iii) Certain comparative figures appearing in these condensed consolidated interim financial statements have been regrouped and/or reclassified to better reflect the nature of those items.

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(B) Basis of measurement

These condensed consolidated interim financial statements have been prepared on a going concern basis using an accrual method of accounting and historical cost convention, except for certain financial assets and liabilities which are measured at fair value.

3(a) Material accounting policy information

These unaudited condensed consolidated interim financial statements are prepared, in all material aspects, using the same accounting policies as applied in the audited consolidated financial statements of the Group for the year ended 31 March 2023.

3(b) Application of new and amended standards

(A) The Group has adopted, with effect from 01 April 2023, the following new and revised standards. Their adoption has not had any significant impact on the amounts reported in the consolidated financial statements.

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'

(B) Standards notified but not yet effective

No new standards have been notified during the three months ended 30 June 2023.

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3(c) Significant accounting estimates

i) 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 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 ₹ 8,336 Crore (31 March 2023: ₹ 7,961 Crore), of which ₹ 2,627 Crore (31 March 2023: ₹ 2,689 Crore) is expected to be utilised in the fourteenth and fifteenth year, the maximum permissible time period to utilise the MAT credits.

As at 30 June 2023, Electrosteel Steels Limited ('ESL') had deferred tax assets of ₹ 2,897 Crore (31 March 2023: ₹ 2,897 Crore) recognized basis management's estimate of future outlook, financial projections and requirements of Ind AS 12. Based on revised financial forecasts, it is probable to realise the deferred tax assets.

ii) 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").

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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, 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. On 02 June 2023, the State concluded with granting access to the Company only for the above allowed activities. The SLP is now listed for hearing and final disposal on 22 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.

The carrying value of the assets as at 30 June 2023 is ₹ 1,889 Crore (31 March 2023: ₹ 1,913 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 30 June 2023 (31 March 2023: ₹ 17 Crore) approximates its recoverable value.

(iii) 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.

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Notes forming part of the unaudited condensed consolidated interim financial statements as at and for the three months ended 30 June 2023

The Forest Advisory Committee ("FAC") of the MoEFCC granted the Stage 1 clearance and the 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 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.

MoEF vide letter dated 05 June 2023 revoked the FC Stage-I against which ESL has written a letter for reconsideration. It has been directed to continue with the compliances under the FC. The Court has scheduled next public hearing on 10 August 2023 for reconsideration. Management believes no further provision is required.

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Notes forming part of the unaudited condensed consolidated interim financial statements as at and for the three months ended 30 June 2023

4 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 a resolution application with the NCLT in July 2022 and further amended the application in November 2022 praying for merger of ACPL with itself. The Company also sought various reliefs from certain legal and regulatory provisions as part of the above applications. During the year ended 31 March 2023, pending receipt of the NCLT approval, the Company had recorded the above transaction as acquisition of Property, Plant and Equipment at purchase consideration.

The NCLT approved the Company's resolution application with appointed date of 21 July 2022 ("appointed date") vide its order ("the NCLT Order") uploaded on NCLT website on 25 July 2023.

The NCLT Order prescribes the following accounting treatment in the standalone financial statements of the Company:

a) the difference between the fair value at the appointed date and the carrying value of the assets recorded pursuant to the Amalgamation at their book value arrived at without considering any impairment/ write-off, would be written off by debit to the statement of profit and loss of the Company and credited to the carrying value of the assets. This would be a permanent write-off of the carrying value of the assets and not a provision for diminution in the value of the assets.

b) the charge on account of write-off of the assets, as mentioned in paragraph (a) above, as recorded by the Company will be transferred from its Retained Earnings to its Capital Reserve and accordingly, the Capital Reserve will stand diminished by the said amount.

Accordingly, in its standalone financial statements:

a) the Company has merged ACPL by carrying forward the book values of ACPL assets of ₹ 8,698 Crore (as appearing in the financial statements of ACPL as at 31 March 2022, which were audited by the auditors of ACPL) at the appointed date without considering any impairment, applying Appendix C of Ind AS 103 – Business Combinations instead of asset acquisition at purchase consideration. The difference between the asset acquired and the consideration paid has been recorded in the capital reserve;

b) the Company has written off ₹ 8,133 Crore in the statement of profit and loss since these assets were recorded at gross value; and

c) the said loss has been transferred from the retained earnings to capital reserve.

The above is in accordance with the NCLT Order, overriding the applicable Ind-AS requirements.

As result of the above, the profit before tax and profit after tax for the year ended 31 March 2023 in the standalone statement of profit and loss is lower by ₹ 8,133 Crore, and the carrying values of deferred tax assets and income tax liabilities are lower by ₹ 1,421 Crore in the standalone and consolidated balance sheet as at 31 March 2023 on account of lower MAT charge.

The consolidated financial information for 31 March 2023 (included as comparative information in the interim condensed consolidated financial statements for three months ended 30 June 2023) are restated for the effect of the above, and are accordingly also considered in the condensed consolidated balance sheet as at 30 June 2023.

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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 for the three months ended 30 June 2023 and 30 June 2022 and certain assets and liabilities information regarding the Group's business segments as at and for the year ended 30 June 2023 and 31 March 2023 respectively.

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For the three months ended 30 June 2023 (₹ in Crore)

Particulars	Business Segments									
	Zinc India	Zinc International	Oil & Gas	Aluminium*	Copper	Iron Ore	Power*	Others	Eliminations	Total
Revenue										
External revenue	7,062	1,103	2,857	11,890	4,733	1,974	1,588	2,135	-	33,342
Inter segment revenue	-	-	-	15	-	64	-	105	(184)	-
Segment revenue	7,062	1,103	2,857	11,905	4,733	2,038	1,588	2,240	(184)	33,342
Results										
Segment results (EBITDA) [a]	3,314	282	1,145	1,817	(2)	164	287	(32)	-	6,975
Less: Depreciation, depletion and amortisation	806	124	578	632	38	38	163	171	-	2,550
Add: Other income, net of expenses [b, c]	43	-	(312)	23	5	2	3	-	-	(236)
Add: Other unallocable income, net of expenses										227
Less: Finance costs										2,110
Add: Net exceptional gain										1,780
Net profit before tax										4,086
Other information										
Segment assets	22,986	6,685	25,196	67,024	5,221	5,552	15,258	11,564		1,59,486
Financial assets investments										11,571
Deferred tax assets										7,558
Income tax assets										2,439
Cash and bank balances (including restricted cash and bank balances)										3,723
Others										5,941
Total assets										1,90,718
Segment liabilities	6,414	1,196	15,726	25,255	6,451	2,552	2,160	4,255		64,009
Deferred tax liabilities										5,868
Borrowing										73,484
Income tax liabilities (net of payments)										1,304
Others										2,002
Total liabilities										1,46,667

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 of ₹ 312 Crore.

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Notes forming part of the unaudited condensed consolidated interim financial statements as at and for the three months ended 30 June 2023

For the three months ended 30 June 2022 (₹ in Crore)

Particulars	Business Segments									
	Zinc India	Zinc International	Oil & Gas	Aluminium*	Copper	Iron Ore	Power*	Others	Eliminations	Total
Revenue										
External Revenue	9,175	1,459	4,083	14,632	4,215	1,198	1,656	1,833	-	38,251
Inter segment revenue	-	-	-	12	-	169	-	23	(204)	-
Segment revenue	**9,175**	**1,459**	**4,083**	**14,644**	**4,215**	**1,367**	**1,656**	**1,856**	**(204)**	**38,251**
Results										
Segment results (EBITDA) [a]	**5,230**	**589**	**2,081**	**2,183**	**(14)**	**363**	**149**	**160**	-	**10,741**
Less: Depreciation, depletion and amortisation	736	138	602	587	49	45	162	145	-	2,464
Add: Other income, net of expenses [b, c]	37	-	(62)	22	1	2	3	-	-	3
Add: Other unallocable income, net of expenses										186
Less: Finance costs										1,206
Net profit before tax										**7,260**
Other information										
For the year ended 31 March 2023**										
Segment assets	**22,848**	**6,846**	**24,485**	**65,528**	**5,104**	**5,375**	**15,205**	**10,977**		**1,56,368**
Financial Assets investments										13,150
Deferred tax Assets										7,074
Income tax Assets										3,333
Cash and bank balances (including restricted cash and bank balances)										9,948
Others										5,504
Total assets										**1,95,377**
Segment liabilities	**6,399**	**1,076**	**14,985**	**26,706**	**5,249**	**2,597**	**2,069**	**3,694**		**62,775**
Deferred tax liabilities										5,922
Borrowing										66,182
Income tax liabilities (net of payments)										622
Others										10,449
Total liabilities										**1,45,950**

* Pursuant to conversion of one of the 300 MW Captive Power Plant ("CPP") unit to Independent Power Plant ("IPP") with effect from 01 April 2023, and considering the usability of units interchangeably as IPP or CPP based on the annual declaration to Chief Electricity Inspector and the annual consumption criteria as per the Electricity Act, 2003 and the Electricity Rules, 2005, the Chief Operating Decision Maker (CODM) has decided to review the operating results of aluminium and power segments together in a combined manner for one of its subsidiaries, Bharat Aluminium Company Limited ("BALCO"). Consequently, with effect from 01 April 2023, these have been reported as a single Operating Segment, i.e., "Aluminium Segment". Corresponding segment information of earlier periods i.e., Segment revenue of ₹ 114 Crore (including inter-segment revenue of ₹ 114 Crore) and Segment results of ₹ (68) Crore for the three months ended 30 June 2022 and Segment assets of ₹ 1,290 Crore and Segment liabilities of ₹ 270 Crore as at 31 March 2023 have been restated accordingly in accordance with Ind AS 108 "Operating Segments".

** Restated, refer note 4

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 of ₹ 62 Crore

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Notes forming part of the unaudited condensed consolidated interim financial statements as at and for the three months ended 30 June 2023

B) Disaggregation of Revenue

Below table summarises the disaggregated revenue from contracts with customers

(₹ in Crore)

Particulars	Three months ended 30 June 2023	Three months ended 30 June 2022
Zinc metal	**5,819**	8,331
Lead metal	**1,172**	1,179
Silver metals and bars	**1,336**	1,157
Oil	**2,265**	3,399
Gas	**652**	590
Aluminium products	**11,566**	14,690
Copper products	**4,682**	4,176
Iron ore	**1,073**	442
Metallurgical coke	**50**	129
Pig iron	**1,111**	776
Power	**1,487**	1,251
Steel products	**1,484**	1,287
Ferro alloys	**94**	244
Others	**922**	758
Revenue from contracts with customers*	**33,713**	38,409
Revenue from contingent rents	**354**	344
Losses on provisionally priced contracts under Ind AS 109	**(725)**	(502)
Total revenue	**33,342**	38,251

*includes revenues from sale of services aggregating to ₹ 86 Crore (30 June 2022: ₹ 77 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 Cash and cash equivalents

(₹ in Crore)

Particulars	As at 30 June 2023	As at 31 March 2023
Balances with banks	**1,463**	6,078
Bank deposits with original maturity of less than 3 months (including interest accrued thereon)	**1,018**	848
Cash on hand	**0**	0
Total	**2,481**	6,926

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7 **Financial liabilities - Borrowings**

A) **Non-current borrowings**

(₹ in Crore)

Particulars	As at 30 June 2023	As at 31 March 2023
At amortised cost		
Secured		
Non convertible debentures	7,138	7,138
Term loans from banks		
-Rupee term loans	35,891	34,398
-Foreign currency term loans	2,590	2,662
-External commercial borrowings	3,259	3,261
Other term loans	6,891	-
Others	454	494
Unsecured		
Non convertible debentures	2,912	2,911
Deferred sales tax liability	24	28
Non convertible bonds	29	31
Term loans from banks		
-Rupee term loans	2,796	2,795
-Foreign currency term loans	4	4
Redeemable preference shares	2	2
Non-current Borrowings	61,990	53,724
Less: Current maturities of long term borrowings	(10,552)	(10,248)
Total non-current Borrowings (Net) (A)	51,438	43,476
Current Borrowings (Refer Note 7B) (B)	22,046	22,706
Total Borrowings (A+B)	73,484	66,182

B) **Current borrowings**

(₹ in Crore)

Particulars	As at 30 June 2023	As at 31 March 2023
At amortised cost		
Secured		
Working capital loan	2,015	208
Packing credit in foreign currencies from banks	100	300
Rupee term loans from banks	-	1,857
Amounts due on factoring	20	22
Loans repayable on demand from banks	182	-
Current maturities of long term borrowings	6,473	6,247
Unsecured		
Rupee term loans from banks	3,202	3,002
Loans repayable on demand from banks	2,325	2,255
Commercial paper	3,467	4,714
Working capital loan	75	100
Amounts due on factoring	108	-
Current maturities of long term borrowings	4,079	4,001
Total	22,046	22,706

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.

C) Movement in borrowings during the period is provided below -

(₹ in Crore)

Particulars	Short term borrowing	Long term borrowing*	Total
Opening balance at 01 April 2022	7,434	45,675	53,109
Net cash inflow	3,519	4,419	7,938
Other non-cash changes	100	(173)	(73)
Foreign exchange currency translation differences	293	(127)	166
As at 30 June 2022	**11,346**	**49,794**	**61,140**
Opening balance at 01 April 2023	**12,458**	**53,724**	**66,182**
Net cash (outflow)/ inflow	**(998)**	**8,390**	**7,392**
Other non-cash changes	**59**	**21**	**80**
Foreign exchange currency translation differences	**(25)**	**(145)**	**(170)**
As at 30 June 2023	**11,494**	**61,990**	**73,484**

*including Current maturities of Long term borrowing

Other non-cash changes include amortisation of borrowing costs and foreign exchange difference on borrowings.

Debt issued/repaid during the period

During the period ended 30 June 2023, the Group has issued and repaid debt securities of ₹ 16,732 Crore and ₹ 9,340 Crore, respectively.

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8 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 30 June 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*	6,972	4,598	-	-	11,570	11,570
Trade receivables	282	-	-	5,836	6,118	6,118
Loans	-	-	-	3,808	3,808	3,808
Other financial assets	-	-	-	12,626	12,626	12,626
Derivatives	41	-	243	-	284	284
Cash and cash equivalents	-	-	-	2,481	2,481	2,481
Other bank balances	-	-	-	608	608	608
Total	**7,295**	**4,598**	**243**	**25,359**	**37,495**	**37,495**

(₹ 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	-	-	73,484	-	73,484	73,274
Trade payables	897	-	10,418	-	11,315	11,315
Operational buyers' credit / suppliers' credit	-	-	14,645	-	14,645	14,645
Derivatives	179	124	-	-	303	303
Other financial liabilities**	-	-	19,405	240	19,645	19,645
Total	**1,076**	**124**	**1,17,952**	**240**	**1,19,392**	**1,19,182**

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
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**

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(₹ 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**

* Investments exclude equity investment in associates and joint ventures which are accounted as per the equity method of accounting.

**includes lease liability of ₹ 486 Crore (31 March 2023: ₹ 446 Crore)

*** Represents net put option liability with non-controlling interests accounted for at fair value.

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 30 June 2023 and 31 March 2023 measured at fair value:

As at 30 June 2023

(₹ in Crore)

Financial Assets	Level 1	Level 2	Level 3
At fair value through profit or loss			
Investments	2,687	3,901	384
Derivative financial assets	-	41	-
Trade receivables	-	282	-
At fair value through other comprehensive income			
Investments	71	4,516	11
Derivatives designated as hedging instruments			
Derivative financial assets	-	243	-
Total	**2,758**	**8,983**	**395**

(₹ in Crore)

Financial Liabilities	Level 1	Level 2	Level 3
At fair value through profit or loss			
Derivative financial liabilities	-	179	-
Trade payables	-	897	-
Derivatives designated as hedging instruments			
Derivative financial liabilities	-	124	-
Other financial liabilities - Net put option liability with non-controlling interests accounted for at fair value.	-	-	240
Total	**-**	**1,200**	**240**

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 payable	-	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**

The below table summarises the fair value of loans and borrowings which are carried at amortised cost as at 30 June 2023 and 31 March 2023

As at 30 June 2023

(₹ in Crore)

Financial Assets	Level 1	Level 2	Level 3
Loans*	-	3,808	-
Total	**-**	**3,808**	**-**

(₹ in Crore)

Financial Liabilities	Level 1	Level 2	Level 3
Borrowings	-	73,274	
Total	**-**	**73,274**	**-**

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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**	-

* Refer note 17(L)

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.

- 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 30 June 2023 and 31 March 2023 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.

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9 Revenue from operations

(₹ in Crore)

Particulars	Three months ended 30 June 2023	Three months ended 30 June 2022
Sale of products	32,902	37,830
Sale of services	86	77
Revenue from contingent rents	354	344
Total	33,342	38,251

10 Other operating income

(₹ in Crore)

Particulars	Three months ended 30 June 2023	Three months ended 30 June 2022
Export incentives	108	139
Scrap sales	172	129
Miscellaneous income	111	103
Total	391	371

11 Employee benefits expense

(₹ in Crore)

Particulars	Three months ended 30 June 2023	Three months ended 30 June 2022
Salaries and wages	837	767
Share based payments	32	27
Contributions to provident and other funds	69	63
Staff welfare expenses	91	84
Less: Cost allocated/directly booked in joint ventures	(176)	(161)
Total	853	780

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12 Finance cost

(₹ in Crore)

Particulars	Three months ended 30 June 2023	Three months ended 30 June 2022
Interest expense on financial liabilities at amortised cost	**2,041**	1,228
Other finance costs	**189**	46
Net interest on defined benefit arrangement	**4**	4
Unwinding of discount on provisions	**30**	21
Less: Capitalisation of finance cost/ borrowing cost	**(154)**	(93)
Less: Cost allocated/ directly booked in joint ventures	**0**	0
Total	**2,110**	1,206

13 Other expenses

(₹ in Crore)

Particulars	Three months ended 30 June 2023	Three months ended 30 June 2022
Cess on crude oil	**696**	1,027
Royalty	**1,704**	1,188
Consumption of stores and spare parts	**881**	949
Share of expenses in producing oil and gas blocks	**888**	875
Repairs to plant and equipment	**882**	763
Repairs to building	**62**	68
Repairs others	**53**	55
Carriage	**586**	836
Mine expenses	**853**	792
Net loss on foreign currency transactions and translations	**180**	448
Other selling expenses	**6**	7
Insurance	**67**	77
Rent*	**12**	9
Rates and taxes	**10**	9
Exploration costs written off	**312**	62
Bad trade receivables and advances written off	**-**	0
Provision for doubtful advances/ expected credit loss	**8**	81
Miscellaneous expenses	**2,136**	1,564
Less: Cost allocated/directly booked in joint ventures	**(74)**	(91)
Total	**9,262**	8,719

*Rent represents expense on short term/ low value leases.

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14 Exceptional items (₹ in Crore)

Particulars	**Three months ended 30 June 2023**			Three months ended 30 June 2022		
	Exceptional items	**Tax effect of Exceptional items**	**Exceptional items after tax**	Exceptional items	Tax effect of Exceptional items	Exceptional items after tax
Foreign currency translation reserve ('FCTR') recycled to profit or loss on redemption of optionally convertible redeemable preference shares ('OCRPS')*	1,780	-	1,780	-	-	-
Total	**1,780**	-	**1,780**	-	-	-

* The Company recorded reversal of previously recognized impairment on investments in OCRPS of ₹ 634 Crore and ₹ 3,187 Crore in THL Zinc Holding BV ("THLZBV") and THL Zinc Ventures Limited ("THLZVL"), wholly owned subsidiaries of the Company during the three months ended 30 June 2023 and year ended 31 March 2023, respectively in the statement of profit and loss. Further, the above investment in OCRPS of THLBV and THLZVL was redeemed during the current period, pursuant to which ₹ 1,780 Crore being the proportionate share of FCTR in the subsidiaries has been recycled to the consolidated statement of profit and Loss.

15 Tax

(a) Tax charge/(credit) recognised in profit or loss (including on exceptional items) (₹ in Crore)

Particulars	Three months ended 30 June 2023	Three months ended 30 June 2022
Current tax:		
Current tax on profit for the period	679	1,516
Charge in respect of exceptional items*	541	-
Total Current Tax (a)	**1,220**	**1,516**
Deferred tax:		
Recognition of temporary differences	99	152
Benefit in respect of exceptional items*	(541)	-
Deferred Tax (b)	**(442)**	**152**
Total income tax expense for the period (a+b)	**778**	**1,668**
Profit before tax	4,086	7,260
Effective income tax rate (%)	**19%**	**23%**

Tax expense (₹ in Crore)

Particulars	Three months ended 30 June 2023	Three months ended 30 June 2022
Tax effect on exceptional items*	-	-
Tax expense- others	778	1,668
Net tax expense	**778**	**1,668**

*It includes current tax charge of ₹ 541 Crore and deferred tax credit of ₹ 541 Crore on gain on redemption of OCRPS at the Company which gets eliminated at consolidated statement of profit and loss (refer note 14).

(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 (for AY 2009-10 to AY 2012-13) and in FY 2023-24 (for AY 2017-18 and AY 2018-19) which are 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 30 June 2023 is ₹ 12,447 Crore (31 March 2023: ₹ 12,447 Crore) plus applicable interest upto the date of settlement of the dispute.

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16 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.

a) Estimated amount of contracts remaining to be executed on capital accounts and not provided for:

(₹ in Crore)

Particulars	As at 30 June 2023	As at 31 March 2023
Oil & Gas sector		
Cairn India	**1,085**	1,412
Aluminium sector		
Lanjigarh Refinery (Phase II)	**2,040**	2,439
Jharsuguda 1.25 MTPA smelter	**825**	1,266
BALCO smelter expansion 0.57 MTPA to 1 MTPA	**7,529**	6,700
Zinc sector		
Zinc India (mines expansion and smelter)	**2,246**	1,750
Gamsberg mining and milling project (Phase II)	**2,037**	1,950
Copper sector		
Tuticorin Smelter 400 KTPA*	**3,066**	3,066
Others	**5,463**	5,793
Total	**24,291**	24,376

**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 30 June 2023	As at 31 March 2023
Oil & Gas sector		
Cairn India (OALP - New Oil and Gas blocks)	**5,120**	5,184

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 Orissa State Electricity Regulatory Commission ('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 has challanged the order of OERC and filed an apeal in Appellate Tribunal for Electricity ("APTEL").

(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 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, Serentica Renewables India 8 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 1,826 MW (31 March 2023: 1,626 MW). During the current period, the Group has invested ₹ 106 Crore (31 March 2023: ₹ 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 twenty six percent stake in its equity. As at 30 June 2023, total outstanding commitments related to PDA with Serentica Group Companies are ₹ 1,602 Crore (31 March 2023: ₹ 1,598 Crore).

B) Guarantees

The aggregate amount of indemnities and other guarantees on which the Group does not expect any material losses, was ₹ 7,787 Crore (31 March 2023: ₹ 8,470 Crore).

a) Guarantees and bonds advanced to the customs authorities in India of ₹ 1,067 Crore relating to the export and payment of import duties on purchases of raw material and capital goods (31 March 2023: ₹ 1,339 Crore).

b) Guarantees issued for Group's share of minimum work programme commitments of ₹ 2,743 Crore (31 March 2023: ₹ 2,742 Crore).

c) Guarantees of ₹ 97 Crore issued under bid bond (31 March 2023: ₹ 80 Crore).

d) Bank guarantees of ₹ 115 Crore (31 March 2023: ₹ 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 ₹ 3,765 Crore (31 March 2023: ₹ 4,194 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 ₹ 1,399 Crore (31 March 2023: ₹ 1,381 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 ₹ 326 Crore (31 March 2023: ₹ 322 Crore) reduced in proportion to actual exports, plus applicable interest.

The Group has given bonds of ₹ 848 Crore (31 March 2023: ₹ 809 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 2023: ₹ 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 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 ₹ 525 Crore (US$ 64 million) plus interest (31 March 2023: ₹ 526 Crore (US$ 64 million) plus interest).

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c) Proceedings related to the imposition of entry tax

Vedanta Limited and other Group company, i.e., Bharat Aluminium Company Limited ('BALCO') challenged the constitutional validity of the local statutes and related notifications in the state 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. The Company 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.

The total claims against the Company and its subsidiaries (net of provisions made) are ₹ 823 Crore (31 March 2023: ₹ 823 Crore) including interest and penalty till the date of order. Further interest and penalty if any, would be additional.

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 ₹ 1,113 Crore (31 March 2023: ₹ 1,091 Crore). As at 30 June 2023, an amount of ₹ 1,148 Crore relating to principal has been considered as a contingent liability (31 March 2023: ₹ 1,126 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 ₹ 595 Crore (31 March 2023: ₹ 639 Crore), net of ₹ 663 Crore (31 March 2023: ₹ 570 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 30 June 2023, no confirmation has been received on this matter and therefore an amount of ₹ 953 Crore (31 March 2023: ₹ 916 Crore) relating to interest is considered as a contingent liability.

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VEDANTA LIMITED

f) ESL : MDPA

Mine Development and Production Agreement (MDPA) entered into by ESL with respect to the Nadidih Iron Ore Block (74.50 Ha) and the Nadidih 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 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 (31 March 2023: ₹ 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 ₹ 1,457 Crore (31 March 2023: ₹ 1,455 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 ₹ 4,955 Crore (31 March 2023: ₹ 4,907 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.

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VEDANTA LIMITED

17 **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

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 5 Private Limited*

Serentica Renewables India 6 Private Limited*

Serentica Renewables India 7 Private Limited*

Serentica Renewables India 8 Private Limited*

Serentica Renewables India 9 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

Minova Runaya Private Limited

Runaya Refining LLP

Sesa Community Development Foundation

Vedanta Foundation

Vedanta Limited ESOS Trust

Vedanta Medical Research Foundation

Voorspoed Trust

These entities are subsidiary companies of VRL and VRL through its subsidiaries holds 68.11% in the Company.

* During the previous year, due to change in shareholding of the intermediate holding company of Serentica group companies, the relationship of Vedanta group with these companies had 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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Notes forming part of the unaudited condensed consolidated interim financial statements as at and for the three months ended 30 June 2023

G) A summary of significant related party transactions for the three months ended 30 June 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	403	-	4	407
(ii)	Other income				
a)	Interest and guarantee commission	95	-	-	95
b)	Outsourcing service fees	1	-	-	1
c)	Dividend income	0	-	-	0
d)	Miscellaneous income	-	-	0	0
	Expenditure and other transactions:				
(i)	Purchase of goods/ services [M]	6	1	85	92
(ii)	Management and brand fees [J]	696	-	-	696
(iii)	Reimbursement for other expenses (net of recovery)	0	-	4	4
(iv)	Corporate social responsibility expenditure/ Donation	-	-	17	17
(v)	Contribution to post retirement employee benefit trust/fund	-	-	17	17
(vi)	Remuneration to relatives of key management personnel	-	-	5	5
(vii)	Purchase of fixed assets	-	-	(0)	(0)
(viii)	Commission/sitting fees				
	-To Non executive directors	-	-	1	1
	-To key management personnel	-	-	0	0
	-To relatives of key management personnel	-	-	0	0
(ix)	Dividend paid				
	-To holding companies	4,684	-	-	4,684
	-To key management personnel and their relatives	-	-	1	1
	-To Non executive directors and their relatives	-	-	0	0
(x)	Interest and guarantee commission expense [N]	78	-	-	78

Vedanta Limited

Notes forming part of the unaudited condensed consolidated interim financial statements as at and for the three months ended 30 June 2023

(₹ in Crore)

	Particulars	Entities controlling the Company/ Fellow subsidiaries	Associates /Joint ventures	Others	Total
	Other Transactions during the year:				
(i)	Loans given/ (repayment thereof) [L]	-	-	-	-
(i)	Investment purchased during the period (refer note 16 (c) (iii))	-	-	106	106
	Balances as at period end:				
(i)	Trade receivables	7	-	2	9
(ii)	Loan given [K,L]	3,799	9	-	3,808
(iii)	Other receivables and advances (including brand fee prepaid) [J,N]	3,558	9	5	3,572
(iv)	Trade payables	20	-	31	51
(v)	Other payables	23	-	47	70
(vi)	Bank guarantee given [I]	115	-	-	115
(vii)	Sitting fee, remuneration, commission and consultancy fees payable to KMP, non executive directors and their relatives	-	-	4	4

Remuneration of key management personnel

(₹ in Crore)

Particulars	For the period ended 30 June 2023
Short-term employee benefits	6
Post employment benefits *	0
Share based payments	0
	6

* Does not include the provision made for gratuity and leave benefits, as they are determined on an actuarial basis for all the employees together.

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Vedanta Limited

Notes forming part of the unaudited condensed consolidated interim financial statements as at and for the three months ended 30 June 2023

H) A summary of significant related party transactions for the three months ended 30 June 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	442	-	0	442
(ii)	Other income				
a)	Interest and guarantee commission	170	-	-	170
b)	Outsourcing service fees	1	-	-	1
c)	Miscellaneous income	-	-	0	0
	Expenditure and other transactions:				
(i)	Purchase of goods/ services	-	-	61	61
(ii)	Management and brand fees [J]	469	-	-	469
(iii)	Reimbursement for other expenses (net of recovery)	(0)	-	0	(0)
(iv)	Corporate social responsibility expenditure/ Donation	-	-	19	19
(v)	Contribution to post retirement employee benefit trust/ fund	-	-	16	16
(vi)	Remuneration to relatives of key management personnel	-	-	5	5
(vii)	Commission/sitting fees				
	-To Non executive directors	-	-	1	1
	-To key management personnel	-	-	0	0
	-To relatives of key management personnel	-	-	0	0
(viii)	Dividend paid				
	-To holding companies	8,159	-	-	8,159
	-To key management personnel	-	-	1	1
	-To relatives of key management personnel	-	-	0	0
(ix)	Interest and guarantee commission expense [N,L]	37	-	-	37

Vedanta Limited

Notes forming part of the unaudited condensed consolidated interim financial statements as at and for the three months ended 30 June 2023

(₹ in Crore)

	Particulars	Entities controlling the Company/ Fellow subsidiaries	Associates /Joint ventures	Others	Total
	Other Transactions during the year:				
(i)	Financial guarantees relinquished during the period	-	-	(0)	(0)
(ii)	Loan taken/ (repayment thereof) [L]	(2,408)	-	-	(2,408)

Remuneration of key management personnel

(₹ in Crore)

Particulars	For the period ended 30 June 2022
Short-term employee benefits	20
Post employment benefits *	0
Share based payments	0
	20

* 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 as at 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
	Balances as at period end:				
(i)	Trade receivables	11	-	-	11
(ii)	Loan given [K,L]	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, non executive directors 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

Vedanta Limited

Notes forming part of the unaudited condensed consolidated interim financial statements as at and for the three months ended 30 June 2023

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 for a period of fifteen years. The Group has recorded an expense of ₹ 558 Crore (30 June 2022: ₹ 448 Crore) for the three months ended 30 June 2023. 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 and its subsidiary Cairn Energy Hydrocarbon Limited with effect from 01 April 2023, while the previous rates remain unchanged for other the subsidiaries. The Group generally pays such fee in advance based on estimated annual turnover.
Furthermore, during the previous 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 ₹ 121 Crore (30 June 2022: NIL) for the three months ended 30 June 2023.

K) During the 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 30 June 2023 is ₹ 5 Crore (31 March 2023: ₹ 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 30 June 2023 is ₹ 82 Crore (US $10 million) (31 March 2023: ₹ 82 Crore (US $10 million)). These loans including accrued interest thereon have been fully provided for in the books of accounts.

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 year ended 31 March 2022, the overseas subsidiaries of the Company, executed agreements with Twin Star Holdings Limited ("borrower"), 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 was fully repaid during the three months ended 30 June 2022.

During the three months ended 30 June 2023, based on the request from the Borrower, the loan has been extended to 31 December 2024 at the prevailing arms-length interest rate with interest payable half-yearly.
As the change in the net present value of the loan is within the 10% threshold prescribed by Ind AS 109 Financial Instruments and the other terms of the loan largely remain unchanged, the modification has been considered to be not substantial in nature. Consequently, the net impact due to the modification and expected credit loss, aggregating to approx. ₹ 38 Crore (approx. US$ 5 million) has been recognized as finance cost in the consolidated statement of profit and loss.

As of 30 June 2023, loans having contractual value of ₹ 3,684 Crore (US$ 449 million) (31 March 2023: ₹ 3,689 Crore (US$ 449 million)) were outstanding from the VRL group at an interest rate of 17%.

M) During the previous year ended 31 March 2023, the Group executed an agency contract with VRL. Pursuant to which, the Group procured calcined alumina amounting to ₹ 272 Crore (30 June 2022: Nil) on which an agency commission of ₹ 1 Crore (30 June 2022: Nil) is 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, out of which 5 blocks were relinquished during the previous year.

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 ₹ 40 Crore (US$ 5 million) (30 June 2022: ₹ 37 Crore (US$ 5 million)) for the three months ended 30 June 2023 and ₹ 158 Crore (US$ 19 million) (31 March 2023: ₹ 75 Crore (US$ 9 million) is outstanding as a pre-payment as at 30 June 2023.

Vedanta Limited

Notes forming part of the unaudited condensed consolidated interim financial statements as at and for the three months ended 30 June 2023

18 Subsequent events

Subsequent to three months ended 30 June 2023, Vedanta Netherland Investment BV and Twinstar Holdings Limited, members of the promoter group of Vedanta Limited, have sold 3,500,000 and 160,000,000 equity shares of the Company respectively through open market, thereby decreasing the shareholding of promoter group in the Company from 68.11% to 63.71%.

As per our report of even date

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

per Amit Chugh
Partner
Membership No: 505224

Place: Gurugram
Date: 04 August 2023

S.R. BATLIBOI & CO. LLP GURUGRAM

For and on behalf of the Board of Directors

Arun Misra
Executive Director
DIN 01835605
Place: Udaipur

Sonal Shrivastava
Group Chief Financial Officer
PAN AXAPS5233J

Place: Mumbai
Date: 04 August 2023

Prerna Halwasiya
Company Secretary and Compliance Officer
ICSI Membership No. A20856
Place: New Delhi

VEDANTA LIMITED

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, joint ventures and joint operation comprising of the consolidated Balance sheet as at 31 March 2024, 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 material 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, joint ventures and joint operation, 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, joint ventures and joint operation as at 31 March 2024, 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, joint ventures and joint operation 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.

Emphasis of Matter

We draw attention to Note 4(A) of the consolidated financial statements, with respect to accounting for an acquisition approved by the National Company Law Tribunal, Hyderabad Bench, overriding the applicable Ind-AS requirements. Further as stated in the aforesaid note, the comparative financial information for the year ended 31 March 2023 has also been restated to give effect to the terms of merger.

Our opinion is not modified in respect of this matter.

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 2024. 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.

Key audit matters	How our audit addressed the key audit matter
Accounting and disclosure of related party transactions (as described in note 42(I), 42(J), 42(L), 42(M), 42(N) of the consolidated Ind AS financial statements)	
The Group has undertaken transactions with related party, Vedanta Resources Limited ('VRL'), its intermediate holding company and its affiliates including loan, payment of brand and strategic management fee, agency commission and guarantees commission. 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.	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 transactions by the board and/or audit committee. • Obtained and assessed management evaluation of the modification of the terms and its implications with regards to the regulatory requirements and Ind AS 109. . • 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. • 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.
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)(G), 3(a)(H)(ii), 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)	
As at 31 March 2024, 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 Recoverability of property plant and equipment, capital work in progress and exploration intangible assets under development 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, scrap value / Depreciated Replacement Cost, price, production forecasts and the discount rate that is applied. • The withdrawal of the Holding Company's licenses to operate the copper plant and unfavorable order of the Hon'ble Supreme Court of India, leading to an impairment charge of ₹ 746 crore. • 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.	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: – Assessment of implications of withdrawal of Holding Company's license to operate the copper plant at Tuticorin. Assessed management's position after unfavorable order of the Hon'ble Supreme Court against reopening of the plant and its consequential impairment on PPE, CWIP and other assets. – Evaluated the valuation methodology adopted by the management i.e. determination of fair value less cost of disposal through various scenarios 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.

Key audit matters	How our audit addressed the key audit matter
• Receipt of final partial arbitration award on DGH demand arbitration and accordingly recognized ₹ 4,761 crore in revenue from operations due to allowance of exploration cost recovery and its impact on IM tranche. Accordingly, impairment of ₹ 1,179 crore was reversed on PPE. However, the government has filed an appeal with the High Court against the arbitration award. • The fact that in the previous year, the Group obtained the mining license and have started the mining activity at Bomi mine in Liberia, leading to reversal of impairment in the previous year. However, the operations in the current year were not in line with the projected performance. The key judgements and estimates are centered on the assessment of Scrap / Depreciated Replacement Cost for the Copper plant, cash flow forecasts, impact of litigation w.r.t. partial arbitration award, discount rate assumptions, price and production forecasts and related disclosures as given in note 6 (Property, plant and equipment) / 36 (Exceptional items) of the accompanying financial statements.	– Corroborated the sales price assumptions used in the models against analyst consensus / geography of sales and assessed the reasonableness of costs. – Compared the production forecasts used in the impairment tests with management's approved reserves and resources estimates. – Evaluated the grounds of appeal filed with High Court for partial arbitration award received by Company. – Tested the weighted average cost of capital used to discount the impairment models. – Tested the mathematical accuracy of the models. – 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 2024 the value of disputed receivables in the power segment aggregated to ₹ 2,293 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. • 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.

Key audit matters	How our audit addressed the key audit matter
Claims and exposures relating to taxation and litigation (as described in note 3(c)(B)(ii), 36, 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 developments in the DGH arbitration matter in the oil and gas segment, vendor arbitrations / termination of contract, 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 (including termination of contract) 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. • Evaluated management assessment as per contractual terms, in respect of amount written back amounting to ₹ 794 crore in the statement of Profit and loss, relating to capital contractors due to its continuing failure in fulfilling contractual obligations impacting plant performance and towards loss of profit due to plant performance in the current and earlier years and adjusted ₹ 458 crore towards the cost of spares and ancillaries capitalised in PPE in earlier years • 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.
Recoverability of Deferred Tax Assets (as described in note 3(c)(A)(ii) and 37 of the consolidated Ind AS financial statements)	
Deferred tax assets ("DTA") as at 31 March 2024 includes an amount of ₹ 2,787 crore pertaining to ESL Steels Limited (ESL), one of the component of the Group. The analysis of the recoverability of such deferred tax assets has been identified as a key audit matter by the component auditor 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 realizability of the deferred tax assets, in particular whether there will be taxable profits in future periods that support the recoverability 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 group's process for estimating the recoverability of the deferred tax assets. • Performed procedures as per SA 600 – Using the Work of Another Auditor. Engaged with the component auditor to evaluate the procedures performed by them with respect to the recoverability assessment of the DTA. We performed inquiry of the audit procedures performed by them to address the key audit matter. As reported to us by the subsidiary auditor, the following procedure have been performed by them: – Analysis of 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. • 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, joint ventures and joint operation 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, joint ventures and joint operation are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective companiesand 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, joint ventures and joint operation are responsible for assessing the ability of their respective companies 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, joint ventures and joint operation are also responsible for overseeing the financial reporting process of their respective companies.

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, joint ventures and joint operation 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, joint ventures and joint operation 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, joint ventures and joint operation 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 2024 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 26 subsidiaries, whose financial statements include total assets of Rs 41,040 Crore as at 31 March 2024, and total revenues of Rs 17,027 Crore, total net loss after tax of Rs 3,093 Crore, total comprehensive loss of Rs 3,089 Crore, and net cash outflows of Rs 72 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 profit of ₹ 2 crore, total comprehensive income of ₹ 2 crore, and net cash inflows of ₹ Nil for the year ended 31 March 2024, 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 ₹ 2,141 Crore as at 31 March 2024, total revenues of ₹ 239 Crore, total net loss after tax of ₹ 486 Crore, total comprehensive loss of ₹ 481 Crore and net cash outflows of ₹ 12 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 2024, 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 ₹ 200 crore as at 31 March 2024, total revenues of ₹ 111 Crore, total net profit after tax of ₹ 28 Crore, total comprehensive income of ₹ 28 Crore for the year ended 31 March 2024, and net cash inflows of ₹ Nil for the year ended
31 March 2024 in respect of unincorporated joint operation not operated by the Group. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries, joint ventures, joint operation 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, joint ventures and joint operation, 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, joint ventures and joint operations, 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 except for the matters stated in the paragraph i(vi) below on reporting under Rule 11(g);

(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 2024 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, joint ventures and joint operation, none of the directors of the Group's companies, its associates, joint ventures and joint operations, incorporated in India, is disqualified as on 31 March 2024 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, joint ventures and joint operations, 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, joint ventures and joint operations incorporated in India, the managerial remuneration for the year ended 31 March 2024 has been paid / provided by the Holding Company, its subsidiaries, associates, joint ventures and joint operations incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above on reporting under Section 143(3)(b) and paragraph i(vi) below on reporting under Rule 11(g).

(i) 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, joint ventures and joint operations, 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, joint ventures and joint operations in its consolidated financial statements – Refer Note 3(c)(B)(ii), 36, 37e, 40D and 41 to the consolidated financial statements;

ii. The Group, its associates, joint ventures and joint operations did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended 31 March 2024;

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, joint ventures and joint operations, incorporated in India during the year ended 31 March 2024.

iv. a) The respective managements of the Holding Company and its subsidiaries, associate, joint ventures and joint operations 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, joint ventures and joint operations 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, associates, joint ventures and joint operations 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, joint ventures and joint operations ("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, associates, joint ventures and joint operations 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, associates, joint ventures and joint operations respectively that, to the best of its knowledge and belief, other than 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, associates, joint ventures and joint operations 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, associates, joint ventures and joint operations 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, associates, joint ventures and joint operations 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, joint venture and joint operation companies incorporated in India and until the date of the respective audit reports of such Holding Company, subsidiaries, associate joint ventures and joint operations is in accordance with section 123 of the Act.

vi) Based on our examination which included test checks and that performed by the respective auditors of the subsidiaries, associates, joint ventures and joint operations, which are companies incorporated in India whose financial statements have been audited under the Act, except for the instances discussed in note 46 to the financial statements, the Holding Company, subsidiaries, associates and joint ventures have used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we and respective auditors of the above referred subsidiaries, associates and joint ventures did not come across any instance of audit trail feature being tampered in respect of other accounting software.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Vikas Pansari
Partner
Membership Number: 093649
UDIN: 24093649BKGPPY9963

Place of Signature: Mumbai
Date: April 25, 2024

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	Vedanta Limited	L13209MH1965PLC291394	Holding Company	(i)(b), (ii)(a) (iii)(e), vii(a), (ix)(d)
2	Bharat Aluminium Company Limited	U74899DL1965PLC004518	Subsidiary	(ix)(d)
3	Sesa Resources Limited	U13209GA1965PLC000030	Subsidiary	(i)(c)
4	Malco Energy Limited	U31300TN2001PLC069645	Subsidiary	(ix)(d)
5	Hindustan Zinc Limited	L27204RJ1966PLC001208	Subsidiary	(iii)(e)

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Vikas Pansari
Partner
Membership Number: 093649
UDIN: 24093649BKGPPY9963

Place of Signature: Mumbai
Date: April 25, 2024

ANNEXURE-2

to the Independent Auditor's Report of even date on the Consolidated Ind AS 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 (hereinafter referred to as the "Holding Company") as of and for the year ended 31 March 2024, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and joint ventures and joint operation, 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 21 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls 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 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 with reference to these consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls 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 with reference to these consolidated Ind AS financial statements.

Meaning of Internal Financial Controls With Reference to these Consolidated Ind AS Financial Statements

A company's internal financial control 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 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 With Reference to these Consolidated Financial Statements

Because of the inherent limitations of internal financial controls 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 with reference to these consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial controls 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 with reference to these consolidated Ind AS financial statements and such internal financial controls with reference to these consolidated Ind AS financial statements were operating effectively as at 31 March 2024, 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 with reference to these consolidated financial statements of the Holding Company, in so far as it relates to 12 subsidiary companies, 1 associate and 2 joint ventures which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries, associates and joint ventures incorporated in India.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Vikas Pansari
Partner
Membership Number: 093649
UDIN: 24093649BKGPPY9963

Place of Signature: Mumbai
Date: April 25, 2024

CONSOLIDATED BALANCE SHEET

As at 31 March 2024

(₹ in crore)

Particulars	Note	As at 31 March 2024	As at 31 March 2023*
ASSETS			
Non-current assets			
Property, Plant and Equipment	6	96,715	93,768
Capital work-in-progress	6	20,331	17,273
Intangible assets	6	2,248	1,976
Exploration intangible assets under development	6	2,558	2,256
Financial assets			
Investments	7A	987	514
Trade receivables	8	2,409	2,532
Loans	9	5	10
Derivatives	24	3	-
Others	10	2,670	3,784
Deferred tax assets (net)	37	2,689	7,074
Income tax assets (net)	37	3,796	2,077
Other non-current assets	11	4,472	3,606
Total non-current assets		**1,38,883**	**1,34,870**
Current assets			
Inventories	12	13,001	15,012
Financial assets			
Investments	7B	10,882	12,636
Trade receivables	8	3,607	4,014
Cash and cash equivalents	13	2,812	6,926
Other bank balances	14	1,515	2,328
Loans	9	3,364	3,760
Derivatives	24	168	214
Others	10	12,757	7,868
Income tax assets (net)		48	1,256
Other current assets	11	3,770	6,493
Total current assets		**51,924**	**60,507**
Total Assets		**1,90,807**	**1,95,377**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	372	372
Other equity	16	30,350	39,051
Equity attributable to owners of Vedanta Limited		**30,722**	**39,423**
Non-controlling interests	17	11,347	10,004
Total Equity		**42,069**	**49,427**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	19A	50,633	43,476
Lease liabilities	23	536	144
Derivatives	24	-	20
Other financial liabilities	22	493	1,606
Provisions	25	3,105	3,426
Deferred tax liabilities (net)	37	10,152	5,922
Other non-current liabilities	26	5,158	4,309
Total non-current liabilities		**70,077**	**58,903**
Current liabilities			
Financial liabilities			
Borrowings	19B	21,125	22,706
Lease liabilities	23	477	302
Operational buyers' credit / suppliers' credit	21	14,935	13,701
Trade payables	20	10,095	11,043
Derivatives	24	144	193
Other financial liabilities	22	17,569	24,861
Other current liabilities	26	11,477	13,238
Provisions	25	341	381
Income tax liabilities (net)		2,498	622
Total current liabilities		**78,661**	**87,047**
Total Equity and Liabilities		**1,90,807**	**1,95,377**

** Restated, refer note 4(A).*

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: 25 April 2024

For and on behalf of the Board of Directors

Navin Agarwal
Executive Vice-Chairman and Whole-Time Director
DIN 00006303
Place: Mumbai

Arun Misra
Executive Director (Whole-Time Director)
DIN 01835605
Place: New Delhi

Ajay Goel
Chief Financial Officer
PAN AEAPG8383C
Place: New Delhi
Date: 25 April 2024

Prerna Halwasiya
Company Secretary and Compliance Officer
ICSI Membership No. A20856
Place: New Delhi

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For the year ended 31 March 2024

(₹ in crore)

Particulars	Note	Year ended 31 March 2024	Year ended 31 March 2023*
Revenue from operations	27	1,41,793	1,45,404
Other operating income	28	1,934	1,904
Other income	29	2,550	2,851
Total income		**1,46,277**	**1,50,159**
Expenses			
Cost of materials consumed		44,115	44,470
Purchases of stock-in-trade		116	57
Changes in inventories of finished goods, work-in-progress and stock in trade	30	176	(377)
Power and fuel charges		23,547	30,950
Employee benefits expense	31	3,300	3,098
Finance costs	34	9,465	6,225
Depreciation, depletion and amortisation expense	6	10,723	10,555
Other expenses	35	37,275	34,688
Total expenses		**1,28,717**	**1,29,666**
Profit before exceptional items and tax		17,560	20,493
Net exceptional gain/(loss)	36	2,803	(217)
Profit before tax		**20,363**	**20,276**
Tax expense:	37		
Other than exceptional items			
Net current tax expense		5,906	7,624
Net deferred tax expense/ (benefit)		400	(1,580)
Exceptional items			
Net deferred tax expense		8,339	1,269
Net current tax benefit		(1,819)	(1,543)
Net tax expense:		**12,826**	**5,770**
Profit after tax for the period before share in profit/ (loss) of jointly controlled entities and associates		7,537	14,506
Add: Share in profit/ (loss) of jointly controlled entities and associates		2	(3)
Profit for the period after share in profit/ (loss) of jointly controlled entities and associates (A)		**7,539**	**14,503**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement loss on defined benefit plans		(8)	(11)
Tax benefit		7	11
Loss on FVOCI equity investment		(17)	(37)
		(18)	**(37)**
Items that will be reclassified to profit or loss			
Net (loss)/ gain on cash flow hedges recognised during the period		(53)	3,451
Tax benefit/ (expense)		15	(1,201)
Net loss on cash flow hedges recycled to profit or loss		(51)	(3,433)
Tax benefit		13	1,201
Net gain/ (loss) on FVOCI debt investment		2	(34)
Tax (expense)/ benefit		(0)	4
Exchange differences on translation		(1,814)	886
Tax benefit		18	84
		(1,870)	**958**
Total other comprehensive (loss)/ income (B)		**(1,888)**	**921**
Total comprehensive income for the period (A+B)		**5,651**	**15,424**
Profit attributable to:			
Owners of Vedanta Limited		4,239	10,574
Non-controlling interests		3,300	3,929
Other comprehensive (loss)/ income attributable to:			
Owners of Vedanta Limited		(1,879)	987
Non-controlling interests		(9)	(66)
Total comprehensive income attributable to:			
Owners of Vedanta Limited		2,360	11,561
Non-controlling interests		3,291	3,863
Earnings per equity share (₹):			
- Basic	38	11.42	28.50
- Diluted	38	11.33	28.32

** Restated, refer note 4(A)*

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: 25 April 2024

For and on behalf of the Board of Directors

Navin Agarwal
Executive Vice-Chairman and Whole-Time Director
DIN 00006303
Place: Mumbai

Arun Misra
Executive Director (Whole-Time Director)
DIN 01835605
Place: New Delhi

Ajay Goel
Chief Financial Officer
PAN AEAPG8383C
Place: New Delhi
Date: 25 April 2024

Prerna Halwasiya
Company Secretary and Compliance Officer
ICSI Membership No. A20856
Place: New Delhi

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2024

(₹ in crore)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	20,363	20,276
Adjustments for:		
Depreciation, depletion and amortisation	10,744	10,597
Impairment charge/(reversal) on property, plant and equipment/ Capital work-in-progress (CWIP)/ Other assets written off (net) (Refer note 36)	(185)	(771)
Other exceptional items (Refer note 36)	(2,618)	-
Provision for doubtful advances/ expected credit loss/ bad debts written off	261	426
Exploration costs written off	786	327
Liabilities written back	(135)	(256)
Other non-cash items	-	(66)
Net gain on sale of long term investments (Refer note 4(D))	(178)	-
Fair value gain on financial assets held at fair value through profit or loss	(128)	(74)
Loss on sale/ discard of property, plant and equipment (net)	114	9
Foreign exchange loss (net)	263	492
Unwinding of discount on decommissioning liability	135	96
Transfer of CSR assets (Refer note 6)	-	117
Share based payment expense	70	77
Interest and dividend income	(1,727)	(2,283)
Interest expense	9,330	6,129
Deferred government grant	(308)	(273)
Changes in working capital		
Decrease in trade and other receivables	180	1,662
Decrease/ (Increase) in inventories	1,670	(728)
(Decrease)/ Increase in trade and other payables	(298)	3,665
Cash generated from operations	**38,339**	**39,422**
Income taxes paid (net)	(2,685)	(6,357)
Net cash generated from operating activities	**35,654**	**33,065**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment (including intangibles, CWIP, capital advances and creditors)	(16,752)	(13,787)
Proceeds from sale of property, plant and equipment	195	133
Loans repaid by related parties (Refer note 42)	267	2,408
Deposits made	(2,361)	(4,203)
Proceeds from redemption of deposits	1,768	9,238
Short term investments made	(53,764)	(1,11,039)
Proceeds from sale of short term investments	55,851	1,15,244
Interest received	1,678	1,674
Dividends received	40	18
Payment made to site restoration fund	(204)	(129)
Proceeds from sale of investment in subisidiary (Refer note 4(D))	84	-
Proceeds from sale of long term investments	8	-
Purchase of long term investments	(496)	(250)
Net cash used in investing activities	**(13,686)**	**(693)**

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2024

(₹ in crore)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of short-term borrowings (net)	(148)	(951)
Proceeds from current borrowings	10,770	23,846
Repayment of current borrowings	(18,770)	(18,319)
Proceeds from long-term borrowings	25,478	18,624
Repayment of long-term borrowings	(12,515)	(10,464)
Interest paid	(9,825)	(5,530)
Payment for acquiring non-controlling interest	-	(17)
Payment of dividends to equity holders of the Company, net of taxes	(18,572)	(29,959)
Payment of dividends to non-controlling interests	(1,928)	(11,190)
Payment of lease liabilities	(382)	(182)
Purchase of treasury shares for stock options	(200)	-
Net cash used in financing activities	**(26,092)**	**(34,142)**
Effect of exchange rate changes on cash and cash equivalents	10	25
Net decrease in cash and cash equivalents	**(4,114)**	**(1,745)**
Cash and cash equivalents at the beginning of the year	6,926	8,671
Cash and cash equivalents at end of the year (Refer note 13)	**2,812**	**6,926**

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: 25 April 2024

For and on behalf of the Board of Directors

Navin Agarwal
Executive Vice-Chairman and Whole-Time Director
DIN 00006303
Place: Mumbai

Arun Misra
Executive Director (Whole-Time Director)
DIN 01835605
Place: New Delhi

Ajay Goel
Chief Financial Officer
PAN AEAPG8383C

Place: New Delhi
Date: 25 April 2024

Prerna Halwasiya
Company Secretary and Compliance Officer
ICSI Membership No. A20856

Place: New Delhi

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2024

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 2024, 31 March 2023 and 31 March 2022*	372	372

There are no prior period errors for the years ended 31 March 2023 and 31 March 2022.

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	Attributable to owners of the Company	Non-controlling interests	Total
Balance as at 01 April 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)	981
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	(58)	-	-	-	-	-	-	(58)	41	(17)
Dividend, net of taxes (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**
Profit for the year	-	-	4,239	-	-	-	-	4,239	3,300	7,539
Other comprehensive income for the year (net of tax impact)	-	-	(5)	-	(1,790)	(16)	(68)	(1,879)	(9)	(1,888)
Total comprehensive income for the year	**-**	**-**	**4,234**	**-**	**(1,790)**	**(16)**	**(68)**	**2,360**	**3,291**	**5,651**
Recognition of share based payment	-	-	-	92	-	-	-	92	-	92
Purchase of treasury shares	-	-	-	(200)	-	-	-	(200)	-	(200)
Exercise of stock option	-	-	(32)	52	-	-	-	20	-	20
Recognition of put option liability/derecognition of non controlling interest	(14)	-	-	-	-	-	-	(14)	(20)	(34)
Dividend (Refer note 39)	-	-	(10,959)	-	-	-	-	(10,959)	(1,928)	(12,887)
Balance as at 31 March 2024	**18,559**	**19,009**	**(29,512)**	**19,248**	**3,061**	**35**	**(50)**	**30,350**	**11,347**	**41,697**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2024

Note:

Other reserves comprise:

(₹ in crore)

Particulars	Capital 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 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**
Recognition of share based payment	-	-	-	92	-	-	-	92
Purchase of treasury shares	-	-	-	-	-	(200)	-	(200)
Exercise of stock options	-	-	-	(47)	-	99	-	52
Balance as at 31 March 2024	**23**	**3,087**	**10**	**213**	**25**	**(205)**	**16,095**	**19,248**

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: 25 April 2024

For and on behalf of the Board of Directors

Navin Agarwal
Executive Vice-Chairman and Whole-Time Director
DIN 00006303
Place: Mumbai

Arun Misra
Executive Director (Whole-Time Director)
DIN 01835605
Place: New Delhi

Ajay Goel
Chief Financial Officer
PAN AEAPG8383C
Place: New Delhi
Date: 25 April 2024

Prerna Halwasiya
Company Secretary and Compliance Officer
ICSI Membership No. A20856
Place: New Delhi

NOTES

forming part of the consolidated financial statements as at and for the year ended 31 March 2024

1 Group overview

Vedanta Limited ("the Company") (CIN: L13209MH1965PLC291394) 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 61.95% (31 March 2023: 68.11%) of the Company's equity as at 31 March 2024.

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 year ended 31 March 2023, the Government of Goa had initiated auction of mines in which the Company had participated. The Company was declared as the principal bidder for the Bicholim mine and had received the Letter of Intent (LOI) from the Government of Goa. During the current year, the Company has received environment clearance from Ministry of Environment, Forest and Climate Change ("MoEFCC") and Consent to Operate ("CTO") from Goa State Pollution Board followed by commencement of operations in March 2024.

  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 previous year, WCL had signed a Memorandum of Understanding with the Government of Liberia to re-start its mining operations in Liberia post which commercial production and shipments of saleable ore were commenced.

- 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 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. 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"). During the year ended 31 March 2024, the Hon'ble Supreme Court, after hearing the Parties to the proceedings has dismissed the SLP filed by the Company vide judgment dated 29 February 2024. On 01 April 2024, the Company preferred a review petition before the Hon'ble Supreme Court. (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 a precious metal refinery and copper rod plant in Fujairah, UAE through its subsidiary Fujairah Gold FZC and the Mt. Lyell copper mine in Tasmania, Australia through its subsidiary, CMT. 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. In November 2023, the Group has divested its 100% equity ownership in CMT at consideration agreed as per above arrangement [Refer note 4(D)].

- 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, smelter and captive power plants at Jharsuguda and coal mines at Jamkhani, all situated in the State of Odisha in Eastern India. BALCO's partially integrated aluminium operations comprise two bauxite mines, two coal mines, 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, and its wholly owned subsidiaries, Talwandi Sabo Power Limited ("TSPL") and Meenakshi Energy Limited ("Meenakshi"), 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 and a 1,200 MW (two units of 600 MW each) thermal coal-based power plant, in the State of Chhattisgarh in Eastern India. Talwandi Sabo Power Limited ("TSPL") power operations include 1,980 MW (three units of 660 MW each) thermal coal- based commercial power facilities. Meenakshi power operations include 1,000 MW coal-based power plant (two units of 150 MW each and two units of 350 MW each), located at Nellore, Andhra Pradesh. 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 and also deals in mining of iron ore and its supply.

  The Group's other business also include Vizag General Cargo Berth Private Limited ("VGCB"). Vizag port project includes mechanisation 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. VGCB commenced operations in the fourth quarter of fiscal 2013. The Group's other business also include AvanStrate Inc. ("ASI"), Vedanta Semiconductors Private Limited ("VSPL"), Vedanta Displays Limited ("VDL"), 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. The Company has acquired Vedanta Semiconductors Private Limited

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and Vedanta Displays Limited during the current year for manufacturing semiconductor and display glass panels, respectively. 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 mines 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

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, presentation requirement of Division II of schedule III 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, set out below and were consistently applied to all periods presented unless otherwise stated.

The Group has identified 12 months as its operating cycle for the classification of assets and liabilities into current and non-current.

These consolidated financial statements are approved for issue by the Board of Directors on 25 April 2024. 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".

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. The Group has availed long term debt (refer note 19A and 19B). In the unlikely event Vedanta Resources Limited (together with its subsidiaries) ceases to hold more than 50.1% stake in the Company and its certain subsidiaries, ₹ 49,456 Crore of the Group's outstanding long-term debt would become repayable on demand. Management basis assessment of free cash flows, its ability to refinance existing debt and other strategic initiatives, considers the same as remote.

3(a) Material 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.

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. 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 unrealised profit arising from intra-Group transactions, are eliminated. Unrealised losses are eliminated unless costs cannot be recovered.

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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.

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

Investments in associates are accounted for using the equity method (see (iv) below).

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 recognised. 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 unrealised 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)(G) below.

(B) Business combination

Business combinations are accounted for under the acquisition 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

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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 recognised 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 recognised in other comprehensive income and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the Group recognises 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 in the periods in which the costs are incurred and the services are received except costs to issue debt or equity securities which shall be recognised in accordance with Ind AS 32 and Ind AS 109.

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.

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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 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 recognised when the services are rendered at the amount that Group expects to be entitled to for the services provided.

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.

- **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 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.

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 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

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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 or disposal. Gains and losses on disposal of an item of property, plant and equipment 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 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 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.

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- **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. The Group considers climate-related matters, including physical and transition risks in its assessment of expected useful lives and estimated residual values. 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 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.

Mining rights include the cost incurred for mines such as stamp duty, registration fees and other such costs together with cost incurred on development of mining rights and other related cost of mines transferred from "Exploration intangible assets under development".

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

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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 recognised in the consolidated statement of profit and loss when the asset is derecognised.

The amortisation period and the amortisation 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) Impairment of non-financial assets

Impairment charges and reversals are assessed at the level of cash-generating units.

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.

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

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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.

If any such indication exists 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.

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 Group assesses whether climate risks, including physical risks and transition risks could have a significant impact. If so, these risks are included in the cash-flow forecasts in assessing value in use amounts.

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;
- 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.

(H) Financial instruments

(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.

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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**

  After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method.

- **Financial assets at fair value through other comprehensive income (FVOCI)**

  Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in other comprehensive income (OCI). However, interest income, impairment losses and reversals and foreign exchange gain or loss are recognised 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 recognised in the OCI. There is no recycling of the amounts from OCI to the 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)**

  Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified as at FVTPL.

  In addition, the Group may elect to designate a debt instrument, which otherwise meets amortised 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.

  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.

  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) Impairment of financial assets

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.

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.

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.

(iii) 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 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 recognised 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.

(iv) 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. When a new financial liability is recognised in place of an existing one, the difference in the respective carrying amounts is recognised in the statement of profit and loss.

(v) 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.

(l) 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.

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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.

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.

(J) 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.

The Group as a lessee 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.

(K) Inventories

Inventories and work-in-progress are valued 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.

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.

(L) 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.

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.

(M) 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:

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(a) initial recognition as well as on the impairment of goodwill which is not deductible for tax purposes; or

(b) initial recognition of an asset or liability in a transaction that:

(i) is not a business combination;

(ii) at the time of the transaction, affects neither the accounting profit nor taxable profit (tax loss)and

(iii) at the time of the transaction, does not give rise to equal taxable and deductible temporary differences; and

- deferred tax assets are recognised only to the extent that it is more likely than not that they will be recovered.

The carrying amount of deferred tax assets 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 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.

(N) 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.

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 recognised 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.

(O) 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.

(P) Provisions, contingent liabilities and contingent assets

Provisions represent liabilities for which the amount or timing is uncertain. Provisions are recognised 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 recognised 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 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 recognise 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 recognised in the balance sheet.

(Q) 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 impact of climate-related matters, such as changes in environmental regulations and other relevant legislation, is considered by the Group in estimating the restoration, rehabilitation and environmental costs. 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.

(R) 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

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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 recognised in the other comprehensive income.

Exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings, are capitalised 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.

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 recognised upto 31 March 2016 has been deferred/capitalised. 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.

(S) 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.

(T) 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.

(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. 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 capitalised 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.

(V) 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.

(W) 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.

(X) 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.

3(b) Application of new and amended standards

(A) The Group has adopted, with effect from 01 April 2023, 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 1 Presentation of financial statements: The amendment requires disclosure of material accounting policies rather than significant accounting policies.

2. Amendment to Ind AS 12 Income Taxes: The amendment clarifies application of initial recognition exemption to transactions such as leases and decommissioning obligations.

3. Amendment to Ind AS 8 Accounting Policies, Change in Accounting Estimates and Errors: The amendments clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors.

(B) Standards notified but not yet effective

There are no new standards that are notified, but not yet effective, upto the date of issuance of the Group's financial statements.

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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 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 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 and unabsorbed depreciation 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 utilised. 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 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.

During the year ended 31 March 2024, based on financial projections and requirements of Ind AS 12, ESL derecognised deferred tax assets on business losses amounting to ₹ 309 crore (31 March 2023: ₹ 277 crore). Post said derecognition, deferred tax assets balance on carry forward unabsorbed depreciation as at 31 March 2024 is ₹ 2,787 crore, which based on management's estimate is probable to realise.

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 had 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 had 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 which were not 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 had set aside the impugned orders and directed the TNPCB to pass fresh orders for renewal of consent and authorisation 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 had 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 had approached the Supreme Court and challenged the said High Court order by way of a Special Leave Petition ("SLP").

The Hon'ble Supreme Court, after hearing the parties to the proceedings had dismissed the SLP filed by the Company vide judgment dated 29 February 2024. On 01 April 2024, The Company preferred a review petition before the Hon'ble Supreme Court.

Expansion Project:

Separately, the Company had 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 had delisted the Expansion Project since the matter was 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 had approached Madras High Court by way of writ petition challenging the cancellation of lease deeds by SIPCOT pursuant to which an interim stay had been granted. The Company had also appealed this action before the TNPCB Appellate Authority. The matter has been adjourned until further notice.

As per the Company's assessment, it is in compliance with the applicable regulations and hence preferred a review petition before the Hon'ble Supreme Court. Considering prolonged time of plant closure and uncertainties around opening of plant due to rejection of SLP by Hon'ble Supreme Court, the Company has carried out an impairment assessment, on Tuticorin plant assets having carrying value of ₹ 1,681 crore (including PPE, CWIP and inventory) using Depreciated Replacement Cost / Scrap Value method for PPE and CWIP, and Net recoverable method for inventory. Accordingly, impairment on assets of ₹ 746 crore (including PPE of ₹ 553 crore, CWIP of ₹ 130 crore and loss on inventory of ₹ 63 crore) has been recorded during the year ended 31 March 2024.

Property, plant and equipment of ₹ 432 crore (31 March 2023: ₹ 1,033 crore) and inventories of ₹ 217 crore (31 March 2023: ₹ 269 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, 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 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

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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 regularisation 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 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.

On 05 June 2023, MoEFCC revoked the FC Stage-I against which ESL has written a letter for reconsideration. Against the revocation, the State Govt of Jharkhand has also submitted its request letter to MoEFCC to reconsider its decision and grant some more time. Referring to the State's letter, MoEFCC has issued a letter dated 18 August 2023 to the Principal Secretary (Forest), Jharkhand to submit the compliance status report, which was submitted on 17 November 2023 with positive remarks. Next date of hearing is yet to be scheduled. 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.

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, and has committed reduction in emission by 25% by 2030 from 2021 baseline, net water positivity by 2030 as part of its climate risk 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.

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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) recoverable amounts of existing assets and (c) review of estimates of useful lives of property, plant and equipment.

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, fuel switch, electrification of vehicles and mining fleet and energy efficiency opportunities. During the current year, work has progressed towards the construction of renewable power delivery agreements in accordance with the Board approved plan (Refer note 40(A)(c)(iii)). 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 Group has also taken certain measures towards water management such as commissioning of sewage treatment plants, rainwater harvesting, and reducing fresh water consumption. Collectively these measures have led to an increase of our water positivity to 0.7 (FY23: 0.63). 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.

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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 Acquisitions, Restructuring and Disposal of Subsidiary

(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 approval by the National Company Law Tribunal ("NCLT"). ACPL is building a 1,200 MW (600 MW X 2) coal-based power plant located at Jhanjgir Champa district, Chhattisgarh.

The Company filed a resolution application with the NCLT in July 2022 and further amended the application in November 2022 praying for merger of ACPL with the Company. The Company also sought various reliefs from certain legal and regulatory provisions as part of these applications. Pending receipt of NCLT approval, the Group had recorded the above transaction as an acquisition of property, plant and equipment at the purchase consideration paid during the year ended 31 March 2023.

The NCLT approved the Company's resolution application with an appointed date of 21 July 2022 (""appointed date""), in its July 2023 order (""NCLT Order""), In accordance with applicable Ind AS, the Company has restated its financial results as at and for the year ended 31 March 2023 to record this merger.

The Scheme of merger as approved by the NCLT interalia prescribes the following accounting treatment in the standalone financials of the Company: the difference between the fair value at the appointed date and the carrying value of the assets recorded pursuant to the amalgamation at their book value arrived at without considering any impairment/ write-off, would be written off by debit to the Statement of Profit and Loss of the Company and credited to the carrying value of the assets. This would be a permanent write-off of the carrying value of the assets and not a provision for diminution in the value of the assets. The charge on account of write-off of the assets, as mentioned above, as recorded by the Company will be transferred from its Retained Earnings to its Capital Reserve and accordingly, the Capital Reserve will stand diminished by the said amount.

Pursuant to the NCLT Order, the Company has merged ACPL by carrying forward the book values of ACPL's assets of ₹ 8,698 crore (as appearing in ACPL's financial statements as at 31 March 2022, which were audited by ACPL's auditors) at the appointed date without considering any impairment, applying Appendix C of Ind AS 103 - Business Combinations, instead of recognising the assets at purchase consideration in accordance with Ind AS 16. The difference between the values of assets acquired and the consideration paid was credited to Other Equity (Capital Reserve). The Company has written off the consequent loss of ₹ 8,133 crore in the Statement of Profit and Loss for the year ended 31 March 2023, representing the difference between the book value of assets and consideration paid. The assets written off of ₹ 8,133 crore, excluding tax consequences thereof, has been transferred from 'Retained Earnings' to 'Capital Reserve', in accordance with the Scheme. The above is in accordance with the NCLT Order, overriding the applicable Ind AS requirements.

Consequent to the implementation of the merger, the carrying values of deferred tax assets (MAT credit) in the consolidated balance sheet as at 31 March 2023 was lower by ₹ 1,421 crore with a corresponding reduction in income tax liabilities by ₹ 979 crore and an increase in income tax assets by ₹ 442 crore, on account of the lower MAT charge. These restated balances of 31 March 2023 have been carried to FY 2023-24.

(B) Meenakshi Energy Limited

Meenakshi Energy Limited ("Meenakshi") is a 1,000 MW coal-based power plant located at Nellore, Andhra Pradesh. NCLT vide its order dated 10 August 2023 has granted its approval for the Resolution Plan as submitted by the Company for acquisition of Meenakshi under Corporate Insolvency Resolution Process in accordance with the provisions of Insolvency and Bankruptcy Code (IBC), 2016 for a total consideration of ₹ 1,440 crore.

Pursuant to the approval of Resolution Plan, the Company has made a payment of upfront consideration of ₹ 312 crore and and infused ₹ 1 crore through equity for the implementation of approved Resolution Plan. On 16 October 2023, zero coupon, secured, unlisted non-convertible debentures ("NCDs") of aggregate face value of ₹ 1,128 crore have been issued by Meenakshi to its financial creditors, redeemable in 5 equal annual instalments starting from 16 October 2025. Consequent to satisfaction of all conditions precedent of the Resolution Plan, the Company has acquired control of Meenakshi on 27 December 2023. The above acquisition meets the criterion of asset acquisition under Ind AS 103 - Business Combinations. Accordingly, fair value of the total consideration amounting to ₹ 1,080 crore has been allocated to the identified assets and liabilities acquired on the basis of their relative fair values.

(C) Scheme of Arrangement for demerger

The Board of Directors, in its meeting held on 29 September 2023, have approved a Scheme of Arrangement ("the Scheme") for demerger of various businesses of the Company. The Scheme entails demerger of the Company's Aluminium (represented by the Aluminium segment), Merchant Power (represented by the Power segment), Oil & Gas (represented by the Oil and Gas segment), Base Metals (represented by the Copper and Zinc International segment) and Iron Ore (represented by Iron Ore segment and Steel business) Undertakings, into 6 separate companies with a mirrored shareholding and consequent listings at BSE Limited and National Stock Exchange of India Limited ('the Stock Exchanges'). The Company has filed the Scheme with the Stock Exchanges. Upon receipt of necessary approvals from the Stock Exchanges, the Scheme will be filed with the NCLT. Pending regulatory and other approvals, no adjustments have been recorded in the financial statements of the Group for the year ended 31 March 2024.

(D) Disposal of subsidiary

During the year ended 31 March 2024, Monte Cello BV ("MCBV"), a wholly owned subsidiary of the Company, sold 100% of its equity ownership in its wholly owned subsidiary, Copper Mines of Tasmania ("CMT") which was previously engaged in copper mining operations in Australia. Consequently, upfront cash consideration of ₹ 84 crore (US$ 10 million) received by the Group and de-recognition of net liabilities of ₹ 94 crore (US$ 11 million) pertaining to CMT, has resulted in a total gain of ₹ 178 crore which has been included in other income in consolidated financial statements for the year ended 31 March 2024. Further, as part of the transaction, the acquirer shall pay the Group additional consideration in future upto US$ 310 million by way of fee/ royalties, on achieving certain pre-agreed milestones.

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 organised 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, semiconductor, display, 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 2024 and 31 March 2023 respectively.

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For the year ended 31 March 2024

(₹ in crore)

Particulars	Business Segments									
	Zinc India	Zinc International	Oil & Gas	Aluminium	Copper	Iron Ore	Power	Others	Eliminations	Total
Revenue										
External revenue (Refer note 36(a))	27,889	3,555	17,837	48,317	19,726	8,956	6,153	9,360	-	1,41,793
Inter segment revenue	36	1	-	54	4	113	-	720	(928)	-
Segment revenue	**27,925**	**3,556**	**17,837**	**48,371**	**19,730**	**9,069**	**6,153**	**10,080**	**(928)**	**1,41,793**
Results										
Segment results (EBITDA) [a]	**13,562**	**693**	**9,777**	**9,657**	**(69)**	**1,676**	**971**	**188**	**-**	**36,455**
Less: Depreciation, depletion and amortisation	3,486	456	2,388	2,638	251	195	652	657	-	10,723
Add: Other expenses, net of income [b,c]	183	-	(785)	95	10	8	11	1	-	(477)
Add: Other unallocable income, net of expenses										1,770
Less: Finance costs										9,465
Add: Net exceptional gain										2,803
Net profit before tax										**20,363**
Other information										
Segment assets	**22,594**	**7,957**	**28,028**	**68,400**	**3,439**	**5,716**	**15,209**	**10,736**		**1,62,079**
Financial assets investments										11,869
Deferred tax assets										2,689
Income tax assets										3,844
Cash and bank balances (including restricted cash and bank balances)										5,152
Others										5,174
Total assets										**1,90,807**
Segment liabilities	**7,353**	**2,099**	**14,671**	**25,322**	**5,398**	**3,486**	**837**	**3,805**		**62,971**
Deferred tax liabilities										10,152
Borrowing										71,758
Income tax liabilities (net of payments)										2,498
Others										1,359
Total liabilities										**1,48,738**
Capital expenditure [d]	3,530	2,139	3,217	7,773	104	621	1,364	1,355	-	20,118
Net (impairment)/ reversal relating to assets	-	(117)	1,179	(131)	(746)	-	-	-	-	185

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 ₹ 15 crore which is not allocable to any segment.

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(₹ 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	52,619	17,491	6,046	6,724	9,157	-	1,45,404
Inter segment revenue	-	-	-	43	-	457	-	88	(588)	-
Segment revenue	**33,120**	**5,209**	**15,038**	**52,662**	**17,491**	**6,503**	**6,724**	**9,245**	**(588)**	**1,45,404**
Results										
Segment results (EBITDA) [a]	17,474	1,934	7,782	5,775	(4)	988	913	379	-	35,241
Less: Depreciation, depletion and amortisation	3,290	487	2,577	2,528	194	146	651	682	-	10,555
Add: Other income, net of expenses [b,c]	161	-	(327)	90	2	8	13	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**	**65,528**	**5,104**	**5,375**	**15,205**	**10,977**	**-**	**1,56,368**
Financial assets investments										13,150
Deferred tax assets*										7,074
Income tax assets*										3,333
Cash and bank balances (including restricted cash and bank balances)										9,948
Others										5,504
Total assets										**1,95,377**
Segment liabilities	**6,399**	**1,076**	**14,985**	**26,706**	**5,249**	**2,597**	**2,069**	**3,694**	**-**	**62,775**
Deferred tax liabilities										5,922
Borrowing										66,182
Income tax liabilities (net of payments)*										622
Others										10,449
Total liabilities										**1,45,950**
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	-	(746)	644	-	109	-	771

** Restated, refer note 4(A).*

 # Pursuant to conversion of one of the 300 MW Captive Power Plant ("CPP") unit to Independent Power Plant ("IPP") with effect from 01 April 2023, and considering the usability of units interchangeably as IPP or CPP based on the annual declaration to Chief Electricity Inspector and the annual consumption criteria as per the Electricity Act, 2003 and the Electricity Rules, 2005, the Chief Operating Decision Maker ("CODM") has decided to review the operating results of aluminium and power segments together in a combined manner for one of its subsidiaries, Bharat Aluminium Company Limited ("BALCO"). Consequently, with effect from 01 April 2023, these have been reported as a single Operating Segment, i.e., "Aluminium Segment". Corresponding segment information for the year ended 31 March 2023 i.e., Segment revenue of ₹ 477 crore (including inter-segment revenue of ₹ 218 crore), Segment results of ₹ (62) crore, Depreciation, depletion and amortisation of ₹ 38 crore and Other income, net of expenses of ₹ 3 crore for the year ended 31 March 2023 and Segment assets of ₹ 1,290 crore and Segment liabilities of ₹ 270 crore as at 31 March 2023 have been restated in accordance with Ind AS 108 "Operating Segments".

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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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 2024	Year ended 31 March 2023
Revenue by geographical segment		
India	91,142	87,099
Europe	8,485	18,360
China	5,306	5,296
The United states of America	2,342	3,839
Mexico	1,562	4,619
Others	32,956	26,191
Total	**1,41,793**	**1,45,404**

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 2024	As at 31 March 2023*
Carrying amount of non-current assets		
India	1,20,302	1,12,079
South Africa	6,802	5,316
Namibia	661	888
Taiwan	1,161	1,041
Other	1,194	1,632
Total	**1,30,120**	**1,20,956**

** Restated, refer note 4(A).*

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 2024 and 31 March 2023.

D) Disaggregation of Revenue

Below table summarises the disaggregated revenue from contracts with customers

(₹ in crore)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Zinc metal	21,483	29,002
Lead metal	4,889	4,821
Silver metals and bars	5,503	4,577
Oil	14,873	12,448
Gas	2,885	2,807
Aluminium products	46,943	52,356
Copper products	19,328	17,070
Iron ore	5,400	2,328
Metallurgical coke	232	463
Pig iron	4,089	4,059
Power	4,574	5,288
Steel products	6,438	6,272
Ferro alloys	806	768
Others	5,070	3,725
Revenue from contracts with customers*	1,42,513	1,45,984
Revenue from contingent rents	1,423	1,543
Losses on provisionally priced contracts under Ind AS 109	(2,143)	(2,123)
Total revenue	**1,41,793**	**1,45,404**

**includes revenues from sale of services aggregating to ₹ 321 crore (31 March 2023: ₹ 326 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 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	83	96	1,791	576	-	9	19	86	232	2,892	11,950	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	**2,285**	**15,932**	**1,21,013**	**22,225**	**1,04,356**	**467**	**396**	**1,165**	**1,399**	**2,69,238**	**50,201**	**9,797**	**3,29,236**
Additions	129	198	1,794	386	-	8	15	53	774	3,357	14,412	1,195	18,964
CWIP written off (Refer note 36(b))	-	-	-	-	-	-	-	-	-	-	(131)	-	(131)
Transfers/ Reclassifications (i)	2	296	6,692	1,939	1,859	4	4	11	38	10,845	(10,829)	(162)	(146)
Disposals/ Adjustments	(13)	(21)	(2,018)	(548)	(269)	(10)	(15)	(26)	(15)	(2,935)	(3)	(52)	(2,990)
Exploration cost written off (Refer note 35)	-	-	-	-	-	-	-	-	-	-	-	(786)	(786)
Exchange differences	5	(55)	19	(219)	1,552	(7)	(3)	(5)	(11)	1,276	331	137	1,744
As at 31 March 2024	**2,408**	**16,350**	**1,27,500**	**23,783**	**1,07,498**	**462**	**397**	**1,198**	**2,185**	**2,81,781**	**53,981**	**10,129**	**3,45,891**
Accumulated depreciation, depletion, amortisation and impairment													
As at 01 April 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**
Charge for the year	8	528	6,156	2,139	1,294	34	37	106	195	10,497	-	-	10,497
Disposals/ Adjustments	(7)	(5)	(1,287)	(455)	-	(8)	(10)	(34)	(8)	(1,814)	45	-	(1,769)
Impairment charge/(reversal) for the year (Refer note 36)	18	165	33	-	(789)	1	1	-	27	(544)	233	(45)	(356)
Transfers/ Reclassifications (i)	-	(24)	23	-	33	-	-	-	-	32	-	(32)	-
Exchange differences	4	(25)	100	(91)	1,453	(4)	(2)	(5)	(5)	1,425	444	107	1,976
As at 31 March 2024	**386**	**8,696**	**57,155**	**15,555**	**1,01,086**	**367**	**200**	**1,118**	**503**	**1,85,066**	**33,650**	**7,571**	**2,26,287**
Net Book Value/Carrying Amount													
As at 01 April 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	1,922	7,875	68,883	8,263	5,261	123	222	114	1,105	93,768	17,273	2,256	1,13,297
As at 31 March 2024	**2,022**	**7,654**	**70,345**	**8,228**	**6,412**	**95**	**197**	**80**	**1,682**	**96,715**	**20,331**	**2,558**	**1,19,604**

(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 2022	1,035	65	76	1,176
Additions	187	1	44	232
Disposals/ Adjustments	(10)	-	-	(10)
Exchange differences	-	3	(2)	1
As at 31 March 2023	**1,212**	**69**	**118**	**1,399**
Additions	255	3	516	774
Transfers/ Reclassification	1	-	37	38
Disposals/ Adjustments	(13)	-	(2)	(15)
Exchange differences	(10)	-	(1)	(11)
As at 31 March 2024	**1,445**	**72**	**668**	**2,185**
Accumulated depreciation & impairment				
As at 01 April 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**
Charge for the year	42	16	137	195
Disposals/ Adjustments	(5)	(1)	(2)	(8)
Impairment charge for the year (note 36)	27	-	-	27
Exchange differences	(3)	(1)	(1)	(5)
As at 31 March 2024	**255**	**69**	**179**	**503**
Net Book Value				
As at 01 April 2022	884	24	52	960
As at 31 March 2023	1,018	14	73	1,105
As at 31 March 2024	**1,190**	**3**	**489**	**1,682**

(₹ 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 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**
Additions	11	260	112	-	-	383
Transfers/Reclassification	15	-	125	6	-	146
Disposals/ Adjustments	(9)	-	-	(1)	-	(10)
Exchange differences	-	-	-	-	(22)	(22)
As at 31 March 2024	**237**	**260**	**2,201**	**695**	**198**	**3,591**
Accumulated amortisation and impairment						
As at 01 April 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**
Charge for the year	23	36	141	26	21	247
Disposals/ Adjustments	(9)	-	1	-	-	(8)
Exchange differences	-	-	-	-	(14)	(14)
As at 31 March 2024	**196**	**36**	**721**	**271**	**119**	**1,343**
Net Book Value/Carrying Amount						
As at 01 April 2022	38	113	730	465	130	1,476
As at 31 March 2023	38	-	1,385	445	108	1,976
As at 31 March 2024	**41**	**224**	**1,480**	**424**	**79**	**2,248**

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6 Capital Work in Progress (CWIP) ageing schedule

(₹ in crore)

Particulars	As at 31 March 2024		As at 31 March 2023	
	Projects in progress	Projects temporarily suspended	Projects in progress	Projects temporarily suspended
Less than 1 year	11,527	-	8,513	7
1-2 years	4,008	-	1,878	2
2-3 years	628	-	534	5
More than 3 years	3,645	523	5,690	644
Total	**19,808**	**523**	**16,615**	**658**

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 2024				As at 31 March 2023			
	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	4,729	-	-	-	6,666	21	-	-
Oil & Gas development CWIP projects	1,474	-	-	-	330	135	-	-
Others*	2,822	-	-	-	2,576	-	-	-
Projects temporarily suspended**	11	-	-	371	11	-	-	371

** Includes projects which are individually less than 10% of CWIP balance.*

*** Excludes ageing for existing Copper smelter plant and Copper 4 LTPA Expansion project which were on halt since April 2018. On 29 February 2024, the Hon'ble Supreme Court dismissed the Special Leave Petition filed by the Group. Basis detailed impairment analysis carried out by the management, CWIP balance has been impaired during the year ended 31 March 2024. Post impairment, the carrying amount of CWIP as at 31 March 2024 is ₹ 38 Crore (31 March 2023: 237 Crore) for existing Copper smelter plant and ₹ 104 Crore (31 March 2023: ₹ 35 Crore) for Copper 4 LTPA Expansion project. Refer Note 3(c)(A)(iii).*

Exploration intangible assets under development ageing schedule

(₹ in crore)

Intangible assets under development	As at 31 March 2024	As at 31 March 2023
	Projects in progress	Projects in progress
Less than 1 year	484	729
1-2 years	510	577
2-3 years	557	536
More than 3 years	1,007	414
Total	**2,558**	**2,256**

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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 2024	Gross block as at 31 March 2023	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	3,622	3,524	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.
	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 2024, interest capitalised was ₹ 960 crore (31 March 2023: ₹ 483 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.

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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 ₹ 11,568 crore (31 March 2023: ₹ 10,534 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-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 ₹ 1 crore (31 March 2023: ₹ 11 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	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation/Depletion/Amortisation expense on:		
Property, Plant and Equipment	10,497	10,356
Intangible assets	247	241
As per Property, Plant and Equipment and Intangibles schedule	**10,744**	**10,597**
Less: Cost allocated to joint ventures and other adjustments	(21)	(42)
As per Consolidated Statement of Profit and Loss	**10,723**	**10,555**

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 2024 and 31 March 2023.

j) As at 31 March 2024, TSPL's assets consisting of land (including ROU land), building and plant and machinery having net carrying value of ₹ 391 crore (31 March 2023: ₹ 399 crore), ₹ 138 crore (31 March 2023: ₹ 153 crore) and ₹ 7,327 crore (31 March 2023: ₹ 8,228 crore) respectively have been given on operating lease (refer note 3(c)(B)(i)).

k) Consequent to the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 ("the Rules"), during the previous year, HZL had transferred its CSR assets, having carrying value of ₹ 117 Crore, after obtaining regulatory approvals, to a company registered under Section 8 of the Companies Act, 2013. The carrying value of these assets was 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 had recognised 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 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) was 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 had adjusted the claims received in the favour of the Group against the liability towards ONGC and the net payable as of 31 March 2023 amounted to ₹ 279 crore (US$ 34 million).

m) Freehold land includes gross block of ₹ 176 crore (31 March 2023: ₹ 175 crores), accumulated depreciation ₹ 160 crore (31 March 2023: ₹ 154 crores), which is available for use during the lifetime of the Production Sharing Contract of the respective Oil and Gas blocks.

n) The Group holds approximately 52% stake in AvanStrate Inc, Japan ("ASI") which has wholly owned subsidiaries in Korea and Taiwan. Majority of the balance stake in ASI is held by Hoya Corporation, Japan ("Hoya"). There are certain operational matters at ASI and the Group is currently in dialogue with Hoya for a commercial settlement against their Put option and shareholder loan. In the meanwhile, the Group has applied principles of Ind AS 36– Impairment of Assets for testing impairment for its investment in ASI and has used the fair values of net assets for the purpose of determining that there is no material impact to the net carrying value of property, plant and equipment and intangibles amounting to ₹ 1,146 crore.

7 Financial assets - Investments

A) Non-current Investments

(₹ in crore)

	Particulars	As at 31 March 2024	As at 31 March 2023
(I)	**Investments at fair value through other comprehensive income**		
	Investment in Equity Shares - quoted		
	Sterlite Technologies Limited- 47,64,295 shares of ₹ 2 each (31 March 2023: 47,64,295 shares of ₹ 2 each)	53	70
	Investment in Equity Shares - unquoted		
	Sterlite Power Transmission Limited - 19,05,718 equity shares of ₹ 2 each (31 March 2023: 19,05,718 equity shares of ₹ 2 each)	11	11

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(₹ in crore)

	Particulars	As at 31 March 2024	As at 31 March 2023
	Investment in Equity Shares - unquoted		
	Serentica Renewables India 4 Private Limited- 5,60,00,000 Equity shares of class B of ₹ 10 each (31 March 2023: Nil) (Refer Note 40(A)(c)(iii))*	56	-
	Serentica Renewables India 5 Private Limited- 3,30,00,000 Equity shares of class B of ₹ 10 each (31 March 2023: Nil) (Refer Note 40(A)(c)(iii))*	33	-
	Investment in Bonds - quoted	169	153
(II)	**Investments at fair value through profit and loss**		
	Investment in Bonds - quoted		
	Infrastructure Leasing & Financial Services Limited	22	30
	Investment in Optionally Convertible Redeemable Preference Shares ("OCRPS") - unquoted		
	Serentica Renewables India 1 Private Limited- 7,50,00,000 shares of ₹ 10 each (31 March 2023: 7,50,00,000 shares of ₹ 10 each) (Refer Note 40(A)(c)(iii))	75	75
	Serentica Renewables India 3 Private Limited- 13,99,80,000 shares of ₹ 10 each (31 March 2023: 6,90,00,000 shares of ₹ 10 each) (Refer Note 40(A)(c)(iii))	140	69
	Serentica Renewables India 4 Private Limited- 22,40,00,000 shares of ₹ 10 each (31 March 2023: 10,50,00,000 shares of ₹ 10 each) (Refer Note 40(A)(c)(iii))	224	105
	Serentica Renewables India 5 Private Limited- 9,82,50,000 shares of ₹ 10 each (31 March 2023: Nil) (Refer Note 40(A)(c)(iii))	98	-
	Serentica Renewables India 7 Private Limited- 4,03,20,000 shares of ₹ 10 each (31 March 2023: Nil) (Refer Note 40(A)(c)(iii))	40	-
	Serentica Renewables India 8 Private Limited- 3,30,00,000 shares of ₹ 10 each (31 March 2023: Nil) (Refer Note 40(A)(c)(iii))	33	-
	Serentica Renewables India 9 Private Limited- 3,00,00,000 shares of ₹ 10 each (31 March 2023: Nil) (Refer Note 40(A)(c)(iii))	30	-
(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 2023: 14,23,000 equity shares of ₹ 10 each)	1	1
	RoshSkor Township (Proprietary) Limited - 50 equity shares of NAD 1 each (31 March 2023: 50 equity shares of NAD 1 each)	2	0
	Madanpur South Coal Company Limited - 1,14,421 equity shares of ₹ 10 each (31 March 2023: 1,14,421 equity shares of ₹ 10 each)	2	2
	Goa Maritime Private Limited - 5,000 equity shares of ₹ 10 each (31 March 2023: 5,000 equity shares of ₹ 10 each)	0	0
	Rosh Pinah Health Care (Proprietary) Limited- 69 equity shares of NAD 1 each (31 March 2023: 69 equity shares of NAD 1 each)	0	0
	Less: Impairment in the value of investment	(2)	(2)
(IV)	**Others**	0	0
	Total	**987**	**514**
	Aggregate amount of quoted investments, and market value thereof	244	253
	Aggregate amount of unquoted investments	745	263
	Aggregate amount of impairment in the value of investments	(2)	(2)
	Total	**987**	**514**

** OCRPS worth of ₹ 56 crore and ₹ 33 crore are converted into equity shares with differential voting rights of Serentica Renewables India 4 Private Limited ("SRI4PL") and Serentica Renewables India 5 Private Limited ("SRI5PL"), respectively as per terms of the Power Delivery Agreement ("PDA"). Accordingly, these shares have been reclassified from Investments at fair value through profit and loss to Investments at fair value through other comprehensive income. The Group has pledged all of its investments in SRI4PL for financing the project as per the terms of the PDA.*

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B) Current Investments

(₹ in crore)

Particulars	As at 31 March 2024	As at 31 March 2023
Investments carried at fair value through other comprehensive income (fully paid)		
Investment in Bonds - quoted**	4,427	4,239
Investments carried at fair value through profit and loss (fully paid)		
Investment in mutual funds - unquoted	2,659	4,563
Investment in bonds - quoted	3,796	3,834
Total	**10,882**	**12,636**

*** Includes investments amounting to ₹ 2,033 crore (31 March 2023: ₹ 1,812 crore) 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 2024	As at 31 March 2023
Aggregate amount of quoted investments, and market value thereof	8,223	8,073
Aggregate amount of unquoted investments	2,659	4,563
Total	**10,882**	**12,636**

8 Financial assets - Trade receivables

(₹ in crore)

Particulars	As at 31 March 2024			As at 31 March 2023		
	Non-current	Current	Total	Non-current	Current	Total
Secured, Undisputed						
Not due	-	356	356	-	319	319
Less than 6 months	-	276	276	-	292	292
6 months -1 year	-	4	4	-	6	6
1-2 Years	-	2	2	-	-	-
2-3 years	-	-	-	-	-	-
More than 3 years	-	-	-	-	3	3
sub-total	**-**	**638**	**638**	**-**	**620**	**620**
Unsecured, disputed						
Unbilled dues	-	-	-	34	-	34
Not due	27	-	27	26	-	26
Less than 6 months	229	3	232	189	14	203
6 months -1 year	126	-	126	241	-	241
1-2 Years	321	-	321	441	-	441
2-3 years	392	1	393	389	-	389
More than 3 years	2,393	9	2,402	2,585	7	2,592
sub-total	**3,488**	**13**	**3,501**	**3,905**	**21**	**3,926**
Unsecured, Undisputed						
Unbilled dues	-	96	96	-	98	98
Not due	-	1,654	1,654	-	2,242	2,242
Less than 6 months	-	1,201	1,201	-	1,007	1,007
6 months -1 year	-	6	6	-	17	17
1-2 Years	-	14	14	-	23	23
2-3 years	-	2	2	-	4	4
More than 3 years	-	(1)	(1)	-	5	5
sub-total	**-**	**2,972**	**2,972**	**-**	**3,396**	**3,396**
Less: Provision for expected credit loss	(1,079)	(16)	(1,095)	(1,373)	(23)	(1,396)
Total	**2,409**	**3,607**	**6,016**	**2,532**	**4,014**	**6,546**

a) *The credit period given to customers is up to 180 days (31 March 2023: 180 days). Also refer note 24 (C)(d)*

b) *Trade receivables does not include any receivables from directors and officers of the company. For amount due and terms and conditions of related party receivables, refer note 42.*

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c) *In a matter pertaining to mega power project benefit 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 ₹ 1,620 crore as at 31 March 2024 (31 March 2023: ₹ 1,476 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 ₹ 726 crore (net of Provision for expected credit loss ("ECL") recognised on account of time value of money) as at 31 March 2024 (31 March 2023: ₹ 878 crore, net of ECL) 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, ₹ 365 crore, net of ECL (31 March 2023: ₹ 374 crore, net of ECL) 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 (31 March 2023: ₹ 234 crore, net of ECL) 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 2022 were ₹ 7,947 crore (net of provision for expected credit loss).*

9 Financial assets - Loans

(₹ in crore)

Particulars	As at 31 March 2024			As at 31 March 2023		
	Non-current	Current	Total	Non-current	Current	Total
Unsecured, considered good						
Loans to related parties (Refer note 42)	5	3,361	3,366	9	3,749	3,758
Loans and advances to employees	0	3	3	1	11	12
Unsecured, considered credit impaired						
Loans to related parties (Refer note 42)	-	88	88	-	87	87
Less: Provision for expected credit loss	-	(88)	(88)	-	(87)	(87)
Total	**5**	**3,364**	**3,369**	**10**	**3,760**	**3,770**

10 Financial assets - Others

(₹ in crore)

Particulars	As at 31 March 2024			As at 31 March 2023		
	Non-current	Current	Total	Non-current	Current	Total
Bank deposits [a, b, c]	811	-	811	688	-	688
Site Restoration asset [c]	1,426	-	1,426	1,228	-	1,228
Unsecured, considered good						
Receivables from related parties (Refer note 42)	-	10	10	-	18	18
Security deposits	415	57	472	345	57	402
Others						
Advance recoverable (oil and gas business)	-	7,791	7,791	-	7,622	7,622
Others [d]	18	4,899	4,917	1,523	171	1,694
Unsecured, considered credit impaired						
Security deposits	43	1	44	43	1	44
Balance with government authorities	-	3	3	-	3	3
Others [d]	352	697	1,049	584	241	825
Less: Provision for expected credit loss	(395)	(701)	(1,096)	(627)	(245)	(872)
Total	**2,670**	**12,757**	**15,427**	**3,784**	**7,868**	**11,652**

a) *Bank deposits includes fixed deposit with maturity more than twelve months of ₹ 300 crore (31 March 2023: ₹ 208 crore) under lien with bank, ₹ 207 crore (31 March 2023: ₹ 208 crore) reserve created against principal payment on loans from banks, restricted funds of ₹ 202 crore (31 March 2023: ₹ 146 crore) held as interest reserve created against interest payment on loans from banks and margin money of ₹ 0 crore (31 March 2023: ₹ 39 crore).*

b) *Restricted funds of ₹ 9 crore (31 March 2023: ₹ 7 crore) held as lien with Others, ₹ 68 crore (31 March 2023: ₹ 58 crore) held as margin money against bank guarantees and ₹ 2 crore (31 March 2023: ₹ 2 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.*

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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. During the year, the Arbitration Tribunal has issued Final Partial Award which allowed for recovery of exploration costs (refer note 36(a)). Accordingly Group has recognized additional ₹ 480 Crore (US$ 58 million). At year end, an amount of ₹ 2,229 Crore (US$ 267 million) (31 March 2023: ₹ 1,718 Crore (US$ 209 million)) is receivable from its joint operation partner on account of this. The Group is actively engaging with Joint operation partner and the same will be recovered through revenue in due course.*

11 Other assets

(₹ in crore)

Particulars	As at 31 March 2024			As at 31 March 2023		
	Non-current	Current	Total	Non-current	Current	Total
Unsecured, considered good						
Capital advances	2,519	-	2,519	1,747	-	1,747
Advances other than capital advances						
Advances for supplies to related party (Refer note 42)	81	239	320	25	1,663	1,688
Advances for supplies	60	1,554	1,614	40	2,128	2,168
Others						
Balance with government authorities [a]	923	1,288	2,211	809	1,525	2,334
Others [b]	889	689	1,578	985	1,177	2,162
Unsecured, considered doubtful						
Capital advances	178	-	178	188	-	188
Advance for supplies	-	78	78	-	76	76
Balance with government authorities	4	107	111	3	109	112
Claims and other receivables						
Others [b]	758	6	764	1,068	4	1,072
Less: Provision for doubtful advances	(940)	(191)	(1,131)	(1,259)	(189)	(1,448)
Total	**4,472**	**3,770**	**8,242**	**3,606**	**6,493**	**10,099**

aa) *Includes ₹ 66 crore (31 March 2023: ₹ 66 crore), being Company's share of gross amount of ₹ 97 crore (31 March 2023: ₹ 97 crore) paid under rotest 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 2024	As at 31 March 2023
Raw materials	2,312	2,864
Goods-in transit	1,615	2,239
Work-in-progress	4,666	5,081
Goods-in transit	-	-
Finished good	954	1,028
Goods-in transit	9	-
Fuel stock	1,253	1,598
Goods-in transit	214	241
Stores and spares	1,914	1,915
Goods-in transit	64	46
Total	**13,001**	**15,012**

a) *Inventory held at net realisable value of ₹ 1,830 crore as at 31 March 2024 (31 March 2023: ₹ 2,051 crore).*

b) *A write down of inventories amounting to ₹ 167 crore (31 March 2023: ₹ 113 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)(K).*

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13 Cash and cash equivalents

(₹ in crore)

Particulars	As at 31 March 2024	As at 31 March 2023
Balances with banks [a]	2,682	6,078
Bank deposits with original maturity of less than 3 months (including interest accrued thereon) [b]	129	848
Cash on hand	1	0
Total	**2,812**	**6,926**

a) *Including foreign inward remittances aggregating ₹ 15 crore (US$ 2 million) (31 March 2023: ₹ 325 crore (US$ 40 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 2024	As at 31 March 2023
Bank deposits with original maturity of more than 3 months but less than 12 months (including interest accrued thereon) [a,b,c]	1,265	859
Bank deposits with original maturity of more than 12 months (including interest accrued thereon) [c,d]	90	0
Earmarked unpaid dividend accounts [e,f]	158	1,467
Earmarked escrow account [g]	2	2
Total	**1,515**	**2,328**

a) *The above bank deposits includes ₹ 49 crore (31 March 2023: ₹ 97 crore) on lien with banks, margin money of ₹ 82 crore (31 March 2023: ₹ 41 crore).*

b) *₹ 42 crore (31 March 2023: ₹ 42 crore) held as collateral in respect of closure costs, ₹ 23 crore (31 March 2023: ₹ 22 crore) held as lien with Others and ₹ 258 crore (31 March 2023: ₹ 63 crore) held as margin money against bank guarantees.*

c) *Bank deposits earn interest at fixed rate based on respective deposit rates.*

d) *Includes ₹ 38 crore (31 March 2023: ₹ 0 crore) margin money with banks and fixed deposit under lien with others of ₹ 0 crore (31 March 2023: ₹ 0 crore).*

e) *'Includes ₹ 158 crore (31 March 2023: ₹ 1,322 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 2024		As at 31 March 2023	
	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 2,98,632 (31 March 2023: 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 78,66,397 (31 March 2023: 40,05,075) 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 2024		As at 31 March 2023	
	No. of Shares held (in crore)	% of holding	No. of Shares held (in crore)	% of holding
Twin Star Holdings Limited	156.48	42.10	172.48	46.40
Finsider International Company Limited	9.79	2.63	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	0.15	0.04	0.50	0.13
Total	**230.25**	**61.95**	**253.16**	**68.11**

** 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 Vedanta Incorporated (erstwhile, 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 2024		As at 31 March 2023	
	No. of Shares held (in crore)	% of holding	No. of Shares held (in crore)	% of holding
Twin Star Holdings Limited	156.48	42.10	172.48	46.40
Vedanta Holdings Mauritius II Limited	49.28	13.26	49.28	13.26
Life Insurance Corporation of India	32.79	8.82	33.54	9.02

** 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 2024			As at 31 March 2023	
	No. of Shares held (in crore)	% of holding	% Change during the year	No. of Shares held (in crore)	% of holding
Twin Star Holdings Limited	156.48	42.10	(4.30)	172.48	46.40
Finsider International Company Limited	9.79	2.63	(1.77)	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	0.15	0.04	(0.09)	0.50	0.13
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	**230.26**	**61.95**	**(6.16)**	**253.17**	**68.11**

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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 2002-03 reduced its paid up share capital by ₹ 10 crore. There are 1,99,366 equity shares (31 March 2023: 2,00,038 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 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, 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 reorganisation 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) **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.

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(c) **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.

(d) **Securities premium:** The amount received in excess of nominal value of the equity shares is recognised in securities premium. This reserve is utilised in accordance with the specific provisions of the Act.

(e) **Foreign currency translation reserve:** 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.

(f) **Equity settled share based payment reserve:** Share-based payments reserve represents amount of fair value, as on the date of grant, of unvested options and vested options not exercised till date, that have been recognised as expense in the statement of profit and loss till date.

(g) Legal reserve is created at Fujairah Gold FZC in accordance with free zone regulations.

(h) Treasury share represents 78,66,397 (31 March 2023: 40,05,075) 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.

(i) **Hedging reserve:** Hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of hedging instruments entered into for cash flow hedges, which is recognised in OCI and later reclassified to 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.

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 2024, 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 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.

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 summarised 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 2024			
	HZL	BALCO	Others	Total
Non-current assets	21,714	15,763	17,230	54,707
Current assets	12,628	2,221	2,974	17,823
Non-current liabilities	8,020	4,131	4,572	16,723
Current liabilities	10,840	3,980	8,049	22,869
Equity attributable to owners of the Group	10,052	5,035	6,890	21,977
Non-controlling interests [a]	5,430	4,838	1,079	11,347

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(a) ₹ 386 crore loss attributable to NCI of ASI transferred to put option liability. Refer note 22.

(₹ 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.

(₹ in crore)

Particulars	For the year ended 31 March 2024			
	HZL	BALCO	Others	Total
Total Income	30,009	13,563	13,917	57,489
Profit/ (loss) after tax for the year	7,726	1,309	(940)	8,095
Profit/ (loss) attributable to the equity shareholders of the Company	5,016	667	(888)	4,795
Profit/ (loss) attributable to the non-controlling interests	2,710	642	(52)	3,300
Other comprehensive loss during the year	(3)	(12)	(86)	(101)
Other comprehensive loss attributable to the equity shareholders of the Company	(2)	(6)	(84)	(92)
Other comprehensive loss attributable to non-controlling interests	(1)	(6)	(2)	(9)
Total comprehensive income/ (loss) during the year	7,723	1,297	(1,026)	7,994
Total comprehensive income/ (loss) attributable to the equity shareholders of the Company	5,014	661	(972)	4,703
Total comprehensive income/ (loss) attributable to non-controlling interests	2,709	636	(54)	3,291
Dividends paid to non-controlling interests	1,928	-	-	1,928
Net cash inflow from operating activities	13,346	1,603	2,902	17,851
Net cash outflow from investing activities	(3,408)	(2,262)	(2,096)	(7,766)
Net cash outflow/ (inflow) from financing activities	(9,944)	632	(947)	(10,259)
Net cash outflow	(6)	(27)	(141)	(174)

(₹ 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 after tax for the year	10,479	(64)	941	11,356
Profit attributable to the equity shareholders of the Company	6,803	(33)	657	7,427
Profit attributable to the non-controlling interests	3,676	(31)	284	3,929
Other comprehensive (loss)/ income during the year	40	33	(381)	(308)
Other comprehensive (loss)/ income attributable to the equity shareholders of the Company	27	17	(286)	(242)
Other comprehensive (loss)/ income attributable to non-controlling interests	13	16	(95)	(66)
Total comprehensive income during the year	10,519	(31)	560	11,048

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(₹ in crore)

Particulars	For the year ended 31 March 2023			
	HZL	BALCO	Others	Total
Total comprehensive income attributable to the equity shareholders of the Company	6,830	(16)	371	7,185
Total comprehensive income 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)

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, bank and other current and non-current investments. Equity comprises all components including other comprehensive income.

The following table summarises the capital of the Group:

(₹ in crore except otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
Cash and cash equivalents (Refer note 13)	2,812	6,926
Other bank balances [a] (including interest accrued) (Refer note 14)	1,030	732
Non-current Bank deposits [a] (Refer note 10)	531	475
Long term investments (Refer note 7A)	169	153
Short term investments (Refer note 7B)	10,882	12,636
Total cash (a)	**15,424**	**20,922**
Non-current borrowings (Note 19A)	50,633	43,476
Current borrowings (Note 19B)	21,125	22,706
Total borrowings (b)	**71,758**	**66,182**
Net debt (c=(b-a))	**56,334**	**45,260**
Total equity (d)	42,069	49,427
Total capital (e = equity + net debt)	**98,403**	**94,687**
Gearing ratio (times) (c/e)	0.57	0.48

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 ₹ 765 crore (31 March 2023: ₹ 1,809 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 2024	As at 31 March 2023
At amortised cost		
Secured		
Non convertible debentures	13,402	7,138
Term loans from banks		
- Rupee term loans	34,165	34,398
- Foreign currency term loans	1,917	2,662
- External commercial borrowings	2,917	3,261
Term loans from others	7,433	-
Others	440	494
Unsecured		
Non convertible debentures	-	2,911
Deferred sales tax liability	12	28
Non convertible bonds	31	31
Term loans from banks		
- Rupee term loans	7,168	2,795
- Foreign currency term loans	-	4
Redeemable preference shares	2	2
Term loans from others	7	-
Non-current Borrowings	67,494	53,724
Less: Current maturities of long term borrowings [a]	(16,861)	(10,248)
Total non-current Borrowings (Net) (A)	**50,633**	**43,476**
Current Borrowings (Refer note 19B) (B)	**21,125**	**22,706**
Total Borrowings (A+B)	**71,758**	**66,182**

B) Current borrowings

(₹ in crore)

Particulars	As at 31 March 2024	As at 31 March 2023
At amortised cost		
Secured		
Non Convertible Debentures	1,600	-
Working capital loan	489	208
Packing credit in foreign currencies from banks	-	300
Term loans from banks	1,856	1,857
Amounts due on factoring	29	22
Bank Overdraft	9	-
Current maturities of long term borrowings [a]	13,925	6,247
Unsecured		
Rupee term loans from banks	58	3,002
Loans repayable on demand from banks	21	2,255
Commercial paper	-	4,714
Working capital loan	202	100
Current maturities of long term borrowings [a]	2,936	4,001
Total	**21,125**	**22,706**

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a) Current maturities of long term borrowings consists of:

(₹ in crore)

Particulars	As at 31 March 2024	As at 31 March 2023
Secured		
Non convertible debentures	3,367	51
Term loans from banks		
- Rupee term loans	9,099	5,287
- Foreign currency term loans	157	27
External commercial borrowings	859	385
Others	443	497
Unsecured		
Non convertible debentures	-	2,911
Term loans from banks	2,923	1,070
Deferred sales tax liability	11	18
Redeemable preference shares	2	2
Grand total	**16,861**	**10,248**

b) Details of Non-convertible debentures issued by Group have been provided below (Carrying value)

(₹ in crore)

Particulars	As at 31 March 2024	As at 31 March 2023
8.74% due June 2032	4,089	4,089
9.20% due February 2030	2,000	2,000
0.00% due October-2025 (refer note 4B)	776	-
12.00% due June 2025	3,170	-
12.00% due March 2025	2,368	-
7.68% due December 2024	999	998
11.85% due May 2024	1,600	-
3m T-bill rate + 240 bp due March 2024*	-	800
0.00% NCD's due March 2024	-	51
5.35% due September 2023	-	2,111
Total	**15,002**	**10,049**

** The 3-month Treasury bill rate as at 31 March 2023 was 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 2024	As at 31 March 2023
Secured non-current borrowings	46,349	41,706
Secured current borrowings	17,908	8,634
Total	**64,257**	**50,340**

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(₹ in crore)

Facility Category	Security details	As at 31 March 2024	As at 31 March 2023
Working capital loans*	First pari pasu charge on current assets of FACOR	29	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	434	110
	First ranking pari passu charge by deed of Hypothecation on March 28, 2023 in favour of Vistra ITCL (India) Limited, security trustees	64	-
	Other secured working capital loans	-	399
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) 2400 MW Power plant (1800 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.	1,094	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	1,823	2,037
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 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	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
	Secured by :- (i) first ranking pari passu charge, by way of hypothecation, over the movable fixed assets of the Company to be more particularly set out in the deed of hypothecation; (ii) first ranking exclusive charge, by way of hypothecation, over certain charged receivables and designated cash account to be more particularly set out in the deed of hypothecation; and (iii) a pledge over shares constituting 100 per cent of the share capital of Sesa Iron and Steel Limited and (iv) any other security as may be agreed between the Company and the Trustee	3,170	-

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(₹ in crore)

Facility Category	Security details	As at 31 March 2024	As at 31 March 2023
Non Convertable Debentures	Secured by (i) 1.6 MTPA aluminium smelter plant along with 1,215 MW (9*135 MW) captive power plant in Jharsuguda, Odisha; (ii) 6 MTPA Alumina refinery along with 90 MW co-generation captive power plant (operating capacity) in Lanjigarh, Odisha; (iii) 2,400 MW power plant (1,800 MW CPP and 600 MW IPP) located at Jharsuguda, Odisha; (iv) Copper plant assets at Silvasa including 245,000 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; (v) Oil & gas division comprising of RJ-ON-90/i Oil & Gas Block (Rajasthan); Cambay oil fields and Ravva oil & gas Fields (under PKGM-1 block); OALP blocks; (vi) all assets, business and undertaking of every kind (tangible movable assets constituting fixed assets) of the company related to exploration, mining, processing, and manufacturing of iron ore and its derivatives in Karnataka and Goa. These assets include pig iron plants, metallurgical coke plants, and power plants in Goa; (vii) a pledge over shares constituting 100 per cent of the share capital of Sesa Iron and Steel Limited.	2,368	-
	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	999	998
	Secured by first pari-passu charge on all existing fixed assets of the Meenakshi Energy Limited as on the last available audited accounts of the Closing Date, as more particularly set out in, and pursuant to the terms of, the Security Documents (hereinafter referred to as the "Security", with each asset (which shall also include each of the Sale Deeds that may be executed by the Issuer in relation to the relevant Agreement to Sell Assets and the Patta Land). The Security specified above, shall be created as a first ranking security ranking pari passu amongst: (i) the Debenture Holders, to secure the due repayment of the Outstanding Amounts; and (ii) the Persons who have provided/shall provide any Additional Financial Indebtedness, to secure such Additional Financial Indebtedness.	776	-
	Secured by (i) Pledge of shares of Sesa Resources Limited held by the Company (ii) Corporate Guarantee from the Company backed by asset security (movable fixed asset of the Company and certain intangible assets); and (iii) Movable fixed assets of Sesa Resources Limited	1,600	-
	Other secured Non Covertible Debentures	-	52
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	5,616	6,168
	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 (9*135) 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.	1,433	1,605

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(₹ in crore)

Facility Category	Security details	As at 31 March 2024	As at 31 March 2023
Term loans from banks (Includes rupee term loans and foreign currency term loans)	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.	310	359
	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	2,765	3,394
	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.	4,924	5,873
	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 (9*135) MW CPP at Jharsuguda, Orissa and additional charge on Lanjigarh Expansion project, both present and future.	468	780
	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)]	6,387	7,221
	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	1,835	2,662
	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 (9*135) MW CPP at Jharsuguda, Orissa.	942	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.	2,050	831
	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.	1,842	2,273
	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 co-generation 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 (9*135) MW power plant in Jharsuguda, Odisha (iii) 2,400 MW power plant (1,800 MW CPP and 600 MW IPP) located as Jharsuguda, Odisha	374	473

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(₹ in crore)

Facility Category	Security details	As at 31 March 2024	As at 31 March 2023
Term loans from banks (Includes rupee term loans and foreign currency term loans)	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.	985	1,191
	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 currency of the facility comprising of - (i) 6 MTPA alumina refinery along with 90 MW co-generation captive power plant (operating capacity) in Lanjigarh, Odisha. (ii) 1.6 MTPA aluminium smelter plant along with 1215 MW (9*135 MW) captive power plant in Jharsuguda, Odisha. (iii) 2,400 MW Power Plant (1800 MW CPP and 600 MW IPP) located at Jharsuguda, Odisha. (iv) Oil & Gas division comprising of RJ-ON-90/1 Oil & Gas Block (Rajasthan), Cambay Oil Fields, Ravva Oil & Gas Fields (under PKGM-1 block) and OALP blocks.	848	-
	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	728	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 (captive power plant) at Jharsuguda and (ii) 1 MTPA alumina refinery along with CPP of 90 MW (captive power plant) at Lanjigarh, Odisha	470	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	814	927
	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	423	683
	Secured by tax free perpetual bonds**	1,504	1,505
	Secondary charge by way of hypothecation on all present and future movable assets of the company comprising of - (i) Aluminium business of the Company at its Jharsuguda Plant and Lanjigarh Plant; (ii) 2400 MW power plant of the Company at Jharsuguda; (iii) Copper Plant of the Company at Silvasa; (iv) Iron ore business of the Company in the state of Goa; and (v) Oil & Gas business of the Company in the states of Rajasthan, Gujarat, Andhra Pradesh and OALP blocks. Pledge of shares of HZL held by company with a minimum coverage of 2.29X of the outstanding loan value	1,091	-

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(₹ in crore)

Facility Category	Security details	As at 31 March 2024	As at 31 March 2023
	Exclusive charge by way of hypothecation on all present and future movable assets of the company comprising of - (i) 400 KTPA Copper Smelter Plant along with 246 KTPA Refinery and Ancillary Plants including 96 KTPA Copper Rod Plant, 1300 KTPA Sulphuric Acid plant and 230 KTPA Phosphoric Acid Plant at Tuticorin; (ii) 160 MW Thermal Power Plant (TPP) at Tuticorin. Pledge of shares of HZL held by company with a minimum coverage of 2.2X of the outstanding loan value.	1,494	-
	Secured by first pari pasu charge on all bank accounts, insurance policies and trade receivables of Black Mountain Mining (Pty) Ltd by way of a deed of hypothecation.	435	-
	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 (9*135) 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)	200	250
	Other secured term loans from banks	-	352
Term Loan from others	Secured by: (i) Exclusive pledge on 3.3% of Hindustan Zinc Limited ("HZL") shares; (ii) 100% share pledge of THL Zinc Ventures Limited, THL Zinc Limited, THL Zinc Holding BV and THL Zinc Namibia Holdings (Pty) Limited; (iii) 100% share pledge of Zinc holding in Black Mountain Mining (Pty) Ltd.	7,433	-
Others	Secured by Fixed asset (platinum) of AvanStrate Inc	440	493
Total		**64,257**	**50,340**

** Includes loans repayable on demand from banks, export packing credit from banks and amounts due on factoring.*

*** Repurchase liability as on 31 March 2024 are secured by current investments amounting to ₹ 2,033 crore and are repayable in 365 days (31 March 2023: 102 to 109 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. Also, refer note 2.

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.

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e) Term of repayment of total borrowings outstanding as at 31 March 2024 are provided below -

(₹ in crore)

Borrowings	Weighted average of interest as at 31 March 2024	Total carrying value	<1 year	1-3 years	3-5 years	>5 years	Remarks
Foreign currency term loan	11.58%	11,206	2,013	8,456	824	-	Repayable in 6 monthly, 16 quarterly, 1 half yearly, 6 annual installments and 1 bullet payment
Rupee term loan	10.19%	41,391	12,126	18,476	7,100	3,805	Repayable in 288 monthly, 437 quarterly, 2 half yearly, 16 annual installments and 3 bullet payments
External commercial borrowings	8.16%	2,917	867	1,717	350	-	Repayable in 30 half yearly installments
Non convertible debentures	11.14%	15,002	6,700	2,183	276	6,206	Repayable in 5 annual installments and 6 bullet payments
Working capital loan *	9.26%	721	721	-	-	-	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	8.28%	29	29	-	-	-	Repayable within one month
Deferred sales tax liability	NA	12	11	1	-	-	Repayable in 31 monthly payments
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	0.30%**	31	4	10	8	10	Repayable in 10 annual installments
Others	5.12%	447	441	7	-	-	Repayable in 1 year as per lender's demand
Total		**71,758**	**22,914**	**30,850**	**8,558**	**10,021**	

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 ₹ 21 crore*

*** Increasing interest rate to 0.50% till maturity*

f) 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, 712 quarterly, 2 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
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 one 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*

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 2022	7,434	45,675	53,109
Net cash inflow/ (outflow)	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**
Opening balance at 01 April 2023	12,458	53,724	66,182
Net cash inflow/ (outflow)	(8,148)	12,963	4,815
Other non-cash changes	(47)	815	768
Foreign exchange currency translation differences	1	(8)	(7)
As at 31 March 2024	**4,264**	**67,494**	**71,758**

**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 6.10% (31 March 2023: 6.77%) 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 2024, the outstanding loan amount under the facility is ₹ 6,400 crore (31 March 2023: ₹ 7,240 crore).

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20 Financial liabilities -Trade payables

(₹ in crore)

Particulars	As at 31 March 2024	As at 31 March 2023
Undisputed dues		
Unbilled dues	2,304	2,319
Not due	3,132	3,380
Less than 1 year	4,069	4,690
1-2 years	170	144
2-3 years	88	108
More than 3 years	110	94
Sub-total	**9,873**	**10,735**
Disputed dues		
Less than 1 year	50	106
1-2 Years	26	28
2-3 years	25	21
More than 3 years	121	153
Sub-total	**222**	**308**
Total	**10,095**	**11,043**

a) Trade payables are majorly non-interest bearing and are normally settled upto 180 days (31 March 2023: 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 4.85% - 8.43% (31 March 2023: 0.69% - 7.80%) per annum and in rupee from domestic banks at interest rate ranging from 6.25% - 10.00% (31 March 2023: 4.34% - 8.80%) 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.

22 Financial liabilities - Others

(₹ in crore)

Particulars	As at 31 March 2024			As at 31 March 2023		
	Non-current	Current	Total	Non-current	Current	Total
Liabilities for capital expenditure	162	10,189	10,351	1,241	10,076	11,317
Security deposits from vendors and others	-	328	328	-	307	307
Interest accrued but not due	-	835	835	-	691	691
Put option liability with non-controlling interest [a]	-	264	264	41	219	260
Unpaid/unclaimed dividend	-	158	158	-	145	145
Profit petroleum payable	-	3,401	3,401	-	2,869	2,869
Dues to related parties (Refer note 42)	-	131	131	-	279	279
Dividend payable	-	(1)	(1)	-	8,223	8,223
Other liabilities [b]	331	2,264	2,595	324	2,052	2,376
Total	**493**	**17,569**	**18,062**	**1,606**	**24,861**	**26,467**

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 ₹ 484 crore (31 March 2023: ₹ 487 crore) of which ₹ 295 crore (31 March 2023: ₹ 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.*

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23 Movement in lease liabilities is as follows :

(₹ in crore)

Particulars	Amount
At 01 April 2022	**474**
Additions during the year	143
Interest on lease liabilities	14
Payments made [a]	(182)
FCTR and other adjustments	(3)
As at 31 March 2023	**446**
Additions during the year	945
Interest on lease liabilities	50
Payments made [a]	(382)
FCTR and other adjustments	(46)
As at 31 March 2024	**1,013**

a) *Includes payment of interest on lease liabilities of ₹ 50 crore (31 March 2023: ₹ 14 crore)*

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 2024

(₹ 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*	7,117	4,749	-	-	11,866	11,866
Trade receivables	196	-	-	5,820	6,016	6,016
Loans	-	-	-	3,369	3,369	3,369
Other financial assets	-	-	-	15,427	15,427	15,427
Derivatives	67	-	104	-	171	171
Cash and cash equivalents	-	-	-	2,812	2,812	2,812
Other bank balances	-	-	-	1,515	1,515	1,515
Total	**7,380**	**4,749**	**104**	**28,943**	**41,176**	**41,176**

(₹ 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	-	-	71,758	-	71,758	72,024
Trade payables	555	-	9,540	-	10,095	10,095
Operational buyers' credit / suppliers' credit	-	-	14,935	-	14,935	14,935
Derivatives	61	83	-	-	144	144
Other financial liabilities**	-	-	18,811	264	19,075	19,075
Total	**616**	**83**	**1,15,044**	**264**	**1,16,007**	**1,16,273**

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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
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**

** Investments exclude equity investment in associates and joint ventures which are accounted as per the equity method of accounting.*

***Includes lease liability of ₹ 1,013 crore (31 March 2023: ₹ 446 crore)*

**** Represents net put option liability with non-controlling interests accounted for at fair value.*

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 2024 and 31 March 2023 measured at fair value:

As at 31 March 2024

(₹ in crore)

Financial Assets	Level 1	Level 2	Level 3
At fair value through profit or loss			
Investments	2,659	3,796	662
Derivative financial assets	-	67	-
Trade receivables	-	196	-
At fair value through other comprehensive income			
Investments	53	4,596	100
Derivatives designated as hedging instruments			
Derivative financial assets	-	104	-
Total	**2,712**	**8,759**	**762**

(₹ in crore)

Financial Liabilities	Level 1	Level 2	Level 3
At fair value through profit or loss			
Derivative financial liabilities	-	61	-
Trade payables	-	555	-
Derivatives designated as hedging instruments			
Derivative financial liabilities	-	83	-
Other financial liabilities - Net put option liability with non-controlling interests accounted for at fair value.	-	-	264
Total	**-**	**699**	**264**

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 payable	-	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**

Reconciliation of Level 3 fair value measurement

	(₹ in crore)
At 01 April 2022	**41**
Investments made during the year	249
As at 31 March 2023	**290**
Investments made during the year	480
Investments redeemed during the year	(8)
As at 31 March 2024	**762**

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The below table summarises the fair value of loans and borrowings which are carried at amortised cost as at 31 March 2024 and 31 March 2023

As at 31 March 2024

(₹ in crore)

Financial Assets	Level 1	Level 2	Level 3
Loans*	-	3,369	-
Total	**-**	**3,369**	**-**

(₹ in crore)

Financial Liabilities	Level 1	Level 2	Level 3
Borrowings	-	72,024	-
Total	**-**	**72,024**	**-**

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**	**-**

**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 quoted prices in an active market in case of listed securities and by 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 investments, inputs for which are not based on observable market data (unobservable inputs), are valued on the basis of net assets value method.

  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, 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.

- Non-current fixed-rate and variable-rate borrowings: Fair value has been determined using discounted cash flow model 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.).

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- 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 2024 and 31 March 2023 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

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.

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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 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.

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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 2024, the value of net financial liabilities linked to commodities (excluding derivatives) accounted for on provisional prices was ₹ 359 crore (31 March 2023: ₹ 603 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 2024.

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 2024	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	(590)	(59)	-

(₹ 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)	-

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 ₹ 101 crore loss (31 March 2023: ₹ 134 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 optimise 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

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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.

During FY 2024, CRISIL Ratings has downgraded its rating on the long-term bank facilities and debt instruments of the Company from 'CRISIL AA' to 'CRISIL AA-' while the rating on short-term facilities and commercial paper has been reaffirmed at 'CRISIL A1+'. The ratings have also been placed on Watch with Developing Implications.

During FY2024, India Ratings has downgraded the Company's rating on the long-term instruments from 'IND AA' to 'IND A+' and on short-term facilities and commercial paper from 'IND A1+' to 'IND A1'. The ratings have also been placed on Watch with Developing Implications.

The ratings downgrade is driven by higher than expected leverage and increase in borrowing costs. However, they expect reduced refinancing risk for VRL to support Vedanta's financial flexibility, with improved access and cost of borrowing from the banks and capital markets. The Rating Watch is due to the demerger announcement of the company as clarity on allocation of assets and liabilities and it's probable impact on liquidity of the company is awaited by the rating agencies.

Anticipated future cash flows, together with undrawn fund based committed facilities of ₹ 6,723 Crore, and cash, bank and other non-current and current investments of ₹ 15,424 Crore as at 31 March 2024, 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.

As at 31 March 2024

(₹ in crore)

Payments due by year	<1 year	1-3 years	3-5 years	>5 years	Total
Borrowings*	33,732	32,267	15,602	22,995	104,597
Derivative financial liabilities	144	-	-	-	144
Lease liabilities	477	400	93	43	1,013
Trade Payables, Operational Buyers' Credit and Other financial liabilities**	42,033	493	-	-	42,526
	76,386	**33,160**	**15,695**	**23,038**	**1,48,280**

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 and Other financial liabilities**	49,153	300	1,241	-	50,694
	75,695	**24,442**	**19,528**	**14,191**	**1,33,856**

** 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.*

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The Group had access to following funding facilities:

As at 31 March 2024

(₹ in crore)

Funding facility	Level 1	Level 2	Level 3
Fund/non-fund based	97,629	82,932	14,697

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

(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 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 2024		As at 31 March 2023	
	Financial Asset	Financial liabilities	Financial Asset	Financial liabilities
INR	23,390	79,501	33,082	84,810
USD	16,618	32,238	10,515	30,012
Others	1,168	4,268	988	3,230
Total	**41,176**	**1,16,007**	**44,585**	**1,18,052**

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.

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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 2024

(₹ in crore)

	Effect of10% strengthening of functional currency on pre-tax profit	Effect of 10% strengthening of functional currency on equity
USD	1,190	-
INR	(19)	-

For the year ended 31 March 2023

(₹ in crore)

	Effect of10% strengthening of functional currency onpre-tax profit	Effect of 10% strengthening of functional currency on equity
USD	1,408	-
INR	(631)	-

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.

(c) Interest rate risk

At 31 March 2024, the Group's net debt of ₹ 56,334 crore (31 March 2023: ₹ 45,260 crore) comprises debt of ₹ 71,758 crore (31 March 2023: ₹ 66,182 crore) offset by cash, bank and current investments of ₹ 15,424 crore (31 March 2023: ₹ 20,922 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 2024 to interest rate risk is as follows:

(₹ in crore)

	Total	Floating rate financial assets	Fixed rate financial assets	Non-interest bearing financial assets
Financial Assets	**41,176**	2,695	16,051	22,430

The exposure of the Group's financial liabilities as at 31 March 2024 to interest rate risk is as follows:

(₹ in crore)

	Total	Floating rate financial liabilities	Fixed rate financial liabilities	Non-interest bearing financial liabilities
Financial Liabilities	**1,16,007**	50,182	36,985	28,840

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The exposure of the Group's financial assets as at 31 March 2023 to interest rate risk is as follows:

(₹ in crore)

	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)

	Total	Floating rate financial liabilities	Fixed rate financial liabilities	Non-interest bearing financial liabilities
Financial Liabilities	1,18,052	48,140	31,894	38,018

Considering the net debt position as at 31 March 2024 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.

(₹ in crore)

Increase in interest rates	Effect on pre-tax profit/(loss) during the year ended 31 March 2024	Effect on pre-tax profit/(loss) during the year ended 31 March 2023
0.50%	(237)	(217)
1.00%	(475)	(435)
2.00%	(950)	(869)

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 ₹ 41,176 crore (31 March 2023: ₹ 44,585 crore).

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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, 9 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 2024 and 31 March 2023:

(₹ in crore)

Particulars	As at 31 March 2024	As at 31 March 2023
Neither impaired nor past due	12,381	13,793
Past due but not impaired		
- Less than 1 month	1,242	1,116
- Between 1–3 months	464	235
- Between 3–12 months	3,337	327
- Greater than 12 months	5,151	4,581
Total	**22,575**	**20,052**

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 2022	**1,080**	**1,048**	**78**
Allowance made during the year	356	0	0
Reversals/ write-off during the year	(40)	(225)	-
Exchange differences	0	49	9
As at 31 March 2023	**1,396**	**872**	**87**
Allowance made during the year	280	217	0
Reversals/ write-off during the year	(581)	(1)	-
Exchange differences	0	8	1
As at 31 March 2024	**1,095**	**1,096**	**88**

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.

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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 recognised 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 2024 and 31 March 2023.

The Group uses foreign exchange contracts from time to time to optimise 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 2024 and 31 March 2023. Fair value changes on such forward contracts are recognised in other comprehensive income.

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 recognised in the consolidated statement of profit and loss.

The Group uses foreign exchange contracts from time to time to optimise currency risk exposure on its foreign currency transactions. Fair value changes on such forward contracts are recognised 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 recognised in the consolidated statement of profit and loss.

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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 2024		As at 31 March 2023	
	Assets	Liabilities	Assets	Liabilities
Current				
Cash flow hedge*				
- Commodity contracts	-	22	38	33
Fair Value hedge				
- Commodity contracts	96	48	85	71
- Forward foreign currency contracts	5	13	4	18
Non - qualifying hedges/economic hedge				
- Commodity contracts	58	3	52	-
- Forward foreign currency contracts	9	58	35	71
Sub-total (A)	**168**	**144**	**214**	**193**
Non-current				
Fair Value hedge				
- Forward foreign currency contracts	3	-	-	20
Sub-total (B)	**3**	**-**	**-**	**20**
Total (A+B)	**171**	**144**	**214**	**213**

** 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.*

25 Provisions

(₹ in crore)

Particulars	As at 31 March 2024			As at 31 March 2023		
	Non-current	Current	Total	Non-current	Current	Total
Provision for employee benefits [a] (Refer note 33)						
- Retirement benefit	231	52	283	218	63	281
- Others	12	183	195	14	174	188
Provision for restoration, rehabilitation and environmental costs [b]	2,862	20	2,882	3,194	30	3,224
Other provisions [b]	-	86	86	-	114	114
Total	**3,105**	**341**	**3,446**	**3,426**	**381**	**3,807**

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 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**
Additions	7	5
Amounts utilised	(14)	(33)
Unwinding of discount (Refer note 34)	135	-
Revision in estimates	(333)	-
Disposals	(151)	-
Exchange differences	14	-
As at 31 March 2024	**2,882**	**86**

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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 15% and are payable upon mine closure These costs are expected to be spread out over a period of one to forty-seven years. The lower end of the discount rate is seen at ASI, Oil and Gas business, and Zinc International operations in Ireland, while the higher end is observed at ESL Steels and Zinc International operations in African countries.

d) **Other provisions**

Other provisions include provision for disputed cases and claims.

26 Other liabilities

(₹ in crore)

Particulars	As at 31 March 2024			As at 31 March 2023		
	Non-current	Current	Total	Non-current	Current	Total
Amount payable to owned post-employment benefit trust	-	25	25	-	32	32
Other statutory liabilities [a]	-	2,846	2,846	-	3,805	3,805
Deferred government grants [b]	4,208	288	4,496	4,309	282	4,591
Advance from customer [c]	950	8,076	9,026	-	8,931	8,931
Advance from related party	-	3	3	-	3	3
Other liabilities	-	239	239	-	185	185
Total	**5,158**	**11,477**	**16,635**	**4,309**	**13,238**	**17,547**

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 2022 was ₹ 4,531 crore. During the current year, the Group has recognised revenue of ₹ 8,954 crore (31 March 2023: ₹ 4,380 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 2024	Year ended 31 March 2023
Sale of products (Refer note 36(a))	1,40,049	1,43,535
Sale of services	321	326
Revenue from contingent rents	1,423	1,543
Total	**1,41,793**	**1,45,404**

a) Revenue from sale of products and from sale of services for the year ended 31 March 2024 includes revenue from contracts with customers of ₹ 1,42,513 crore (31 March 2023: ₹ 1,45,984 crore) and a net loss on mark-to-market of ₹ 2,143 crore (31 March 2023: ₹ 2,123 crore) on account of gains/ losses relating to sales that were provisionally priced as at 31 March 2023 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 2024.

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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.

28 Other operating income

(₹ in crore)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Export incentives	379	483
Scrap sales	911	781
Miscellaneous income	644	640
Total	**1,934**	**1,904**

29 Other Income

(₹ in crore)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Net gain on investment measured at FVTPL	128	74
Interest income from investments measured at FVTPL	303	504
Interest income from investments measured at FVOCI	369	281
Interest income from financial assets at amortised cost		
- Bank deposits	208	379
- Loans (Refer note 42)	452	560
- Others	301	372
Interest on income tax refund	53	166
Dividend income from		
- financial assets at FVTPL	40	21
- financial assets at FVOCI	1	-
Deferred government grant income	308	273
Gain on loss of control on subsidiary (Refer note 4(D))	178	-
Miscellaneous income	209	221
Total	**2,550**	**2,851**

30 Changes in inventories of finished goods and work-in-progress*

(₹ in crore)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Opening Stock:		
Finished Goods	1,028	829
Work in Progress	5,081	5,040
Total	**6,109**	**5,869**
Add: Foreign exchange translation	(19)	15
(Less): Capitalisation and other adjustments	(237)	(152)
(Less): Impairment of inventory	(48)	-
Less: Closing Stock		
Finished Goods	963	1,028
Work in Progress	4,666	5,081
Total	**5,629**	**6,109**
Changes in inventory	**176**	**(377)**

** Inventories include goods-in-transit*

31 Employee benefits expense [a]

(₹ in crore)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Salaries and wages	3,172	2,988
Share based payments	70	77
Contributions to provident and other funds	265	268
Staff welfare expenses	348	334
Less: Cost allocated/directly booked in joint ventures	(555)	(569)
Total	**3,300**	**3,098**

(a) net of capitalisation of ₹ 62 crore (31 March 2023: ₹ 158 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 ESOS schemes are administered through VESOS trust and have underlying Vedanta Limited equity shares.

Options granted during the year ended 31 March 2024 and year ended 31 March 2023 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.

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The details of share options for the year ended 31 March 2024 is presented below:

Financial Year of Grant	Exercise Period	Options outstanding 01 April 2023	Options granted during the year	Options forfeited/ lapsed during the year	Options exercised during the year	Options outstanding 31 March 2024	Options exercisable 31 March 2024
2018-19	01 November 2021 - 30 April 2022	41,450	-	-	1,094	40,356	40,356*
2019-20	29 November 2022 - 28 May 2023	11,52,087	-	70,526	10,81,561	-	-
2020-21	06 November 2023 - 05 May 2024	83,25,751	-	41,53,161	26,54,818	15,17,772	15,17,772
2020-21	Cash settled	6,17,641	-	2,90,080	-	3,27,561	-
2021-22	01 November 2024 - 30 April 2025	95,21,390	-	12,96,014	-	82,25,376	-
2021-22	Cash settled	7,07,700	-	96,000	-	6,11,700	-
2022-23	01 November 2025 - 30 April 2026	1,35,26,444	-	18,59,760	-	1,16,66,684	-
2022-23	Cash settled	10,16,571	-	3,02,791	-	7,13,780	-
2023-24	04 November 2026 - 04 May 2027	-	1,81,38,912	9,61,371	-	1,71,77,541	-
2023-24	Cash Settled	-	35,07,647	1,61,810	-	33,45,837	-
		3,49,09,034	**2,16,46,559**	**91,91,513**	**37,37,473**	**4,36,26,607**	**15,58,128**

Options for some employees could not be exercised within exercise period due to technical issues.

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**

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.

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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 2024 and 31 March 2023 are set out below:

(₹ in crore)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
	ESOS 2023	ESOS 2022
Number of Options	Cash settled - 35,07,647 equity settled - 18,138,912	Cash settled - 1,035,172 equity settled - 14,437,268
Exercise Price	₹ 1	₹ 1
Share Price at the date of grant	₹ 232.75	₹ 286.90
Contractual Life	3 years	3 years
Expected Volatility	41.16%	50.95%
Expected option life	3 years	3 years
Expected dividends	14.94%	7.11%
Risk free interest rate	7.18%	7.07%
Expected annual forfeitures	10% p.a	10% p.a
Fair value per option granted (Non-market performance based)	₹ 121.98	₹ 182.46

Weighted average share price at the date of exercise of stock options was ₹ 210.15 (31 March 2023: ₹ 303.80)

The weighted average remaining contractual life for the share options outstanding was 1.87 years (31 March 2023: 1.76 years).

The Group recognised total expenses of ₹ 92 crore (31 March 2023: ₹ 85 crore) related to equity settled share-based payment transactions for the year ended 31 March 2024. The total expense recognised on account of cash settled share based plan during the year ended 31 March 2024 is ₹ 10 crore (31 March 2023: ₹ 1 crore) and the carrying value of cash settled share based compensation liability as at 31 March 2024 is ₹ 15 crore (31 March 2023: ₹ 11 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 which was completed in the year 2022-23. There was no new grant during the year.

Details of employees stock option plans is presented below

(₹ in crore)

CIESOP Plan	Year ended 31 March 2024		Year ended 31 March 2023	
	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
Granted during the year	-	-	Nil	NA
Expired during the year	-	-	Nil	NA
Exercised during the year	-	-	2,66,914	286.85
Forfeited / cancelled during the year	-	-	7,70,727	286.85
Outstanding at the end of the year	**-**	**-**	**-**	**-**
Exercisable at the end of the year	-	-	-	-

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Weighted average share price at the date of exercise of stock options and exercise price for stock options during the year ended 31 March 2023 was ₹ 411.80 and ₹ 286.85 respectively.

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 2024 is ₹ (9) crore (31 March 2023: ₹ (5) crore) and the carrying value of cash settled share based compensation liability as at 31 March 2024 is ₹ 33 crore (31 March 2023: ₹ 44 crore).

Out of the total expense of ₹ 93 crore (31 March 2023: ₹ 80 crore) pertaining to equity settled and cash settled options for the year ended 31 March 2024 the Group has capitalised ₹ 3 crore (31 March 2023: ₹ 3 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 ₹ 152 crore and ₹ 146 crore for the year ended 31 March 2024 and 31 March 2023 respectively to the following defined contribution plans.

(₹ in crore)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Employer's contribution to recognised provident fund and family pension fund	118	118
Employer's contribution to superannuation	25	21
Employer's contribution to National Pension Scheme	9	7
	152	**146**

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 2024 and 2023) 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.

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 authorised 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% (2023: 10.00%) of an employee's gross remuneration where the employee is covered by an industrial agreement and 13.00% (2023: 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.

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 15% for pension fund and 12.5% for provident fund.

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.

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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 2024 and 31 March 2023. 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 ₹ 62 crore for the year ended 31 March 2024 and ₹ 78 crore for the year ended 31 March 2023 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 2024	Year ended 31 March 2023
Fair value of plan assets of trusts	2,696	2,626
Present value of defined benefit obligation	(2,652)	(2,618)
Net liability arising from defined benefit obligation	**NIL**	**NIL**

(₹ in crore)

Percentage allocation of plan assets of the trust	Year ended 31 March 2024	Year ended 31 March 2023
Assets by category		
Government Securities	21.09%	45.15%
Debentures / bonds	69.67%	38.32%
Equity	8.70%	16.53%
Money Market Instruments	0.00%	0.00%
Fixed deposits	0.54%	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 is recognised in full for the benefit obligation. The obligation relating to post-retirement medical benefits as at 31 March 2024 was ₹ 92 crore (31 March 2023: ₹ 101 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 2024 of ₹ 2 crore (31 March 2023: ₹ 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 ₹ (13) crore (31 March 2023: ₹ 1 crore) and ₹ 9 crore (31 March 2023: ₹ 9 crore) for the year ended 31 March 2024 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.

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The iron ore and oil & gas division of Vedanta Limited, SRL, SMCL, HZL and FACOR have constituted a trust recognised 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 2024	Year ended 31 March 2023
Discount rate	7.10%	7.39%
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 2024	Year ended 31 March 2023
Fair value of plan assets	459	443
Present value of defined benefit obligations	(650)	(623)
Net liability arising from defined benefit obligation	**(191)**	**(180)**

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 2024	Year ended 31 March 2023
Current service cost	49	43
Net interest cost	14	12
Components of defined benefit costs recognised in consolidated statement of profit and loss	**63**	**55**

Amounts recognised in other comprehensive income in respect of Other post-employment benefit plan are as follows:

(₹ in crore)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Re-measurement of the net defined benefit obligation:-		
Actuarial losses arising from changes in financial assumptions	9	1
Actuarial losses arising from experience adjustments	6	9
Actuarial losses arising from changes in demographic assumptions	4	(3)
Actuarial losses on plan assets (excluding amounts included in net interest cost)	2	3
Components of defined benefit costs recognised in Other comprehensive income	**21**	**10**

The movement of the present value of the Other post-employment benefit plan obligation is as follows:

(₹ in crore)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Opening balance	623	599
Current service cost	49	43
Benefits paid	(86)	(71)
Interest cost	45	42
Actuarial losses arising from changes in assumptions	19	10
Closing balance	**650**	**623**

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The movement in the fair value of Other post-employment benefit plan assets is as follows:

(₹ in crore)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Opening balance	440	441
Contributions received	67	28
Benefits paid	(77)	(54)
Re-measurement loss arising from return on plan assets	(2)	(3)
Interest income	31	31
Closing balance	**459**	**443**

The above plan assets have been invested in the qualified insurance policies.

The actual return on plan assets was ₹ 29 crore (31 March 2023: ₹ 28 crore).

The weighted average duration of the defined benefit obligation is 12.45 years (31 March 2023: 11.58 years).

The Group expects to contribute ₹ 34 crore to the funded defined benefit plans during the year ending 31 March 2025.

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 2024	Year ended 31 March 2023
Discount rate		
Increase by 0.50%	(28)	(24)
Decrease by 0.50%	30	26
Expected rate of increase in compensation level of covered employees		
Increase by 0.50%	26	23
Decrease by 0.50%	(25)	(22)

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 recognised in the consolidated balance sheet.

Maturity analysis of defined benefit obligation

(₹ in crore)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Less than 1 year	63	73
1-2 years	58	68
2-5 years	145	153
More than 5 years	384	329
	650	**623**

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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 2024	Year ended 31 March 2023
Interest expense on financial liabilities at amortised cost [b]	9,235	6,212
Other finance costs	1,033	380
Net interest on defined benefit arrangement	23	21
Unwinding of discount on provisions	135	96
Less: Capitalisation of finance cost/borrowing cost	(960)	(483)
Less: Cost allocated/directly booked in joint ventures	(1)	(1)
Total	**9,465**	**6,225**

a) *Interest rate of 8.65% (31 March 2023: 6.75%) was used to determine the amount of general borrowing costs eligible for capitalisation in respect of qualifying asset for the year ended 31 March 2024.*

b) *Interest expense on income taxes is ₹ 192 crore (31 March 2023: ₹ 77 crore).*

c) *Interest expense on lease liabilities for the year ended is ₹ 50 crore (31 March 2023: ₹ 14 crore).*

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35 Other expenses

(₹ in crore)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Cess on crude oil	3,688	3,238
Royalty	6,249	5,860
Consumption of stores and spare parts	3,631	3,769
Share of expenses in producing oil and gas blocks	3,486	3,593
Repairs to plant and equipment	3,636	3,332
Repairs to building	226	277
Repairs others	194	213
Carriage	2,285	2,827
Mine expenses	3,601	3,163
Net loss on foreign currency transactions and translations	263	554
Other selling expenses	3	29
Insurance	278	292
Loss on sale/disposal of fixed asset (net)	114	9
Rent*	55	61
Rates and taxes	222	39
Exploration costs written off	786	327
Provision for doubtful advances/ expected credit loss/ bad debts written off [a]	261	426
Miscellaneous expenses [b, c]	8,629	7,097
Less: Cost allocated/directly booked in joint ventures	(332)	(418)
Total	**37,275**	**34,688**

**Rent represents expense on short term/ low value leases.*

[a] Includes bad debts written off of ₹ 913 crore against the provision for expected credit loss.

[b] Includes contributions to political parties of ₹ 98 crore (31 March 2023: ₹ 155 crore).

[c] Includes Management and Brand fees expense (net) of ₹ 2,865 crore (31 March 2023: ₹ 2,082 crore). Refer note 42.

36 Exceptional items

(₹ in crore)

Particulars	Year ended 31 March 2024			Year ended 31 March 2023		
	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						
- Reversal of previously recorded impairment [a]	1,179	(413)	766	-	-	-
- Copper (refer note 3(c)(A)(iii))	(746)	188	(558)	-	-	-
- Aluminium [b]	(131)	33	(98)	-	-	-
- Zinc International	(117)	-	(117)	-	-	-
- Iron Ore						
- Reversal of previously recorded impairment of assets in Liberia on commencement of mining operations [c]	-	-	-	644	-	644
- Others	-	-	-	109	(38)	71
- Unallocated						
- Foreign currency translation reserve recycled to profit or loss on redemption of optionally convertible redeemable preference shares [d]	1,825	-	1,825	-	-	-
Capital creditors written back in Power segment [e]	793	(200)	593	-	-	-
SAED on Oil and Gas sector [f]	-	-	-	(970)	312	(658)
Total	**2,803**	**(392)**	**2,411**	**(217)**	**274**	**57**

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a) The Government of India ("GoI"), acting through the Directorate General of Hydrocarbons ("DGH"), had raised demand 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) and applicable interest thereon representing share of Vedanta Limited and its subsidiary.

The Group had disputed the aforesaid demand and invoked arbitration as per the provisions of the Production Sharing Contract. The Group had received the Final Partial Award dated 22 August 2023 from the Arbitration Tribunal ('the Tribunal') as amended by order dated 15 November, 2023 and 08 December 2023 ("the Award") , dismissing the Government's contention of additional Profit Petroleum in relation to allocation of common development costs across Development Areas and certain other matters in accordance with terms of the Production Sharing Contract for Rajasthan Block, while disallowing some matters. Further, the Tribunal had decided that the Group was allowed to claim cost recovery of exploration cost for the purpose of computation of Profit Oil.

Pursuant to the Award, the Group has recognised a benefit of ₹ 4,761 crore (US$ 578 million) in revenue from operations and reversed previously recognised impairment on PPE of ₹ 1,179 crore (US$ 143 million) during the year ended 31 March 2024.

GoI has sought an additional award or interpretation/ clarification on certain matters decided by the Tribunal under the Indian Arbitration and Conciliation Act, 1996 ("the Act") ("GoI Application"). The Tribunal vide its order dated 15 November 2023 and 08 December 2023 has dismissed GoI's interpretation and additional award applications in favour of the Group. The Group has adjusted the liability during the current year of ₹ 1,940 crore (US$ 233 million) against the aforesaid benefits recognised as per the Award.

GoI has filed interim relief application on 03 February 2024 stating that the Group has unilaterally enforced the award although the quantification of the same is pending.

The Group is of the view that it is bound to implement the award. Further, the application by GoI does not meet the strict criteria for grant of interim injunction. The matter was heard on 26 March 2024 and order of the Tribunal is awaited.

GoI also has filed an appeal on 07 March 2024 against the Award in Delhi High Court and the matter was heard on 14 March 2024. No stay was granted and petition was not admitted. Next date of hearing is 01 May 2024. The Group is of the view that there is no merit in the challenge filed by GoI, as the Court cannot re-appreciate the evidence in Section 34 appeal as the interpretation by the Tribunal is plausible.

b) Represents certain items of CWIP, which have been written off during the year ended 31 March 2024 as they are no longer expected to be used.

c) During the year ended 31 March 2023, WCL had 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 had 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 was 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 years had been reversed, to an extent of ₹ 644 crore pertaining only to the assets of the Bomi Mine.

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d) The Company recorded reversal of previously recognised impairment on investments in OCRPS of ₹ 860 crore and ₹ 3,187 crore in THL Zinc Holding BV ("THLZBV") and THL Zinc Ventures Limited ("THLZVL"), wholly owned subsidiaries of the Company during the year ended 31 March 2024 and 31 March 2023, respectively in the statement of profit and loss. Further, the above investment in OCRPS of THLBV and THLZVL was redeemed during the current year, pursuant to which ₹ 1,825 crore being the proportionate share of FCTR in the subsidiaries has been recycled to the consolidated statement of profit and loss.

e) During the year, the Group has terminated its contract with one of its capital contractor due to its continuing failure in fulfilling contractual obligations impacting plant performance since inception and written back creditors amounting to ₹ 1,252 crore pertaining to the contract, as amount is no longer payable. The management has assessed that the amount written back comprises ₹ 793 crore toward loss of profit due to plant performance in the current and earlier years and therefore recognised the same as exceptional gain in the statement of profit and loss and adjusted the balance amount towards the cost of spares and ancillaries capitalised in PPE in earlier years.

f) 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 was effective from 01 July 2022. The consequential net impact of the said duty had on the results was presented as an exceptional item for the year ended 31 March 2023. SAED is continuing as levy like other duty of excise, that forms part of ordinary business of production of crude oil and hence, consequential impact of the said duty has been presented as an ordinary item during the year ended 31 March 2024.

37 Tax

(a) Tax charge/(credit) recognised in profit or loss (including on exceptional items)

(₹ in crore)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023*
Current tax:		
Current tax on profit for the year	5,877	7,739
Expense/(benefit) in respect of current tax for earlier years	29	(115)
Benefit in respect of exceptional items (Refer note 36)	(33)	(1,543)
Effect of change in Tax Regime**	(1,786)	-
Total Current Tax (a)	**4,087**	**6,081**
Deferred tax:		
Reversal/ (benefit) of temporary differences	436	(1,503)
Benefit in respect of deferred tax for earlier years	(36)	(77)
Reversal in respect of exceptional items (Refer note 36)	425	1,269
Effect of change in Tax Regime**	7,914	-
Deferred Tax (b)	**8,739**	**(311)**
Total income tax expense for the year (a+b)	**12,826**	**5,770**
Profit before tax	20,363	20,276
Effective income tax rate (%)	**63%**	**28%**

Tax expense/ (benefit)

(₹ in crore)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Tax effect on exceptional items	392	(274)
Effect of change in Tax Regime**	6,128	-
Tax expense- others	6,306	6,044
Net tax expense	**12,826**	**5,770**

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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 2024	Year ended 31 March 2023
Profit before tax	**20,363**	20,276
Indian statutory income tax rate	25.17%	34.94%
Tax at statutory income tax rate	**5,125**	**7,085**
Non-taxable income	84	(94)
Tax holidays and similar exemptions	0	(534)
Effect of tax rate differences of subsidiaries operating at other tax rates	936	97
Unrecognised tax assets (net) *	445	63
Change in deferred tax balances due to change in tax law	11	(288)
Capital gains/ Other income subject to lower tax rate	(24)	(522)
Credit in respect of earlier years	(7)	(192)
Impact of change in tax regime**	6,128	-
Other permanent differences	128	155
Total	**12,826**	**5,770**

** Includes Deferred Tax Assets written-off in ESL Steel Limited. Refer note 3(c)(A)(ii).*

***Pursuant to the introduction of Section 115BAA of the Income-tax Act, 1961 ("New Tax Regime"), the Company has an option to pay corporate income tax at a lower rate of 22% plus applicable surcharge and cess as against the currently applicable rate of 30% plus surcharge and cess. Under the New Tax Regime, provisions of Section 115 JB-Minimum Alternate Tax (MAT) are no longer applicable.*

In the quarter ended 30 September 2023, the Company has elected to adopt New Tax Regime from FY 2022-23 onwards due to expected corporate actions and other considerations and the first tax return under the New Tax Regime was filed for FY 2022-23 on 29 November 2023. Upon adoption of New Tax Regime for FY 2022-23, the current tax charge is lower by ₹ 1,786 crore (mainly on account of section 80M benefit not available under MAT) and deferred tax charge is higher by ₹ 151 crore. Further, the MAT credit balance of ₹ 7,763 crore, for periods up to 31 March 2023, has been expensed. Consequently, the net impact of the above amounting to ₹ 6,128 crore is accounted for as exceptional tax expense in the current year ended 31 March 2024.

Accordingly, current year tax expense is not comparable with the reported tax expense for the year ended 31 March 2023.

(c) Deferred tax assets/liabilities

The Group has accrued significant amounts of deferred tax. The majority of the deferred tax liability represents accelerated tax relief for the depreciation of property, plant and equipment, depreciation of mining reserves and the fair value uplifts created on acquisitions net of deferred tax assets representing unabsorbed depreciation and carried forward losses.

Significant components of Deferred tax (assets) and liabilities recognised in the consolidated balance sheet are as follows:

For the year ended 31 March 2024

(₹ in crore)

Significant components of Deferred tax (assets) and liabilities	Opening balance as at 01 April 2023*	Charged / (credited) to statement of profit or loss	Charged/ (credited) to other comprehensive income#	Charged / (credited) to equity	Exchange difference and other adjustments	Closing balance as at 31 March 2024
Property, Plant and Equipment	12,415	(311)	-	-	9	12,113
Voluntary retirement scheme	(25)	7	-	-	-	(18)
Employee benefits	(356)	(8)	(7)	-	1	(370)
Fair valuation of derivative asset/liability	(75)	26	(15)	-	-	(64)
Fair valuation of other asset/liability	760	266	-	-	(102)	924
MAT credit entitlement	(7,960)	7,957	-	-	3	-
Unabsorbed depreciation and business losses	(4,888)	533	-	-	3	(4,352)
Other temporary differences	(1,023)	269	(14)	-	(2)	(770)
Total	**(1,152)**	**8,739**	**(36)**	**-**	**(88)**	**7,463**

 # Out of total tax benefit on items of OCI in Statement of Profit and Loss, deferred tax benefit is shown in above table. Balance tax benefit is of current tax nature on foreign currency translation difference.

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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 and other adjustments	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)	(1,164)	(50)	-	-	(7,960)
Unabsorbed depreciation and tax losses	(4,490)	(398)	-	-	-	(4,888)
Other temporary differences	(1,035)	106	(32)	-	(62)	(1,023)
Total	**(650)**	**(311)**	**(99)**	**7**	**(99)**	**(1,152)**

Restated, refer note 4(A)

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 2024	Year ended 31 March 2023*
Deferred tax assets	(2,689)	(7,074)
Deferred tax liabilities	10,152	5,922
Net Deferred tax assets	**7,463**	**(1,152)**

Restated, refer note 4(A)

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 recognised amount to ₹ 9,106 crore and ₹ 7,335 crore as at 31 March 2024 and 31 March 2023 respectively.

As at 31 March 2024

(₹ 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	318	3,472	2,810	-	6,600
Unabsorbed depreciation	-	-	-	2,506	2,506
Unutilised R&D credit	-	-	-	-	-
Total	**318**	**3,472**	**2,810**	**2,506**	**9,106**

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	-	0
Total	**689**	**2,621**	**2,040**	**1,985**	**7,335**

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 ₹ 24,222 crore and
₹ 24,130 crore as at 31 March 2024 and 31 March 2023 respectively.

(d) Non- current tax assets

Non- current tax assets of ₹ 3,796 crore (31 March 2023: ₹ 2,077 crore) mainly represents income tax receivable from Indian tax authorities by Vedanta Limited relating to the refund arising due to change in Tax Regime and 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 80IC of the Income-tax Act, 1961. For AY 2009-10 to 2012-13, 2017-18 & 2018-19, Hon'ble Income Tax Appellate Tribunal (ITAT) has allowed these claims. For AY 2013-14 to 2016-17, the cases are pending before Hon'ble ITAT. Against the Tribunal order, the department had filed an appeal in Hon'ble Rajasthan High Court in FY 2017-18 (for AY 2009-10 to AY 2012-13) and in FY 2023-24 (for AY 2017-18 and AY 2018-19) which are 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 favor of the Group. The amount involved in this dispute as of 31 March 2024 is ₹ 12,447 Crore (31 March 2023: ₹ 12,447 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 2024	Year ended 31 March 2023
Profit after tax attributable to equity share holders for Basic and Diluted EPS	A	4,239	10,574
Computation of weighted average number of shares	B	371.79	370.97
Weighted average number of ordinary shares outstanding during the year excluding shares acquired for ESOP for basic earnings per share			
Effect of dilution :			
Potential ordinary shares relating to share option awards		2.86	2.41
Adjusted weighted average number of shares of the Company in issue	C	374.64	373.39
Basic earnings per equity share (₹)	A / B	11.42	28.50
Diluted earnings per equity share (₹)	A / C	11.33	28.32
Nominal Value per Share (in ₹)		1.00	1.00

39 Distributions made and proposed

(₹ in crore, except otherwise stated)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Amounts recognised as distributions to equity share holders:		
Interim dividends: ₹ 29.50/- per share (31 March 2023: ₹ 101.50/- per share)	10,959	37,658
Refund of dividend distribution tax	-	(86)
	10,959	**37,572**

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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.

a) Estimated amount of contracts remaining to be executed on capital accounts and not provided for.

(₹ in crore)

Particulars	As at 31 March 2024	As at 31 March 2023
Oil & Gas sector		
Cairn India	1,079	1,412
Aluminium sector		
Lanjigarh Refinery (Phase II)	1,557	2,439
Jharsuguda 1.25 MTPA smelter	545	1,266
BALCO smelter expansion 0.57 MTPA to 1 MTPA	5,186	6,700
Zinc sector		
Zinc India (mines expansion and smelter)	2,010	1,750
Gamsberg mining and milling project (Phase II)	1,635	1,950
Copper sector		
Tuticorin Smelter 400 KTPA*	-	3,066
Others	6,652	5,793
Total	**18,664**	**24,376**

** On 29 February 2024, Hon'ble Supreme Court dismissed the Special Leave Petition filed by the Company, pursuant to which the Company has decided to terminate the contracts which were under suspension. Refer Note 3(c)(A)(iii)*

b) Committed work programme (Other than capital commitment):

(₹ in crore)

Particulars	As at 31 March 2024	As at 31 March 2023
Oil & Gas sector		
Cairn India (OALP - New Oil and Gas blocks)	5,073	5,184

c) 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. Against the final order passed by the OERC, the Company has preferred an appeal before Appellate Tribunal for Electricity on 03 May 2023.

(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 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, Serentica Renewables India 8 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 1,826 MW (31 March 2023: 1,626 MW). During the current year, the Group has invested ₹ 480 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 twenty six percent stake in its equity. As at 31 March 2024, total outstanding commitments related to PDA with Serentica Group Companies are ₹ 1,227 crore (31 March 2023: ₹ 1,598 crore).

B) Guarantees

The aggregate amount of indemnities and other guarantees on which the Group does not expect any material losses, was ₹ 9,348 crore (31 March 2023: ₹ 8,470 crore).

a) Guarantees and bonds advanced to the customs authorities in India of ₹ 1,717 crore relating to the export and payment of import duties on purchases of raw material and capital goods (31 March 2023: ₹ 1,339 crore).

b) Guarantees issued for Group's share of minimum work programme commitments of ₹ 3,071 crore (31 March 2023: ₹ 2,742 crore).

c) Guarantees of ₹ 158 crore issued under bid bond (31 March 2023: ₹ 80 crore).

d) Bank guarantees of ₹ 115 crore (31 March 2023: ₹ 115 crore) has been provided by the Group on behalf of Vedanta Incorporated to Income tax department, India as a collateral in respect of certain tax disputes.

Other guarantees worth ₹ 4,287 crore (31 March 2023: ₹ 4,194 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 ₹ 2,689 crore (31 March 2023: ₹ 1,381 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 ₹ 581 crore (31 March 2023: ₹ 322 crore) reduced in proportion to actual exports, plus applicable interest.

The Group has given bonds of ₹ 1,030 crore (31 March 2023: ₹ 809 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 2023: ₹ 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.

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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 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 ₹ 533 crore (US$ 64 million) plus interest (31 March 2023: ₹ 526 crore (US$ 64 million) plus interest).

c) Proceedings related to the imposition of entry tax

Vedanta Limited and other Group company, i.e., BALCO 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.

The total claims against Vedanta Limited and its subsidiaries (net of provisions made) are ₹ 800 crore (31 March 2023: ₹ 823 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 ₹ 1,179 crore (31 March 2023: ₹ 1,091 crore). As at 31 March 2024, an amount of ₹ 1,214 crore relating to principal has been considered as a contingent liability (31 March 2023: ₹ 1,126 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 ₹ 460 crore (31 March 2023: ₹ 639 crore), net of ₹ 942 crore (31 March 2023: ₹ 570 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 2024, no confirmation has been received on this matter and therefore an amount of ₹ 1,051 crore (31 March 2023: ₹ 916 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 dispatch 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 dispatch 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 realise 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 Authority,

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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 (31 March 2023: ₹ 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 ₹ 1,354 crore (31 March 2023: ₹ 1,455 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 ₹ 4,683 crore (31 March 2023: ₹ 4,907 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 ("LTL") 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 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 High Court issued an order that the current arrangement of bauxite price @ ₹ 1,000/MT will 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.

An interim application was filed on 11 May 2023 in Odisha High Court seeking directions for OMC to continue the supplies for FY 2023-24 and extend the LTL agreement. Hon'ble High Court vide order dated 15 May 2023, passed an order that unless the fresh agreement is not executed interim arrangement cannot be granted. Accordingly, as per the direction of High Court, LTL was executed with OMC on 16 of May for supply of 2.4 MnT bauxite annually at ₹ 1,000 MT. On 26 September 2023, OMC conducted the 10 National E-auction tender for sale of 300 KT bauxite at floor price of ₹ 2,429/MT after considering the pricing as per Rule 45. The said auction failed since no participation was observed in the bidding.

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 and the recovery of ₹ 311 crore vide its order dated 15 June 2022 and 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 High Court of Madras and the 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 SLP 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 desulfurisation (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 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 listed for hearing.

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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 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 GoI's policy of divestment, the Group in March 2001 acquired 51% equity interest in BALCO from the GoI. Under the terms of the SHA, the Group had a call option to purchase the GoI remaining ownership interest in BALCO at any point from 02 March 2004. The Group exercised this option on 19 March 2004. However, the GoI 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 GoI 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 High Court at Delhi and sought for setting aside the arbitration award to the extent that it holds these clauses ineffective and inoperative. The GoI 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 GoI 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 GoI'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 GoI 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 GoI, 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 recognised in the financial statements.

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42 Related party Disclosures

List of related parties and relationships

A) Entities controlling the Company (Holding Companies)

Vedanta Incorporated (formerly known as Volcan Investments Limited) *

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
Sterlite Convergence Limited
STL Digital Limited
Sterlite Grid 16 Limited
Twin Star Technologies Limited
Vedanta Resources Investments Limited

C) Associate of ultimate controlling party (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 5 Private Limited**
Serentica Renewables India 6 Private Limited**
Serentica Renewables India 7 Private Limited**
Serentica Renewables India 8 Private Limited**
Serentica Renewables India 9 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

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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 Metals LLC
Janhit Electoral Trust
Minova Runaya Private Limited
Radha Madhav Investments Private Limited
Runaya Refining LLP
Runaya Green Tech Limited
Runaya Private Limited
Sesa Community Development Foundation
Vedanta Foundation
Vedanta Limited ESOS Trust
Vedanta Medical Research Foundation
Voorspoed Trust

* *The name of ultimate holding Company "Volcan Investments Limited" has been changed to 'Vedanta Incorporated' effective 13 October 2023.*

\# *These entities are subsidiary companies of VRL and VRL through its certain subsidiaries holds 61.95% in the Company.*

** *During the year ended 31 March 2023, due to change in shareholding of the intermediate holding company of Serentica group companies, the relationship of Vedanta group with these companies was changed from fellow subsidiaries to associates of Vedanta Inc.*

Ultimate Controlling party

Vedanta Limited is a majority-owned and controlled subsidiary of Vedanta Resources Limited ('VRL'). Vedanta Incorporated ("Vedanta Inc") and its wholly owned subsidiary together hold 100 % of the share capital and 100 % of the voting rights of VRL. Vedanta Inc is 100 % beneficially owned and controlled by the Anil Agarwal Discretionary Trust ('Trust'). Vedanta Inc, Volcan Investments Cyprus Limited and other intermediate holding companies except VRL do not produce Group financial statements.

G) A summary of significant related party transactions for the year ended 31 March 2024 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	1,710	-	104	1,814
(ii)	Other income				
	a) Interest and guarantee commission	562	-	2	564
	b) Outsourcing service fees	5	-	-	5
	c) Dividend income	1	-	-	1
	d) Miscellaneous income	-	-	1	1
	Expenditure and other transactions:				
(i)	Purchase of goods/ services [M]	124	3	391	518
(ii)	Management and brand fees (net*) [J]	2,865	-	-	2,865
(iii)	Reimbursement for other expenses (net of recovery)	2	-	(4)	(2)
(iv)	Corporate social responsibility expenditure/ Donation	-	-	147	147
(v)	Contribution to post retirement employee benefit trust/fund	-	-	100	100
(vi)	Remuneration to relatives of key management personnel	-	-	28	28
(vii)	Purchase/(sale) of fixed assets	0	-	(43)	(43)
(viii)	Commission/sitting fees				
	- To Non executive directors	-	-	6	6
	- To key management personnel	-	-	0	0
	- To relatives of key management personnel	-	-	1	1
(ix)	Dividend paid				
	- To holding companies	7,289	-	-	7,289
	- To key management personnel and their relatives	-	-	1	1
	- To Non executive directors and their relatives	-	-	0	0
(x)	Interest and guarantee commission expense [N]	144	-	-	144
	Other Transactions during the year:				
(i)	Loans given during the year	0	-	-	0
(ii)	Loans repiad during the year [L]	(267)	-	-	(267)
(iii)	Investment purchased during the year (refer note 40)	-	-	480	480
(iv)	Loan taken during the year	7	-	-	7
	Balances as at period end:				
(i)	Trade receivables	14	10	30	54
(ii)	Loan given [L,K]	3,361	5	-	3,366
(iii)	Loan taken	7	-	-	7
(iv)	Other receivables and advances (including brand fee prepaid#) [J,N]	262	9	59	330
(iv)	Trade payables	16	-	45	61
(v)	Other payables	102	-	57	159
(vi)	Bank guarantee given [I]	115	-	-	115
(vii)	Sitting fee, remuneration, commission and consultancy fees payable to KMP and their relatives	-	-	1	1

Remuneration of key management personnel

(₹ in crore)

Particulars	For the year ended 31 March 2024
Short-term employee benefits	43
Post employment benefits **	1
Share based payments	2
	46

* *Net of discount earned on brand fees of ₹ 146 crore during the current year ended 31 March 2024.*

\# *Net of refund received of ₹ 1,030 crore against prepaid brand fee during the current year ended 31 March 2024.*

** *Does not include the provision made for gratuity and leave benefits, as they are determined on an actuarial basis for all the employees together.*

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H) 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 [M]	13	4	283	300
(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	-	-	2	2
	- To relatives of key management personnel	-	-	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/ (redeemed) during the year	-	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
(vi)	Sitting fee, remuneration, commission and consultancy fees payable to KMP and their relatives	-	-	7	7
(vii)	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.*

I) Bank guarantee given by Vedanta Limited on behalf of Vedanta Inc in favour of Income Tax department, India as collateral in respect of certain tax disputes of Vedanta Inc.

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%-3% of turnover of the Company and certain subsidiaries. The Group has recorded an expense of ₹ 2,326 crore (net of discount) (31 March 2023: ₹ 1,718 crore) for the year ended 31 March 2024. The Group generally pays such fee in advance, at the beginning of the year based on estimated annual turnover.

Furthermore, during the year ended 31 March 2023, 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 agreed a net sub-licensing fee of 1.70% of HZL's annual consolidated turnover with VRL, resulting in an expense of ₹477 crore (31 March 2023: ₹ 270 crore) for the year ended 31 March 2024.

During the current year ended 31 March 2024, VRL has assigned the Agreement to its wholly owned subsidiary Vedanta Resources Investments Limited ("VRIL"), whereby the Group will fulfil its future obligations under the Agreement via VRIL.

K) During the current year ended 31 March 2024, 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 2024 is ₹ 5 crore (31 March 2023: ₹ 5 crore). The loan is unsecured in nature and carries an interest rate of 12.80% 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 2024 is ₹ 83 crore (US $10 million) (31 March 2023: ₹ 82 crore (US $10 million)).

These loans including accrued interest thereon have been fully provided for in the books of accounts.

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 current year ended 31 March 2024, based on the request from the Borrower, the loan has been extended to 31 December 2024 at the prevailing arms-length interest rate with interest payable half-yearly. As the change in the net present value of the loan is within the 10% threshold prescribed by Ind AS 109 Financial Instruments and the other terms of the loan largely remain unchanged, the modification has been considered to be not substantial in nature. Consequently, the net impact due to the modification and expected credit loss, aggregating to approx. ₹ 38 crore (approx. US$ 5 million) has been recognised as finance cost in the consolidated statement of profit and loss. Further, the borrower has prepaid the loan principal amounting to ₹ 267 Crore in the current year.

As of 31 March 2024, loans having contractual value of ₹ 3,473 crore (US$ 417 million) (31 March 2023: 3,689 crore (US$ 449 million)) were outstanding from the VRL group at an interest rate of 17%.

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M) During the year ended 31 March 2023, the Group executed an agency contract with VRL. Pursuant to which, the Group procured calcined alumina amounting to ₹ 1,054 crore (31 March 2023: ₹ 735 crore) on which an agency commission of ₹ 5 crore (31 March 2023: ₹ 4 crore) is 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, out of which 5 blocks were relinquished during the previous year

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 ₹ 144 crore ($ 17 million) (31 March 2023: ₹ 177 Crore ($ 23 million)) for the year ended 31 March 2024 and ₹ 57 Crore ($ 7 million) (31 March 2023: ₹ 75 Crore ($ 9 million)) is outstanding as a pre-payment as at 31 March 2024.

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. Further, the additional regulatory information required by clause xiv of part Y of Schedule III to the Act, for a subsidiary, is as follows: Sesa Resources Limited ("SRL"), a wholly owned subsidiary of the Group, has borrowed ₹ 1,600 Crore in March 2024 from a third party lender and has lent the funds to Vedanta Limited (ultimate beneficiary), who has fully used these funds for its operations in the ordinary course of business. SRL has complied with the relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and the Act for the above transaction and the transaction is not violative of the Prevention of Money-Laundering Act, 2002 (15 of 2003).

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 2024	As at 31 March 2023
1	Copper Mines of Tasmania Pty Limited ("CMY") (a)	Copper Mining	Australia	Monte Cello BV	-	100.00
2	Thalanga Copper Mines Pty Limited ("TCM")	Copper Mining	Australia	Monte Cello BV	100.00	100.00
3	Bharat Aluminium Company Limited ("BALCO")	Aluminium mining and smelting	India	Vedanta Limited	51.00	51.00
4	Desai Cement Company Private Limited	Cement	India	Sesa Mining Corporation Limited	100.00	100.00
5	ESL Steel Limited	Manufacturing of Steel & DI Pipe	India	Vedanta Limited	95.49	95.49
6	Ferro Alloy Corporation Limited ("FACOR")	Manufacturing of Ferro Alloys and Mining and generation of power	India	Vedanta Limited	99.99	99.99
7	Goa Sea Port Private Limited(b)	Infrastructure	India	Sterlite Ports Limited	-	100.00
8	Hindustan Zinc Alloys Private Limited	Manufacturing of metals and its alloys	India	Hindustan Zinc Limited	100.00	100.00
9	Hindustan Zinc Fertilisers Private Limited	Manufacturing of phosphatic fertilisers	India	Hindustan Zinc Limited	100.00	100.00
10	Hindmetal Exploration Services Private Limited (c)	Exploration of metals	India	Hindustan Zinc Limited	100.00	-
11	Hindustan Zinc Limited ("HZL")	Exploring, extracting, processing of minerals and manufacturing of metals	India	Vedanta Limited	64.92	64.92
12	MALCO Energy Limited ("MEL")	Power Generation	India	Vedanta Limited	100.00	100.00
13	Maritime Ventures Private Limited (b)	Infrastructure	India	Sterlite Ports Limited	-	100.00
14	Meenakshi Energy Limited(d)	Power Generation	India	Vedanta Limited	100.00	-
15	Paradip Multi Cargo Berth Private Limited (b)	Infrastructure	India	Sesa Resources Limited	-	100.00
16	Sesa Iron and Steel Limited (e)	Manufacturing of Steel	India	Vedanta Limited	100.00	-
17	Sesa Mining Corporation Limited (b)	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 (b)	Infrastructure	India	Sesa Resources Limited	-	100.00
20	Talwandi Sabo Power Limited ("TSPL")	Power Generation	India	Vedanta Limited	100.00	100.00
21	Vedanta Aluminium Metal Limited (f)	Aluminium Business	India	Vedanta Limited	100.00	-
22	Vedanta Base Metals Limited(g)	Metal business	India	Vedanta Limited	100.00	-
23	Vedanta Displays Limited (h)	LCD Panel	India	Vedanta Limited	100.00	-
24	Vedanta Iron and Steel Limited (i)	Iron and Steel Business	India	Vedanta Limited	100.00	-
25	Vedanta Semiconductors Private Limited (h)	Electronics	India	Vedanta Limited	100.00	-
26	Zinc India Foundation	CSR Activities	India	Hindustan Zinc Limited	100.00	100.00
27	Vedanta Zinc Football & Sports Foundation	Sports Foundation	India	Hindustan Zinc Limited	100.00	100.00
28	Vizag General Cargo Berth Private Limited	Infrastructure	India	Vedanta Limited	100.00	100.00
29	AvanStrate Inc. ("ASI")	Manufacturing of LCD Glass Substrate	Japan	Cairn India Holdings Limited	51.63	51.63
30	Cairn India Holdings Limited	Investment company	Jersey	Vedanta Limited	100.00	100.00
31	AvanStrate Korea Inc	Manufacturing of LCD Glass Substrate	Korea	ASI	100.00	100.00
32	Western Cluster Limited	Iron ore mining	Liberia	Bloom Fountain Limited	100.00	100.00
33	Bloom Fountain Limited	Operating (Iron ore) and Investment Company	Mauritius	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 2024	As at 31 March 2023
34	THL Zinc Ltd	Investment Company	Mauritius	THL Zinc Ventures Limited	100.00	100.00
35	THL Zinc Ventures Limited	Investment Company	Mauritius	Vedanta Limited	100.00	100.00
36	Amica Guesthouse (Proprietary) Limited	Accommodation and catering services	Namibia	Skorpion Zinc (Proprietary) Limited	100.00	100.00
37	Namzinc (Proprietary) Limited	Owns and operates a zinc refinery	Namibia	Skorpion Zinc (Proprietary) Limited	100.00	100.00
38	Skorpion Mining Company (Proprietary) Limited ('NZ')	Exploration, development, treatment, production and sale of zinc ore	Namibia	Skorpion Zinc (Proprietary) Limited	100.00	100.00
39	Skorpion Zinc (Proprietary) Limited ("SZPL")	Operating (zinc) and investing company	Namibia	THL Zinc Namibia Holdings (Proprietary) Ltd	100.00	100.00
40	THL Zinc Namibia Holdings (Proprietary) Limited ("VNHL")	Mining and Exploration and Investment company	Namibia	THL Zinc Ltd	100.00	100.00
41	Killoran Lisheen Mining Limited	Development of a zinc/lead mine	Republic of Ireland	Vedanta Lisheen Holdings Limited	100.00	100.00
42	Lisheen Milling Limited	Manufacturing [j]	Republic of Ireland	Vedanta Lisheen Holdings Limited	100.00	100.00
43	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
44	Vedanta Lisheen Mining Limited	Zinc and lead mining	Republic of Ireland	Vedanta Lisheen Holdings Limited	100.00	100.00
45	Cairn Energy Hydrocarbons Limited	Oil and gas exploration, development and production	Scotland [k]	Cairn India Holdings Limited	100.00	100.00
46	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
47	Vedanta Copper International VCI Company Limited [l]	Manufacturing of copper rod	Saudi Arabia	Malco Energy Limited	100.00	-
48	Cairn Lanka Private Limited [m]	Oil and gas exploration, development and production	Sri Lanka	Cairn Energy Hydrocarbons Limited	-	100.00
49	AvanStrate Taiwan Inc	Manufacturing of LCD Glass Substrate	Taiwan	ASI	100.00	100.00
50	Monte Cello BV ("MCBV")	Holding company	The Netherlands	Vedanta Limited	100.00	100.00
51	THL Zinc Holding BV	Investment company	The Netherlands	Vedanta Limited	100.00	100.00
52	Vedanta Lisheen Holdings Limited	Investment company	The Netherlands	THL Zinc Holding BV	100.00	100.00
53	Fujairah Gold FZC	Manufacturing of Copper Rod and Refining of Precious Metals (Gold & Silver)	United Arab Emirates	Malco Energy Limited	100.00	100.00

1 *The Group also has interest in certain trusts which are neither significant nor material to the Group.*

(a) *Copper Mines of Tasmania (CMT), wholly owned subsidiary of Vedanta Limited through intermediate holding company Monte Cello B.V. (MCBV) was sold on 17 November 2023 (Refer note 4(D)).*

(b) *The Mumbai NCLT and Chennai NCLT had passed orders dated 06 June 2022 and 22 March 2023 respectively to sanction 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'). MCA statutory filing has completed on 18 January 2024 which is the effective date of merger (Appointed date 01 October 2020).*

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(c) *Hindmetal Exploration Services Private Limited incorporated on 26 February 2024 as a 100% subsidiary of Hindustan Zinc Limited, in which no transactions have taken place during the year.*

(d) *Meenakshi energy limited has been acquired on 27 December 2023 under the liquidation proceedings of the Insolvency and Bankruptcy Code, 2016 as a 100% subsidiary of Vedanta Limited (Refer note 4(B)).*

(e) *Sesa Iron and Steel Limited incorporated on 06 September 2023 as a 100% subsidiary of Vedanta Limited.*

(f) *Vedanta Aluminium Metal Limited incorporated on 06 October 2023 as a 100% subsidiary of Vedanta Limited.*

(g) *Vedanta Base Metals Limited incorporated on 09 October 2023 as a 100% subsidiary of Vedanta Limited.*

(h) *Vedanta Displays Limited & Vedanta Semiconductors Private Limited has been acquired on 27 July 2023 from Twin star Technologies Ltd via share purchase agreement.*

(i) *Vedanta Iron and Steel Limited incorporated on 10 October 2023 as a 100% subsidiary of Vedanta Limited.*

(j) *Activity of the company ceased in February 2016.*

(k) *Principal place of business in India.*

(l) *Vedanta Copper International VCI Company Limited incorporated on 14 November 2023 as a 100% subsidiary of Malco Energy Limited, in which no transactions have taken place during the year.*

(m) *Cairn Lanka Private Limited is under process of liquidation.*

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 2024	As at 31 March 2023
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 2024 and 31 March 2023 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 2024	As at 31 March 2023
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 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Rajasthan Block	India	5,210	4,806	1,107	933	775	653
Ravva PKGM-1	India	704	704	14	18	3	4
CB-OS/2 Fields	India	298	298	31	22	12	9
KG-ONN-2003/1	India	260	260	31	32	15	16
KG-OSN-2009/3	India	-	32	-	4	-	4
DSF	India	218	30	112	86	112	86
OALP	India	361	531	81	60	81	60
Total		**7,051**	**6,661**	**1,376**	**1,155**	**998**	**832**

The Group's net working interest proved and probable reserves is as follows:

Particulars	Proved and probable reserves Oil (mmstb)	Proved and probable reserves Gas (bscf)	Proved and probable reserves (developed) Oil (mmstb)	Proved and probable reserves (developed) Gas (bscf)
Reserves as of 01 April 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**
Revisions/ Additions during the year	(3)	(2)	5	28
Production during the year	(24)	(34)	(24)	(34)
Reserves as of 31 March 2024***	**140**	**116**	**102**	**99**

** 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)*

**** Includes probable oil reserves of 45.89 mmstb (of which 25.92 mmstb is developed) and probable gas reserves of 29.15 bscf (of which 27.34 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 Subsequent events

Subsequent to the year end, the Regional Controller of Mines, Bengaluru issued an order ("the Order") for temporary suspension of mining operations for iron ore mines at Chitradurga, Karnataka, citing non-compliances with the approved mining plan. The Company believes that there is no material impact expected from this Order on an annualised basis, since the Company has sufficient mining and evacuation capacity. The Company is confident of demonstrating compliance with the approved mining plan and obtaining revocation of the said Order, as envisaged in the Order.

There are no other material adjusting or non-adjusting subsequent events, except as already disclosed.

46 The Holding Company, subsidiaries, associates and joint ventures which are companies incorporated in India and whose financial statements have been audited under the Act have complied with the requirements of audit trail except for the following:

In 12 subsidiaries, Nil associates and Nil joint ventures, audit trail feature is not enabled in the SAP application for direct changes to data in certain database tables which is restricted to certain IDs with system administrator user access in order to optimise system performance. However, these system administrator rights have been disabled subsequent to the year end. Further, no instance of audit trail feature being tampered with was noted in respect of software.

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47 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 2024		Year ended 31 March 2024		Year ended 31 March 2024		Year ended 31 March 2024	
		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	213.32%	65,536	156.24%	6,623	(0.59%)	11	281.10%	6,634
	Indian Subsidiaries								
1	Hindustan Zinc Limited	49.58%	15,233	183.70%	7,787	0.16%	(3)	329.83%	7,784
2	Bharat Aluminium Company Limited	29.69%	9,121	32.67%	1,385	0.64%	(12)	58.18%	1,373
3	MALCO Energy Limited	(0.31%)	(94)	(2.76%)	(117)	(0.21%)	4	(4.79%)	(113)
4	Talwandi Sabo Power Limited	11.79%	3,623	14.20%	602	0.00%	-	25.51%	602
5	Sesa Resources Limited	1.48%	454	0.61%	26	0.05%	(1)	1.06%	25
6	Sesa Mining Corporation Limited [1]	0.37%	114	2.34%	99	0.05%	(1)	4.15%	98
7	Sterlite Ports Limited [1]	0.00%	-	0.00%	-	0.00%	-	0.00%	-
8	Vizag General Cargo Berth Private Limited	(0.03%)	(10)	(0.71%)	(30)	0.00%	-	(1.27%)	(30)
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	0.17%	51	0.00%	-	0.00%	-	0.00%	-
13	ESL Steel Limited	14.97%	4,599	(22.84%)	(968)	0.05%	(1)	(41.06%)	(969)
14	Ferro Alloy Corporation Limited (FACOR)	3.52%	1,080	0.50%	21	0.05%	(1)	0.85%	20
15	Desai Cement Company Private Limited	(0.03%)	(8)	0.05%	2	0.00%	-	0.08%	2
16	Hindustan Zinc Alloys Private Limited	(0.03%)	(10)	(0.19%)	(8)	0.00%	-	(0.34%)	(8)
17	Vedanta Zinc Football & Sports Foundation	(0.00%)	(1)	0.00%	0	0.00%	-	0.00%	0
18	Hindustan Zinc Fertilizers Private Limited	0.00%	0	0.00%	-	0.00%	-	0.00%	0
19	Zinc India Foundation	(0.01%)	(2)	0.05%	2	0.00%	-	0.08%	2
20	Hindmetal Exploration Services Private Limited [b]	0.00%	0	0.00%	0	0.00%	-	0.00%	0
21	Meenakshi Energy Limited [a]	(0.17%)	(53)	(1.25%)	(53)	0.00%	-	(2.25%)	(53)
22	Sesa Iron and Steel Limited [b]	0.00%	0	0.00%	0	0.00%	-	0.00%	0
23	Vedanta Aluminium Metal Limited [b]	0.00%	0	0.00%	0	0.00%	-	0.00%	0
24	Vedanta Base Metals Limited [b]	0.00%	0	0.00%	0	0.00%	-	0.00%	0
25	Vedanta Displays Limited [a]	0.01%	2	(0.57%)	(24)	0.00%	-	(1.02%)	(24)
26	Vedanta Iron and Steel Limited [b]	0.00%	0	0.00%	0	0.00%	-	0.00%	0
27	Vedanta Semiconductors Private Limited [a]	(0.01%)	(3)	(1.23%)	(52)	0.00%	-	(2.20%)	(52)

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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 2024		Year ended 31 March 2024		Year ended 31 March 2024		Year ended 31 March 2024	
		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)
	Foreign Subsidiaries								
1	Copper Mines of Tasmania Pty Limited [c]	0.00%	-	13.07%	554	(0.37%)	7	23.77%	561
2	Thalanga copper mines Pty Limited	0.03%	9	(0.90%)	(38)	0.00%	-	(1.61%)	(38)
3	Monte Cello BV	0.18%	56	(3.89%)	(165)	0.00%	-	(6.99%)	(165)
4	Bloom Fountain Limited	(34.59%)	(10,628)	(6.30%)	(267)	0.00%	-	(11.31%)	(267)
5	Western Cluster Limited	(1.03%)	(315)	0.12%	5	0.00%	-	0.21%	5
6	Fujairah Gold FZC	(2.59%)	(797)	(1.77%)	(75)	0.00%	-	(3.18%)	(75)
7	THL Zinc Ventures Ltd	(2.76%)	(849)	(21.63%)	(917)	0.00%	-	(38.86%)	(917)
8	THL Zinc Ltd	(12.09%)	(3,713)	(7.50%)	(318)	0.00%	-	(13.47%)	(318)
9	THL Zinc Holding BV	(8.68%)	(2,666)	0.07%	3	0.00%	-	0.13%	3
10	THL Zinc Namibia Holdings (Proprietary) Limited	2.92%	898	(3.99%)	(169)	0.00%	-	(7.16%)	(169)
11	Skorpion Zinc (Proprietary) Limited	0.00%	0	0.00%	0	0.00%	-	0.00%	0
12	Skorpion Mining Company (Proprietary) Limited	(4.53%)	(1,392)	(0.35%)	(15)	0.00%	-	(0.64%)	(15)
13	Namzinc (Proprietary) Limited	1.33%	410	(3.75%)	(159)	0.00%	-	(6.74%)	(159)
14	Amica Guesthouse (Proprietary) Limited	0.01%	2	0.00%	0	0.00%	-	0.00%	0
15	Black Mountain Mining Proprietary Limited	11.85%	3,642	1.79%	76	(0.16%)	3	3.35%	79
16	Vedanta Lisheen Holdings Limited	0.09%	28	0.00%	0	0.00%	-	0.00%	0
17	Vedanta Lisheen Mining Limited	0.26%	80	(0.02%)	(1)	0.00%	-	(0.04%)	(1)
18	Killoran Lisheen Mining Limited	0.08%	25	(0.02%)	(1)	0.00%	-	(0.04%)	(1)
19	Lisheen Milling Limited	0.33%	101	(0.02%)	(1)	0.00%	-	(0.04%)	(1)
20	Lisheen Mine Partnership	0.00%	-	(0.02%)	(1)	0.00%	-	(0.04%)	(1)
21	Cairn India Holdings Limited	25.44%	7,817	40.58%	1,720	0.00%	-	72.88%	1,720
22	Cairn Energy Hydrocarbons Limited	12.90%	3,963	49.33%	2,091	0.00%	-	88.60%	2,091
23	Cairn Lanka (Private) Limited [d]	0.00%	-	0.00%	-	0.00%	-	0.00%	-
24	AvanStrate Inc	0.01%	2	0.00%	0	0.00%	-	0.00%	0
25	AvanStrate Korea Inc	(0.01%)	(2)	0.00%	0	0.00%	-	0.00%	0
26	AvanStrate Taiwan Inc	(0.01%)	(2)	0.00%	0	0.00%	-	0.00%	0
27	Vedanta Copper International VCI Company Limited [b]	0.00%	-	0.00%	-	0.00%	-	0.00%	-
	Non-controlling interests in all subsidiaries	(36.93%)	(11,347)	(77.85%)	(3,300)	(0.48%)	9	(139.45%)	(3,291)

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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 2024		Year ended 31 March 2024		Year ended 31 March 2024		Year ended 31 March 2024	
		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 & Joint ventures (per Equity method)								
	Indian								
1	Gaurav Overseas Private Limited	0.00%	0	(0.05%)	(2)	0.00%	-	(0.08%)	(2)
2	Madanpur South Coal Company Limited	0.00%	1	0.00%	-	0.00%	-	0.00%	-
3	Goa Maritime Private Limited	0.00%	0	0.00%	0	0.00%	-	0.00%	0
	Foreign								
1	RoshSkor Township (Pty) Ltd	0.00%	1	(0.02%)	(1)	0.00%	-	(0.04%)	(1)
2	Rosh Pinah Health Care (Proprietary) Limited	0.01%	4	(0.02%)	(1)	0.00%	-	(0.04%)	(1)
3	Gergarub Exploration and Mining (Pty) Limited	0.00%	0	0.00%	0	0.00%	-	0.00%	0
	Consolidation Adjustments/ Eliminations [e]	(176.54%)	(54,238)	(237.65%)	(10,074)	100.80%	(1,894)	(507.12%)	(11,968)
	Total	**100.00%**	**30,722**	**100.00%**	**4,239**	**100.00%**	**(1,879)**	**100.00%**	**2,360**

[a]Acquired during the year [b]Incorporated during the year [c]Sold during the year [d]Under liquidation duing the year.

[e]Consolidation adjustments/eliminations include intercompany eliminations, consolidation adjustments and GAAP differences.

1. The Mumbai NCLT and Chennai NCLT had passed orders dated 06 June 2022 and 22 March 2023 respectively to sanction 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'). MCA statutory filing has completed on 18 January 2024 which is the effective date of merger.

Exchange Rates as at 31 March 2024: 1 AUD= ₹ 54.3163, 1 USD = ₹ 83.3416, 1 AED = ₹ 22.6913, 1 NAD = ₹ 4.4152, 1 ZAR = ₹ 4.4152, 1 JPY = ₹ 0.5507

Average Exchange Rates for the year ended 31 March 2024: 1 AUD= ₹ 54.4681, 1 USD = ₹ 82.7845, 1 AED = ₹ 22.5356, 1 NAD = ₹ 4.4194, 1 ZAR = ₹ 4.4194, 1 JPY = ₹ 0.5735

NOTES
forming part of the consolidated financial statements as at and for the year ended 31 March 2024

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*	177.18%	69,848	201.05%	21,259	42.45%	419	187.51%	21,678
	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)	(2.34%)	(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%	-	0.27%	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%	-	(0.01%)	(1)	0.00%	-	(0.01%)	(1)
19	Vedanta Zinc Football & Sports Foundation	0.00%	-	(0.01%)	(1)	0.00%	-	(0.01%)	(1)
20	Hindustan Zinc Fertilizers Private Limited[c]	0.00%	-	0.00%	-	0.00%	-	0.00%	-
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)
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

NOTES

forming part of the consolidated financial statements as at and for the year ended 31 March 2024

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)
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 Ltd	(10.33%)	(4,072)	(0.01%)	(1)	0.00%	-	(0.01%)	(1)
8	THL Zinc Ltd	(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)
	Non-controlling interests in all subsidiaries	(25.38%)	(10,004)	(37.16%)	(3,929)	6.69%	66	(33.41%)	(3,863)

NOTES

forming part of the consolidated financial statements as at and for the year ended 31 March 2024

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)
	Associates & Joint ventures (per Equity method)								
	Indian								
1	Gaurav Overseas Private Limited	0.00%	1	0.00%	-	(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%	-	0.00%	-	0.00%	-	0.00%	-
	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%	-	0.00%	-	0.00%	-	0.00%	-
3	RoshSkor Township (Pty) Ltd	(0.00%)	2	(0.01%)	(1)	0.00%	-	(0.01%)	(1)
	Consolidation Adjustments/ Eliminations(g)*	(111.95%)	(44,139)	(187.19%)	(19,793)	42.47%	419	(167.58%)	(19,374)
	Total	**100.00%**	**39,423**	**100.00%**	**10,574**	**100.00%**	**987**	**100.00%**	**11,561**

**Restated, refer note 4(A)*

(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 downsubsidiaries 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 consolidated financial statements as at and for the year ended 31 March 2024

48 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 does not have any 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).

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: 25 April 2024

For and on behalf of the Board of Directors

Navin Agarwal
Executive Vice-Chairman and Whole-Time Director
DIN 00006303
Place: Mumbai

Arun Misra
Executive Director (Whole-Time Director)
DIN 01835605
Place: New Delhi

Ajay Goel
Chief Financial Officer
PAN AEAPG8383C
Place: New Delhi
Date: 25 April 2024

Prerna Halwasiya
Company Secretary and Compliance Officer
ICSI Membership No. A20856
Place: New Delhi

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	8,900	16,854	7,733	148	13,141	1,862	477	1,385	-	51
2	Copper Mines of Tasmania Pty Limited [3]	April to November	AUD - Australian Dollar	-	-	-	-	-	-	-	-	-	-	-
3	Thalanga Copper Mines Pty Limited	April to March	AUD - Australian Dollar	3	6	45	36	-	-	(38)	-	(38)	-	100
4	Monte Cello BV	April to March	USD - United States Dollar	0	56	305	249	-	-	(164)	1	(165)	-	100
5	Hindustan Zinc Limited	April to March	INR - INDIAN RUPEE	845	14,388	33,904	18,671	10,452	28,084	10,343	2,556	7,787	-	65
6	MALCO Energy Limited	April to March	INR - INDIAN RUPEE	5	(99)	802	896	37	616	(117)	-	(117)	-	100
7	Fujairah Gold FZC	April to March	AED - Emirati Dirham	7,622	(8,419)	8,444	9,241	-	4,903	(75)	-	(75)	-	100
8	Talwandi Sabo Power Limited	April to March	INR - INDIAN RUPEE	3,207	416	10,300	6,677	-	5,267	756	154	602	-	100
9	THL Zinc Ventures Ltd	April to March	USD - United States Dollar	74	(923)	7,289	8,138	-	-	(917)	-	(917)	-	100
10	THL Zinc Ltd	April to March	USD - United States Dollar	75	(3,788)	3,840	7,553	-	-	(318)	-	(318)	-	100
11	THL Zinc Holding BV	April to March	USD - United States Dollar	43	(2,709)	339	3,005	68	-	3	0	3	-	100
12	THL Zinc Namibia Holdings (Proprietary) Ltd	April to March	NAD - Namibian Dollar	7	891	1,199	301	2	9	(169)	-	(169)	-	100
13	Skorpion Zinc (Proprietary) Limited	April to March	NAD - Namibian Dollar	0	0	0	0	-	-	0	-	0	-	100
14	Skorpion Mining Company (Proprietary) Limited	April to March	NAD - Namibian Dollar	0	(1,392)	1,417	2,809	-	0	(15)	-	(15)	-	100
15	Namzinc (Proprietary) Limited	April to March	NAD - Namibian Dollar	0	410	1,967	1,557	-	3	(159)	-	(159)	-	100
16	Amica Guesthouse (Proprietary) Limited	April to March	NAD - Namibian Dollar	0	2	3	1	-	3	0	0	0	-	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
17	Black Mountain Mining (Proprietary) Limited	April to March	ZAR - South African Rand	0	3,642	7,202	3,560	-	3,554	225	149	76	-	74
18	Vedanta Lisheen Holdings Limited	April to March	USD - United States Dollar	0	28	29	1	-	-	0	0	0	-	100
19	Vedanta Lisheen Mining Limited	April to March	USD - United States Dollar	0	80	80	0	-	-	0	0	0	-	100
20	Killoran Lisheen Mining Limited	April to March	USD - United States Dollar	0	25	25	0	-	-	0	0	0	-	100
21	Lisheen Milling Limited	April to March	USD - United States Dollar	0	101	214	113	-	4	0	1	(1)	-	100
22	Lisheen Mine Partnership	April to March	USD - United States Dollar	-	-	63	63	-	-	(1)	-	(1)	-	100
23	Sterlite Ports Limited (5)	April to March	INR - INDIAN RUPEE	-	-	-	-	-	-	-	-	-	-	100
24	Vizag General Cargo Berth Private Limited	April to March	INR - INDIAN RUPEE	48	(58)	522	532	-	165	(27)	3	(30)	-	100
25	Cairn India Holdings Limited	April to March	USD - United States Dollar	3,988	3,829	9,936	2,119	20	-	1,750	30	1,720	-	100
26	Cairn Energy Hydrocarbons Limited	April to March	USD - United States Dollar	2,889	1,074	9,737	5,774	1,171	8,294	3,737	1,646	2,091	-	100
27	Cairn Lanka (Private) Limited (4)	April to March	USD - United States Dollar	-	-	-	-	-	-	-	-	-	-	100
28	Paradip Multi Cargo Berth Private Limited (5)	April to March	INR - INDIAN RUPEE	-	-	-	-	-	-	-	-	-	-	100
29	Bloom Fountain Limited	April to March	USD - United States Dollar	18,343	(28,971)	868	11,496	-	-	(267)	-	(267)	-	100
30	Western Cluster Limited	April to March	USD - United States Dollar	-	(315)	1,267	1,582	-	266	5	-	5	-	100
31	Sesa Resources Limited	April to March	INR - INDIAN RUPEE	1	453	2,088	1,634	0	23	26	-	26	-	100
32	Sesa Mining Corporation Limited (5)	April to March	INR - INDIAN RUPEE	22	92	535	421	-	189	108	9	99	-	100
33	Maritime Ventures Private Limited (5)	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
34	Goa Sea Port Private Limited (5)	April to March	INR - INDIAN RUPEE	-	-	-	-	-	-	-	-	-	-	100
35	Vedanta Limited ESOS Trust	April to March	INR - INDIAN RUPEE	0	51	205	154	0	-	0	0	0	-	100
36	AvanStrate Inc	April to March	JPY - Japanese Yen	0	2	3	1	-	0	0	-	0	-	52
37	AvanStrate Korea Inc	April to March	JPY - Japanese Yen	1	(3)	0	2	-	0	0	-	0	-	52
38	AvanStrate Taiwan Inc	April to March	JPY - Japanese Yen	0	(2)	3	5	-	-	0	0	0	-	52
39	Ferro Alloy Corporation Limited (FACOR)	April to March	INR - INDIAN RUPEE	34	1,046	1,531	451	13	816	29	8	21	-	100
40	ESL Steel Limited	April to March	INR - INDIAN RUPEE	1,849	2,750	10,808	6,209	20	8,300	(649)	319	(968)	-	95
41	Desai Cement Company Private Limited	April to March	INR - INDIAN RUPEE	2	(10)	13	21	-	9	2	-	2	-	100
42	Hindustan Zinc Alloys Private Limited	April to March	INR - INDIAN RUPEE	0	(10)	214	224	-	15	(10)	(2)	(8)	-	100
43	Vedanta Zinc Football & Sports Foundation	April to March	INR - INDIAN RUPEE	0	(1)	0	1	-	8	0	-	0	-	100
44	Hindustan Zinc Fertilizers Private Limited	April to March	INR - INDIAN RUPEE	0	(0)	336	336	-	-	0	-	0	-	100
45	Zinc India Foundation	April to March	INR - INDIAN RUPEE	0	(2)	0	2	-	15	2	-	2	-	100
46	Hindmetal Exploration Services Private Limited (2)	February to March	INR - INDIAN RUPEE	0	(0)	336	336	-	-	0	-	0	-	100
47	Meenakshi Energy Limited (1)	December to March	INR - INDIAN RUPEE	1	(54)	1,136	1,189	-	-	(53)	-	(53)	-	100
48	Sesa Iron and Steel Limited (2)	September to March	INR - INDIAN RUPEE	0	(0)	0	0	-	-	0	-	0	-	100
49	Vedanta Aluminium Metal Limited (2)	October to March	INR - INDIAN RUPEE	0	(0)	0	0	-	-	0	-	0	-	100
50	Vedanta Base Metals Limited (2)	October to March	INR - INDIAN RUPEE	0	(0)	0	0	-	-	0	-	0	-	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
51	Vedanta Displays Limited [1]	July to March	INR - INDIAN RUPEE	26	(24)	7	5	-	-	(24)	-	(24)	-	100
52	Vedanta Iron and Steel Limited[2]	October to March	INR - INDIAN RUPEE	0	(0)	0	0	-	-	0	-	0	-	100
53	Vedanta Semiconductors Private Limited [1]	July to March	INR - INDIAN RUPEE	49	(52)	13	16	-	-	(52)	-	(52)	-	100
54	Vedanta Copper International VCI Company Limited [2]	November to March	SAR - SAUDI RIYAL	0	-	0	-	-	-	-	-	-	-	100

a. Exchange Rates as at 31 March 2024: 1 AUD= ₹ 54.3163, 1 USD = ₹ 83.3416, 1 AED = ₹ 22.6913, 1 NAD = ₹ 4.4152, 1 ZAR = ₹ 4.4152, 1 JPY = ₹ 0.5507

b. Average Exchange Rates for the year ended 31 March 2024: 1 AUD= ₹ 54.4681, 1 USD = ₹ 82.7845, 1 AED = ₹ 22.5356, 1 NAD = ₹4.4194, 1 ZAR = ₹ 4.4194, 1 JPY = ₹ 0.5735

[1] *Acquired during the year*

[2] *Incorporated during the year*

[3] *Sold during the year*

[4] *Under liquidation during the year*

[5] *The Mumbai NCLT and Chennai NCLT had passed orders dated 06 June 2022 and 22 March 2023 respectively to sanction 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'). MCA statutory filing has completed on 18 January 2024 which is the effective date of merger.*

Form AOC-I

Salient features of Associate companies and Joint Ventures 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	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 2023	31 March 2024	31 March 2024	31 March 2024	31 December 2022	30 December 2020
2	Shares of Associate/Joint Ventures held by the Company at the year end						
	- Number	50	14,23,000	1,14,421	5,000	69	51
	- Amount of investment (₹ in crore)	1.85	1.42	1.96	0.01	0.00	0.00
	- % of holding	50.00%	50.00%	18.05%	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)	1.05	0.06	1.02	0.00	4.09	0.00
5	(Loss)/Profit for the year (₹ in crore)	(0.57)	(0.87)	0.01	(0.00)	(1.44)	-

For and on behalf of the Board of Directors

Navin Agarwal
Executive Vice-Chairman and Whole-Time Director
DIN 00006303
Place: Mumbai

Arun Misra
Executive Director (Whole-Time Director)
DIN 01835605
Place: New Delhi

Ajay Goel
Chief Financial Officer
PAN AEAPG8383C
Place: New Delhi

Prerna Halwasiya
Company Secretary and Compliance Officer
ICSI Membership No.A20856
Place: New Delhi

Date: 25 April 2024

ANNEX A
LIFE OF MINES

Company Particulars		Reserves (Proved and Probable)	Reserves and Resources	Fiscal Year 2024 Production	Mine Life – Reserves – As of April 1, 2024	Mine Life – Reserves and Resources – As of April 1, 2024
		(mt)	*(mt)*[(1)]	*(mt)*	*(years)*[(2)]	*(years)*[(2)]
HZL	Rampura Agucha	44.4	69.2	4.9	9	14
HZL	Rajpura Dariba	47.1	87.7	1.3	35	65
HZL	Zawar Group	42.2	142.8	4.0	10	35
HZL	Kayad	1.3	6.8	0.6	2	12
HZL	Sindesar Khurd	40.1	109.0	5.7	7	19
HZL	Bamnia Kalan	—	40.9	—	—	—
Skorpion	Skorpion	0.8	5.4	0	1	3
Black Mountain Mining	Deeps	1.9	10.7	0.9	2.0	7.2
Black Mountain Mining	Swartberg	48.5	157.8	0.7	2.0	7.2
Black Mountain Mining	Gamsberg	88.9	267.3	2.4	11.0	33.4
Black Mountain Mining	Big Syncline Project	—	191.7	—	—	—
Skorpion	Gergarub Project	—	13.5	—	—	—
Vedanta Limited	Iron Ore Karnataka	39.0	75.1	5.9	7	12.8
	WCL - Bomi	222.6	248.6	3.3	55.6	82.8

Notes:

(1) See "*Annex B – Mineral Resources (Exclusive Reporting Basis)*". The reporting methodology for Mineral Resources differs from that of Ore Reserves under international reporting codes as certain factors (termed "Modifying Factors", such as mining losses and dilution) are included in the reporting of Ore Reserves, whereas Mineral Resources are reported on an in-situ basis. For the purposes of proving and indication on the potential Life of Mine, Mineral Reserves and Mineral Resources (reported on an exclusive basis) have been summed herein. 'Reserves and Resources' are reported here as the sum of Mineral Reserves (Proven and Probable) and Mineral Resources (including Measured, Indicated and Inferred) exclusive of Mineral Reserves.

(2) Considerable caution should be exercised when considering life of mine estimates based on Mineral Resource plus Ore Reserves. Life of mine estimates which include Mineral Resources have been undertaken by Vedanta Limited and have not been subject to review by the Independent Consultants named in this Offering Circular. See the section entitled "*Risk Factors — Risks Relating to Business — There are uncertainties inherent in estimating our Ore Reserves and Mineral Resources and oil, condensate and sales-gas reserves, and if the actual amounts of such*

reserves and resources are less than estimated, our results of operations, cash flows and financial condition may be materially and adversely affected." for more information. The life of mine estimates presented in this table take into account the Fiscal Year 2024 production for all mines. It should be noted that the Ore Reserves are derived from Life-of-mine plans which in certain instances assume expanded production which is significantly increased when compared to current (2024) production capacity. Furthermore, the contribution of Inferred Mineral Resources to the estimation of Mine Life may be significant, with Inferred Mineral Resources representing the following percentages of "Reserves and Resources" shown; Rampura Agucha – 11.2%, Rajpura Dariba – 43.4%, Zawar Group – 47.3%, Kayad – 25.1%, Sindesar Khurd – 8.1, Bamnia Kalan – 49.3%, Skorpion – 30.1%, Swartberg – 25.1%, Gamsberg – 43.3%, Big Syncline – 96.8%, Gergarub Project – 30.9%, and WCL – Bomi – 6.6% Accordingly, the mine lives for such instances will be significantly shorter than the Life-of-Mine years reported above.

ANNEX B
MINERAL RESOURCES (EXCLUSIVE REPORTING BASIS)

Zinc-Lead	Measured			Indicated			Inferred		
	Quantity	Grade Zinc	Grade Lead	Quantity	Grade Zinc	Grade Lead	Quantity	Grade Zinc	Grade Lead
	(mt)	*(%)*	*(%)*	*(mt)*	*(%)*	*(%)*	*(mt)*	*(%)*	*(%)*
Rampura Agucha	10.0	14.8	2.2	7.1	10.2	3.3	7.7	0.2	5.2
Rajpura Dariba	1.9	6.9	2.1	0.5	5.4	2.0	38.1	6.0	1.9
Zawar Group	25.1	3.5	1.9	7.9	3.2	1.9	67.6	3.8	2.2
Kayad	0.4	14.3	2.0	3.3	7.6	1.0	1.7	5.7	0.3
Sindesar Khurd	38.7	3.8	2.0	21.3	3.5	1.5	8.9	3.2	1.5
Bamnia Kalan	—	—	—	20.7	3.3	1.1	20.2	3.5	1.4
Skorpion	0.3	10.2	0	3.0	12.4	0	1.3	9.5	0
Gergarub Project	—	—	—	9.3	9.1	2.4	4.1	8.0	2.2
Black Mountain									
Deeps	3.4	2.4	3.6	5.4	2.2	2.2	—	—	—
Swartberg	—	—	—	69.7	0.8	2.1	39.6	0.8	1.8
Gamsberg	7.3	7.7	0.5	55.5	7.3	0.6	115.8	7.4	0.5
Big Syncline Project	—	—	—	6.1	3.0	1.1	185.6	2.4	1.0

Iron Ore	Measured		Indicated		Inferred	
	Quantity	Grade	Quantity	Grade	Quantity	Grade
	(mt)	*(% Fe)*	*(mt)*	*(% Fe)*	*(mt)*	*(% Fe)*
Iron Ore Karnataka						
Normal	7.85	53.4	0.31	51.5	—	—
Siliceous	24.93	38.2	3.06	38.6	—	—
WCL	1.01	35.3	8.58	36.0	16.37	30.7

See the section entitled "*Risk Factors – Risks Relating to Business – There are uncertainties inherent in estimating our Ore Reserves and Mineral Resources and oil, condensate and sales-gas reserves, and if the actual amounts of such reserves and resources are less than estimated, our results of operations, cash flows and financial condition may be materially and adversely affected.*" for more information.

ANNEX C
MINERAL RESOURCE AND ORE RESERVE REPORTING

The JORC Code (2012) require that for Reporting of Mineral Resources and Ore Reserves, the publication of additional supplemental information, specifically in respect of assumed modifying factors and economic assumptions as well as a detailed narrative in respect of certain elements as noted under the JORC Codes (2012) Table 1 declarations. Certain sections of this Offering Circular present historical production sections as well as technical descriptions of our Mineral Assets and as such includes some of the supporting information incorporated into such declarations.

The detailed split for Proved and Probable Ore Reserves are included under the relevant business description sections for each of the Mineral Assets.

The Competent Persons' responsible for confirming that the Mineral Resources and Ore Reserves are reported in accordance with the terms and definitions of the reporting codes are:

For HZL, Black Mountain, Skorpion, where Mineral Resources and Ore Reserves are reported in accordance with the terms and definitions of the JORC Code (2012):

- The Competent Person who has reviewed the Mineral Resources as reported by the company in the March 31, 2024 Statements is Mr. Mark Campodonic, FGS, AusIMM (CP) and MSc, who is an employee of SRK Consulting (UK) Limited. He is a Chartered Professional Member (No. 225925) of the Australian Institute of Mining and Metallurgy. Mr Mark Campodonic is a mining geologist with over 20 years' experience in the mining industry which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the JORC Code (2012).

- The Competent Person who has reviewed the Ore Reserves as reported by the company in the March 31, 2024 Statements is Mr John Miles, C. Eng (UK) and MSc, who is an associate of SRK Consulting (UK) Limited. He is a Member of the Institute of Materials, Minerals and Mining. Mr John Miles is a mining engineer with 35 years' experience in the mining industry which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the JORC Code (2012).

For Vedanta Limited where Mineral Resources and Ore Reserves for iron ore mines are reported in accordance with the terms and definitions of the JORC Code (2012):

- The Competent Person who has reviewed the Mineral Resources as reported by the company in the March 31, 2024 Statements is Shameek Chattopadhyay, M.Sc, MAusIMM, who is an employee of SRK Mining Services (India) Private Limited. He is a mining geologist with over 20 years' experience in the mining industry which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the JORC Code (2012).

- The Competent Person who has reviewed the Ore Reserves as reported by the company in the March 31 2024 Statements is Somnath Gain B.E, MAusIMM, who is an employee of SRK Mining Services (India) Private Limited. He is a mining engineer with 20 years' experience in the mining industry which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the JORC Code (2012).

ANNEX D

PRODUCTION RELEASES OF VEDANTA LIMITED FOR THE SECOND QUARTER AND SIX MONTH ENDED SEPTEMBER 30, 2024

Vedanta Limited
Regd. Office: Vedanta Limited 1st Floor, 'C' Wing,
Unit 103, Corporate Avenue, Atul Projects,
Chakala, Andheri (East),
Mumbai 400093, Maharashtra.
www.vedantalimited.com
CIN: L13209MH1965PLC291394

Vedanta Limited

Production Release for 2Q and 1HFY25.

Mumbai, October 4, 2024: Vedanta Limited today announced its production numbers for Second quarter and Half year ended September 30, 2024.

"Highest-ever quarterly and half-yearly Aluminium production"

"Highest-ever second quarter mined and refined metal production in Zinc India"

Editor's Synopsis

- Record Aluminium production of 1205 kt in 1H, while Alumina production jumps 21% YoY
- Zinc India records a new high for mined metal while the production of refined metal increased by 5% YoY to 524 kt in the first half of the year
- Zinc International volumes rise 16% QoQ
- Power sales increase 10% YoY in 1H supported by higher generation from thermal plants
- Ferrochrome production jumps 70% YoY to 53 kt driven by commissioning of the new furnace

Aluminium:

Particulars (In "000 tonnes, or as stated)	2Q			1Q		1H		
	FY25	FY24	% Change	FY25	% Change	FY25	FY24	% Change
Alumina- Lanjigarh	499	464	8%	539	(7%)	1,039	859	21%
Total Aluminium Production	**609**	**594**	**3%**	**596**	**2%**	**1,205**	**1,173**	**3%**
Jharsuguda	460	447	3%	450	2%	910	880	3%
BALCO	149	147	2%	146	2%	295	293	1%

- Record half-yearly Alumina production of 1039 kt (+21% YoY), and Aluminium production of 1,205 kt (+3% YoY) in the first half driven by operational efficiencies

Zinc India:

Particulars (In '000 tonnes, or as stated')	2Q			1Q		1H		
	FY25	FY24	% Change	FY25	% Change	FY25	FY24	% Change
Mined Metal	256	252	2%	263	(2%)	519	509	2%
Saleable Metal	**262**	**241**	**8%**	**262**	**-**	**524**	**501**	**5%**
- Refined Zinc[1]	198	185	7%	211	(6%)	409	394	4%
- Refined Lead	63	57	12%	51	23%	115	107	7%
Silver (in tonnes)	184	181	2%	167	10%	350	360	(3%)
Silver (in mn ounces)	5.9	5.8	2%	5.4	10%	11.3	11.6	(3%)

1.Includes 2.5kt, 0.5kt & 3.0kt of metal production from Hindustan Zinc Alloys Private Limited (100% subsidiary of HZL) in 2QFY25, 1QFY25 & 1HFY25 respectively.

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- Best-ever mined metal production in first half-year with higher ore treatment and overall improved mined metal grades.
- Refined metal production was up 5% YoY in the first half, with refined zinc increasing 4% YoY and refined lead 7% YoY.
- 2Q silver volumes jump 10% sequentially

Zinc International:

Particulars (In "000 tonnes, or as stated)	2Q			1Q		1H		
	FY25	FY24	% Change	FY25	% Change	FY25	FY24	% Change
Total Mined Metal	**44**	**66**	**(34%)**	**38**	**16%**	**81**	**134**	**(40%)**
Mined Metal Content – Gamsberg	32	48	(34%)	26	21%	58	97	(40%)
Mined Metal Content – BMM[1]	12	18	(35%)	11	4%	23	37	(38%)

[1]*BMM: Black Mountain Mine*

- 2Q production jumps 16% sequentially supported by 21% increase at Gamsberg and 4% at BMM.

Oil & Gas:

Particulars (In '000 boepd, or as stated)	2Q			1Q		1H		
	FY25	FY24	% Change	FY25	% Change	FY25	FY24	% Change
Average Daily Gross Operated Production (kboepd)	**104.9**	**134.1**	**(22%)**	**112.4**	**(7%)**	**108.6**	**134.5**	**(19%)**
Rajasthan	85.1	112.2	(24%)	92.7	(8%)	88.9	112.1	(21%)
Ravva	11.0	10.9	1%	11.3	(3%)	11.1	11.3	(1%)
Cambay	4.8	10.1	(52%)	4.8	-	4.8	10.5	(55%)
OALP	4.0	1.0	-	3.7	8%	3.8	0.6	-
Average Daily Working Interest Production (kboepd)	**68.8**	**86.6**	**(21%)**	**73.7**	**(7%)**	**71.2**	**86.3**	**(18%)**
Rajasthan	59.6	78.6	(24%)	64.9	(8%)	62.2	78.4	(21%)
Ravva	2.5	2.4	1%	2.5	(3%)	2.5	2.5	(1%)
Cambay	1.9	4.0	(52%)	1.9	-	1.9	4.2	(55%)
KG-ONN 2003/1	0.8	0.6	37%	0.6	33%	0.7	0.5	46%
OALP	4.0	1.0	-	3.7	8%	3.8	0.6	-
Total Oil and Gas (million boe)								
Oil and Gas - Gross	9.6	12.3	(22%)	10.2	(6%)	19.9	24.6	(19%)
Oil and Gas – Working Interest	6.3	8.0	(21%)	6.7	(6%)	13.0	15.8	(18%)

kboepd: *thousands of barrels of oil equivalent per day*

- Volumes under OALP arrangement rise to 3.8 kboepd in 1H, supported by ramp up of Jaya oilfield
- The natural decline in the MBA fields partially offset by infill wells brought online in Mangala and RDG fields

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Iron ore:

Particulars	2Q			1Q		1H		
(In dmt, or as stated)	FY 25	FY 24	% Change	FY 25	% Change	FY 25	FY 24	% Change
Production of Saleable Ore (mn tonnes)	**1.3**	**1.2**	**7%**	**1.3**	**3%**	**2.6**	**2.4**	**6%**
Karnataka	1.3	1.2	2%	1.2	9%	2.4	2.4	(1%)
Goa	0.1	-	-	0.1	(56%)	0.2	-	-
Sales (mn tonnes)	**1.1**	**1.5**	**(29%)**	**1.0**	**6%**	**2.0**	**2.6**	**(22%)**
Karnataka	1.1	1.5	(29%)	1.0	6%	2.0	2.5	(18%)
Goa	-	0.0	-	-	-	-	0.1	-
Production of Pig Iron ('000 tonnes)	**189**	**218**	**(13%)**	**205**	**(8%)**	**395**	**430**	**(8%)**

- Iron ore volumes increased by 6% to 2.6 Mnt in 1H, while the Pig Iron production was adversely impacted due to maintenance activity

Steel:

Particulars	2Q			1Q		1H		
(In '000 tonnes, or as stated)	FY25	FY24	% Change	FY25	% Change	FY25	FY24	% Change
Finished Production	**296**	**378**	**(22%)**	**356**	**(17%)**	**652**	**702**	**(7%)**
Pig Iron	87	61	43%	58	51%	145	124	17%
Billets Produced	162	277	(41%)	255	(37%)	418	495	(16%)
Billets Consumed	*(158)*	*(269)*	*(41%)*	*(253)*	*(38%)*	*(411)*	*(483)*	*(15%)*
TMT Bar	85	140	(39%)	137	(38%)	222	252	(12%)
Wire Rod	68	122	(44%)	109	(37%)	177	218	(19%)
Ductile Iron Pipes	51	47	8%	50	4%	101	96	5%

- Production adversely impacted due to the planned shutdown on account of the debottlenecking of Steel Melting Shop and maintenance of Oxygen Plant in 2Q

FACOR:

Particulars (In "000 tonnes, or as stated)	2Q			1Q		1H		
	FY25	FY24	% Change	FY25	% Change	FY25	FY24	% Change
Ore Production	38	18	-	80	(53%)	118	94	26%
Ferro Chrome Production	26	22	18%	28	(6%)	53	31	70%

- Ore production increased by 26% and ferrochrome production up by 70% in 1H.

Copper India:

Particulars (In '000, or as stated)	2Q			1Q		1H		
	FY25	FY24	% Change	FY25	% Change	FY25	FY24	% Change
Copper Cathodes	41	35	16%	20	-	61	66	(8%)

- 2Q production increased by 16% YoY

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Power:

Particulars (In million units)	2Q			1Q		1H		
	FY25	FY24	% Change	FY25	% Change	FY25	FY24	% Change
Power Sales	**4,322**	**4,047**	**7%**	**4,791**	**(10%)**	**9,113**	**8,305**	**10%**
TSPL	2,863	2,795	2%	2,990	(4%)	5,853	5,625	4%
Jharsuguda	709	506	40%	825	(14%)	1,534	1,124	36%
BALCO	621	589	6%	868	(28%)	1,489	1,277	17%
HZL Wind Power	129	157	(18%)	108	19%	237	278	(15%)
TSPL Availability	86%	83%	-	91%	-	88%	87%	-
TSPL PLF	71%	69%	-	74%	-	73%	70%	-

- Overall power sales in 1H increased 10% YoY despite a decline in wind power generation of 15% due to weather conditions.

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CIN: L13209MH1965PLC291394

Vedanta Limited:

Vedanta Limited ("Vedanta"), a subsidiary of Vedanta Resources Limited, is one of the world's leading critical minerals, energy and technology companies spanning across India, South Africa, Namibia, Liberia, UAE, Saudi Arabia, Korea, Taiwan and Japan with significant operations in Oil & Gas, Zinc, Lead, Silver, Copper, Iron Ore, Steel, Nickel, Aluminium, Power & Glass Substrate and foraying into electronics and display glass manufacturing. For two decades, Vedanta has been contributing significantly to nation building. Governance and sustainable development are at the core of Vedanta's strategy, with a strong focus on health, safety, and environment. Vedanta has put in place a comprehensive framework to be the ESG leader in the natural resources sector, is committed to reducing carbon emissions to net zero by 2050 or sooner and aims to spend $5 billion over the next 10 years to accelerate this transition. Giving back is in the DNA of Vedanta, which is focused on enhancing the lives of local communities. Anil Agarwal Foundation, the umbrella entity for Vedanta's social initiatives, aims to spend Rs 5000 crore over the next five years on various social impact programs and its flagship project, Nand Ghar is setting up model anganwadis across India. Vedanta Ltd. ranked 3rd in the S&P Global Corporate Sustainability Assessment 2023, and has been listed in the Dow Jones Sustainability World Index. The company has also been certified as a Great Place to Work and Kincentric Best Employer 2023. Vedanta Limited is listed on the Bombay Stock Exchange and the National Stock Exchange.

For more information, please visit www.vedantalimited.com

Vedanta Limited
Vedanta, 75, Nehru Road,
Vile Parle (East), Mumbai (400 099)
www.vedantalimited.com

Registered Office:
Regd. Office: 1st Floor, 'C' wing, Unit 103,
Corporate Avenue, Atul Projects,
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Mumbai – 400 093
CIN: L13209MH1965PLC291394

Disclaimer
This press release contains "forward looking statements" – that is, statements related to future, not past, events. In this context, forward looking statements often address our expected future business and financial performance, and often contain words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "should" or "will." Forward–looking statements by their nature address matters that are, to 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 a political, economic, business, competitive or regulatory nature. These uncertainties may cause our actual future results to be materially different that those expressed in our forward looking statements. We do not undertake to update our forward-looking statements.

For any Investor enquiries, please contact:
Mr. Charanjit Singh, Group Head – Investor Relation (vedantaltd.ir@vedanta.co.in)
Ms. Prerna Halwasiya – Company Secretary and Deputy Head, Investor Relations

For any media queries, please contact:
Mr. Mukul Chhatwal, Group Head – PR & Media Relations (Mukul.Chhatwal@cairnindia.com)

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To the Issuer and the Guarantors as to English and US federal law

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