

Vedanta Limited

Mumbai, April 25, 2024: Audited Consolidated Results for the Fourth Quarter and Year ended 31st March 2024.

“Quarterly EBITDA of ₹ 8,969 crore, up 3% QoQ with strong EBITDA margin of 30% up ~75 bps”

“Surge in Quarterly Free Cash Flow (Pre-Capex) of ₹ 9,948 crore by 131% QoQ”

“Deleveraging of ₹ 6,155 crore QoQ, significantly improved Net Debt/EBITDA to 1.5x from 1.7x”

Financial Highlights

▪ **4QFY24:**

- Consolidated Revenue of ₹ 34,937 crore, flat QoQ.
- Consolidated EBITDA of ₹ 8,969 crore, up 3% QoQ with EBITDA margin* of c. 30%.
- PAT (excluding exceptional items) at ₹ 2,453 crore.
- Strong double-digit return on capital employed ~23%, improved QoQ.
- Net debt/ EBITDA improved to ~1.5x vs 1.7x in Dec'23.
- Net debt at ₹ 56,338 crore, reduced 10% QoQ.
- Liquidity improved by 21% QoQ with Strong Cash and Cash Equivalent of ₹ 15,421 crore.
- Generated robust Free cash flow (pre capex) of ₹ 9,948 crore, up 131% QoQ.

▪ **FY24:**

- Second ever highest annual consolidated Revenue of ₹ 141,793 crore.
- Second ever highest annual EBITDA of ₹ 36,455 crore, up 3%.
- EBITDA margin* improved to 30%, up ~240 bps.
- Strong double-digit return on capital employed c.23%, up ~240 bps YoY.
- Successful liability management exercise at Hold Co., resulting in a structural improvement in capital structure.
- Highest Dividend yield ~17% p.a. (5 Year avg), 10x vs Nifty 50 Cos, Dividend of ₹ 18,572 crore paid in FY24.

*Excludes custom smelting at copper business.

Operational Highlights FY24 -

Key businesses continue to deliver strong operating performance:

▪ **Aluminium**

- Highest ever annual aluminium cast metal production at 2,370 kt, up 3% YoY.
- Alumina production at Lanjigarh refinery at 1,813 kt, up 1% YoY.
- Sustained cost reduction for 7th consecutive quarter reaching to \$ 1,711/t in Q4, reduced by ~\$940/t in last 7 quarters.
- Stands in the first quartile of the global cost curve.
- Commissioned Train-I of 1.5 MTPA Lanjigarh refinery taking total capacity to 3.5MTPA.

▪ **Zinc India**

- Hindustan Zinc becomes the 3rd largest producer of Silver globally.
- Highest-ever annual mined metal, refined metal, and silver production at 1,079 kt, 1,033 kt and 746 mt respectively.
- Strong foothold in the first decile of the global zinc mines cost curve.
- Consecutive 5 quarters of cost optimisation with lowest zinc cost of production in last 3 years, at \$1,051/t in 4QFY24.
- 2nd largest zinc R&R base globally with R&R of 456.3 million tonnes as on 31st Mar'24, up by ~35% in last 5 years (net of 65.1 million tonnes of ore production)

▪ **Zinc International**

- FY24 Gamsberg CoP lower by 3% YoY.
- Highest quarterly lead recovery in Q4 at BMM for FY24 at 87.5%.
- Highest monthly zinc recovery at Gamsberg of 82.3% in October 2023.

▪ **Oil and Gas**

- India's first Field Development Plan under OALP regime approved for Jaya field, Gujarat. Production commenced with initial plan to deliver > 3kboepd.
- Average daily gross operated production of 127.5 kboepd, natural decline was partially offset by the infill wells brought online across all assets.

▪ **Iron ore**

- Highest ever Karnataka saleable ore production and sales was at 5.6 million tonnes and 5.9 million tonnes respectively.
- Highest ever Pig Iron production at 831kt, up 19% YoY.
- Operationalized the Bicholim mine in Goa (3 MTPA capacity), marking the commencement of first mining operation in Goa region after six years.

- **Steel**
 - Highest ever annual saleable production and hot metal production at 1,386 kt and 1,473 kt, up 8% YoY.
 - Highest ever DIP production of 212 kt, up 8% YoY.
 - Highest ever annual dispatch at 1,394 kt, up 11% YoY.
- **Facor**
 - Achieved all time high annual Ferrochrome production of 80 kt, up 18% YoY.
 - New Briquetting plant installed with 20TPH capacity.
 - Highest ever quarterly Ferro Chrome production in 4QFY24 at 27 kt, up 38% YoY and 23% QoQ.
 - Quarterly margin at 245 \$/t up 68% QoQ.
- **Copper India:**
 - Highest ever sales at 198 kt since closure of Tuticorin operations.
 - Tuticorin Smelting operations have remained halted since April 2018. On 29th February 2024, the Hon'ble Supreme Court dismissed the Special Leave Petitions filed by the Company. The company is evaluating the legal remedies for sustainable restart of Tuticorin plant.

FY24 ESG Highlights:

- **Excellence in ESG:** Vedanta and Hindustan zinc ranked 3rd and 1st respectively among top 10 global diversified Metal & Mining peers in the **S&P Global Corporate Sustainability Assessment**; Vedanta Aluminium ranked 1st in among global aluminum peers.
- **Gender Diversity:** Achieved our workplace gender diversity target for full-time employees 7 years in advance. Gender diversity for full-time employees stands at 20% (FY23: 14%)
- **Renewable Energy (RE):** Construction against RE Power Delivery agreements (PDAs) of 1836 MW on track and power delivery expected to start from 1QFY25.
- **Water Recycling:** Achieved water recycling of 30% in FY24.
- **Waste Utilization:** HVLT waste usage at 90+%; Sustained Fly ash utilization at 100+%
- **Tree Plantation:** 2 million trees planted as part of commitment to plant 7 million trees by 2030.
- **Women & Child Welfare:** 6,000+ Nand Ghars created for women and child welfare.
- **Exchequers Contribution:** ~₹53,000 crore contribution to National Exchequers.
- **CSR contribution:** Spent INR 438+ crore on CSR initiatives for communities, positively touching over 16 million lives.

Mr Arun Executive Director of Vedanta, “FY 2023-24 has been a remarkable year for Vedanta. We have achieved record production across our key businesses, a testament to our consistent focus on operational excellence. This focus, coupled with our commitment to cost leadership, ensured strong margins even during a challenging commodity market. We're especially proud of the Lanjigarh refinery expansion to 3.5 MTPA, taking us closer to a fully integrated 3 MTPA aluminum operation. The commencement of operations at the new Bicholim mine in Goa marks a significant step in our growth journey. HZL is now the world's 3rd largest silver producer. Our commitment to sustainability has been recognized globally – we topped the ESG rankings in India and ranked 3rd worldwide. This focus is further strengthened by securing 1,826 MW of renewable power through PDAs, with the first power delivery scheduled for Q1FY25. As we move forward, operational excellence, continued growth, and ESG leadership remains our strategic priorities. With this commitment, we are confident in delivering significant value for our shareholders in the coming year.”

Mr Ajay Goel, Chief Financial Officer, Vedanta, said “Driven by operational excellence, Vedanta achieved outstanding financial results, marking the second highest annual revenue and EBITDA in our history, reaching ₹1,41,793 crore and ₹36,455 crore respectively. Through continued cost optimization, we achieved a remarkable EBITDA margin of 30% in FY24 with ~240 basis points annual margin expansion, underscoring our efficiency and agility. Moreover, our net debt/EBITDA ratio improved to 1.5x from 1.7x in December 2023. At Holdco, we deleveraged by \$1.6bn in FY24 & through successful liabilities management, Vedanta has a balanced capital structure, and will remain committed towards value creation.”

Consolidated Financial Performance –

(In ₹ crore, except as stated)

Particulars	Q4	Q3	% Change QoQ	Q4	% Change YoY	FY		% Change
	FY2024	FY2024		FY2023		FY2023	FY2023	
Net Sales/Income from operations	34,937	34,968	(0%)	37,225	(6%)	1,41,793	1,45,404	(2%)
Other Operating Income	572	573	(0%)	705	(19%)	1,934	1,904	2%
EBITDA	8,969	8,677	3%	9,362	(4%)	36,455	35,241	3%
EBITDA Margin ¹	30%	29%	2%	29%	3%	30%	28%	9%
Finance cost	2,415	2,417	(0%)	1,805	34%	9,465	6,225	52%
Investment Income	543	724	(25%)	958	(43%)	2,341	2,851	(18%)
Exploration cost write off	111	92	21%	39	-	785	327	-
Exchange gain/(loss) - (Non operational)	(49)	1	-	(118)	-	(263)	(492)	-
Profit before Depreciation and Taxes	6,937	6,893	1%	8,359	(17%)	28,283	31,048	(9%)
Depreciation & Amortization	2,743	2,788	(2%)	2,765	(1%)	10,723	10,555	2%
Profit before Exceptional items & tax	4,194	4,105	2%	5,594	(25%)	17,560	20,493	(14%)
Exceptional Items Credit/(Expense) ²	(201)	0	-	(1336)	-	2,803	(217)	-
Profit Before Tax	3,993	4,105	(3%)	4,258	(6%)	20,363	20,276	0%
Tax Charge/ (Credit)	1,741	1,237	41%	1,709	2%	6,306	6,044	4%
Tax on Exceptional items/ (Credit)	(21)	0	-	(583)	-	6,520	(274)	-
Profit After Taxes	2,273	2,868	(21%)	3,132	(27%)	7,537	14,506	(48%)
Profit After Taxes before exceptional items	2,453	2,868	(14%)	3,885	(37%)	11,254	14,449	(22%)

1. Excludes custom smelting at copper business.

2. Exceptional items Gross of Tax

3. Previous period figures have been regrouped or re-arranged wherever necessary to conform to current period's presentation.

Revenue:

- 4QFY24 Revenue flat at ₹34,937 crore, despite lower LME and exchange rate fluctuations.
- FY24 consolidated revenue decreased by 2% to ₹ 1,41,793 crore due to lower commodity prices partially offset by higher volume across businesses and favorable exchange rate movement.

- **EBITDA and EBITDA Margin:**
 - 4QFY24 EBITDA increased by 3% QoQ to ₹8,969 crore mainly driven by higher volume and structural cost saving initiatives across businesses partially offset by lower LME and exchange rate fluctuations.
 - FY24 EBITDA increased by 3% to ₹ 36,455 crore, on account of structural cost saving initiatives across businesses, easing of input commodity inflation, favorable exchange rate movement and arbitration award received in Oil & Gas business partially offset by lower LME and strategic hedging gains in FY23.
 - EBITDA margin¹ stood at c.30% in FY24, improved ~240 bps.
- **Depreciation & Amortization:**
 - 4QFY24 Depreciation & Amortization decreased by 2% QoQ mainly in oil and gas partially offset by increased ore production at Zinc India.
 - FY24 Depreciation & Amortization increased by 2%, due to increase in ore production at Zinc India and increased capitalization in Aluminum.
- **Finance Cost:**
 - 4QFY24 finance cost remained flat QoQ.
 - FY24 finance cost increased by 52% to ₹ 9,465 crore, due to increase in average borrowings and cost of borrowings.
- **Investment Income:**
 - 4QFY24 investment Income decreased by 25% QoQ to ₹543 crore majorly due to one-time gain in Q3FY24.
 - FY24 investment Income decreased by 18% to ₹ 2,341 crore, majorly due to decrease in average investments, partially offset by mark to market movement.
- **Exceptional Items:**
 - 4QFY24 exceptional loss of ₹ 201 crore, due to impairment charge of ₹ 994 crore majorly at Tuticorin, partially offset by Capital creditors written back in Power sector of ₹ 793 crore.
 - FY24 exceptional gain of ₹ 2,803 crore, majorly due to foreign currency translation gain of OCPRS of ₹ 1,825 crore and Capital creditors written back in Power sector of ₹ 793 crore and impairment reversal at Oil and Gas of ₹1,179 crore offset by impairment charge of ₹994 crore majorly at Tuticorin.
- **Taxes:**
 - Normalized ETR for 4QFY24 is 42% vs 30% in 3QFY24. The increase in ETR is majorly due to reversal of deferred tax asset and recognition of additional tax expense due to tax case settlement.
 - Normalized ETR for FY24 is 36% vs 30% in FY23 majorly due to change in profit mix and reversal of deferred tax asset.
- **PAT before exceptional items:**
 - 4QFY24 PAT before exceptional items at ₹ 2,453 crore.

- FY24 PAT before exceptional items at ₹ 11,254 crore.
- **Leverage, liquidity, and credit rating:**
 - Gross debt at ₹71,759 crore as on 31st Mar'24, reduced by ₹3,468 crore QoQ.
 - Net debt at ₹56,338 crore as on 31st Mar'24, reduced by ₹6,155 crore QoQ; Net debt to EBITDA ratio improved to ~1.5x vs ~1.7x as on 31st Dec'23.
 - Cash and cash equivalents position remain healthy at ₹15,421 crore, increased by ₹2,687 crore QoQ. The Company follows a Board-approved investment policy and invests in high quality debt instruments with mutual funds, bonds, and fixed deposits with banks.
 - CRISIL Ratings revised the ratings of Vedanta from CRISIL AA to CRISIL AA- and India Ratings revised the ratings from IND AA to IND A+. Both the agencies placed the ratings on Watch with Developing Implications.

Q4FY24 Awards and Recognition:

Taxation: Hindustan Zinc received 'Tax Transparency Award' at the 7th edition of Tax Strategy & Planning Summit & Awards 2024

Safety: Vedanta Aluminium Jharsuguda and Vedanta Lanjigarh received British Safety Council Awards 2024.

Business Excellence:

- Vedanta Lanjigarh ranked in "Excellent and Distinguished Category" at the 37th National Convention on Quality Concepts 2023 by Quality Circle Forum of India.
- BALCO awarded National Certification for 'Digital Transformation in Manufacturing Process' by FICCI.

Sustainability:

- Vedanta Aluminium Jharsuguda recognised as " Best National Water Efficient Plant" and "Best Ash handling plant under 50 MW to 135 MW category" at the National Awards for Excellence in Water and Ash Management by Council of Enviro Excellence.
- Hindustan Zinc won Mission Energy Foundation Award for efficient management of fly ash - captive power plant in Northern Region.

DEI: HZL recognized at the prestigious 3rd National Transgender Awards.

Results Conference Call –

Please note that the results presentation is available in the Investor Relations section of the company website <https://www.vedantalimited.com/eng/investor-relations-overview.php#resultsReports>

Following the announcement, a conference call is scheduled at 5:30 PM (IST) on April 25, 2024, where the senior management will discuss the company's results and performance. The dial-in numbers for the call are as below:

Event	Telephone Number		
Earnings conference call on April 25, 2024, from 5:30 PM to 6:30 PM (IST)	Universal Dial-In	+91 22 6280 1114 +91 22 7115 8015	
	India National Toll Free	1 800 120 1221	
	International Toll Free*	Canada	01180014243444
		Hong Kong	800964448
		Japan	00531161110
Netherlands		08000229808	
	Singapore	8001012045	
	UK	08081011573	
	USA	18667462133	
Online Registration Link	Click here - Registration Link		
Call Recording	Will be available on Company website on April 26, 2024		

**In case of dial-ins from any other country, please use the online registration link for relevant dial in numbers*

About Vedanta Limited:

Vedanta Limited ("Vedanta"), a subsidiary of Vedanta Resources Limited, is one of the world's leading natural resources companies spanning across India, South Africa, Namibia, Liberia, UAE, 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, has pledged 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 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

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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 than those expressed in our forward-looking statements. We do not undertake to update our forward-looking statements.

For any Investor enquiries, please contact:

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