

**Vedanta Resources Limited**

**TAX  
TRANSPARENCY  
REPORT**

**2021-22**



**TRANSFORMING FOR GOOD**

Communities | Planet | Workplace



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# TAKING INDIA'S METTLE TO THE WORLD



## CHAIRMAN'S VALUE STATEMENT

"The past year tested our country's strength and resilience as we strived to recover from a deadly pandemic. The challenges that we faced were unprecedented and it was the spirit of our nation and people that helped us rise to the occasion and come out victorious and stronger.

For Vedanta too, this year has been a historic one as we reported our highest ever consolidated Revenue and EBITDA of USD 17.62 billion and USD 6.26 billion respectively. With enhanced focus on transparency and commitment to Environmental, Social and Governance (ESG), Vedanta continues to surge ahead to deliver sustainable long term returns to all its stakeholders.

In continuity to our past performance, and commitment to building on transparency, we proudly present our sixth Tax Transparency Report with highest ever annual contribution of USD 7.4 billion which accounts for 42% of the consolidated turnover for the year.

As we focus on building the trust of all our stakeholders, we hope this report alongside the Integrated Annual Report for FY 22 will provide a brief outlook into our vision and commitment to ESG and the positive impact that we strive to make."

**Anil Agarwal**  
Chairman, Vedanta Resources Limited



## ABOUT THE REPORT

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

At Vedanta, we remain committed to disclosing relevant information pertaining to our material issues, with highest standards of transparency and integrity, in line with our values. We believe transparency is much more than mere disclosure of taxes. Transparency generates accountability to provide insights and analytics into the working

of organizations to demonstrate how they create long-term sustainable financial returns through their operations, so stakeholders can make informed decisions.

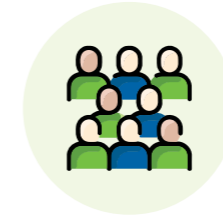
Vedanta strives to make a positive contribution to the society in which it operates. It is this purpose that enables us to prosper sustainably and positively impact the lives of communities across jurisdictions in which we operate. Through this Tax Transparency Report, we demonstrate our commitment to responsible tax behavior.

# CELEBRATING 3200+ NAND GHARS

## #DESHKIZAROORATONKELIYE



## OUR COMMITMENTS



### PEOPLE

- Promote Cultural Diversity at workplace



### BUSINESS

- Become lowest cost producer in a sustainable manner
- Improve transparency and completeness of disclosure in alignment with best global practices



### PLANET

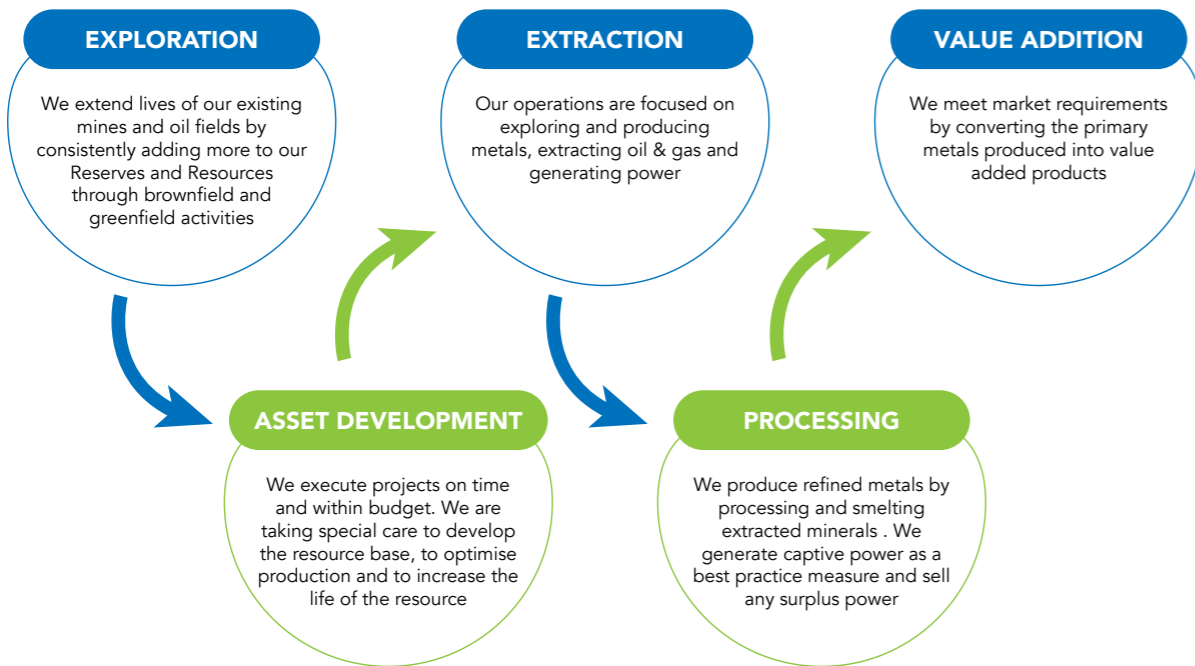
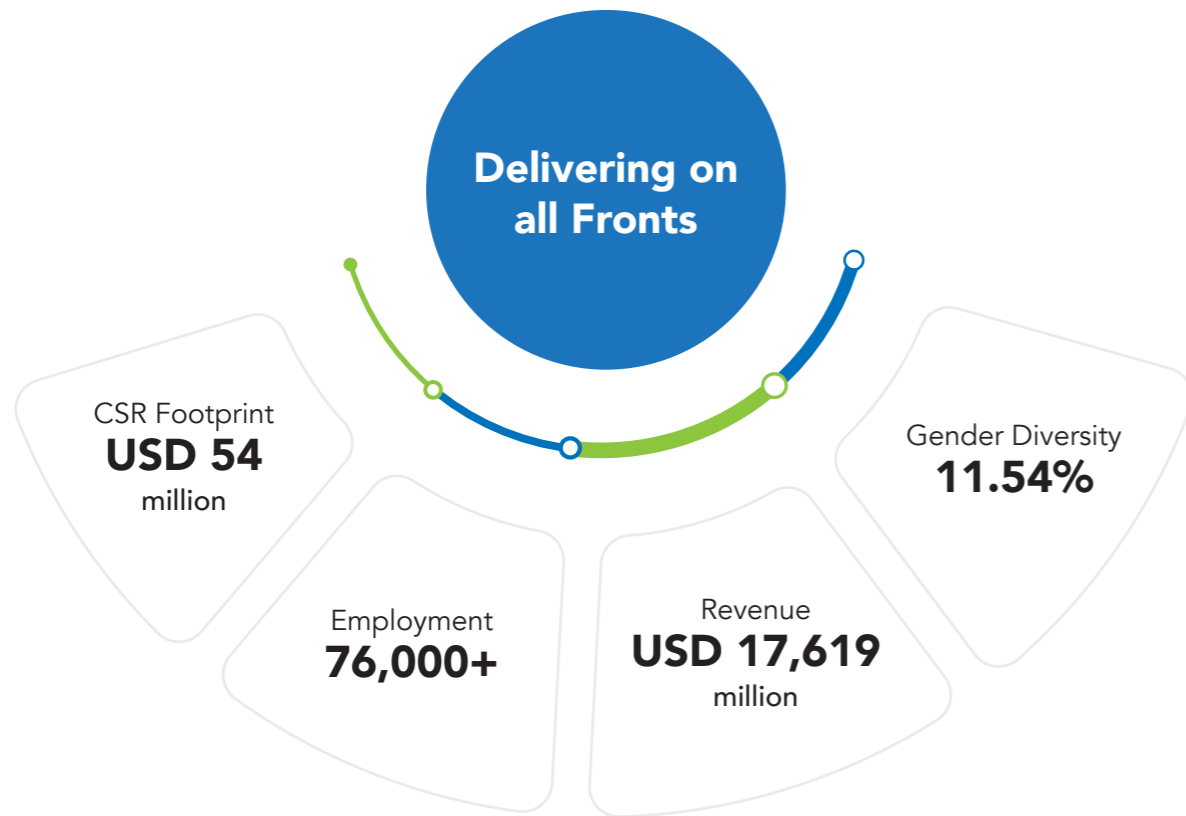
- Continued Implementation of 'Zero Harm, Zero Waste and Zero Discharge' objective
- Attain Net Carbon neutrality by 2050
- Achieve Net Water positivity by 2030



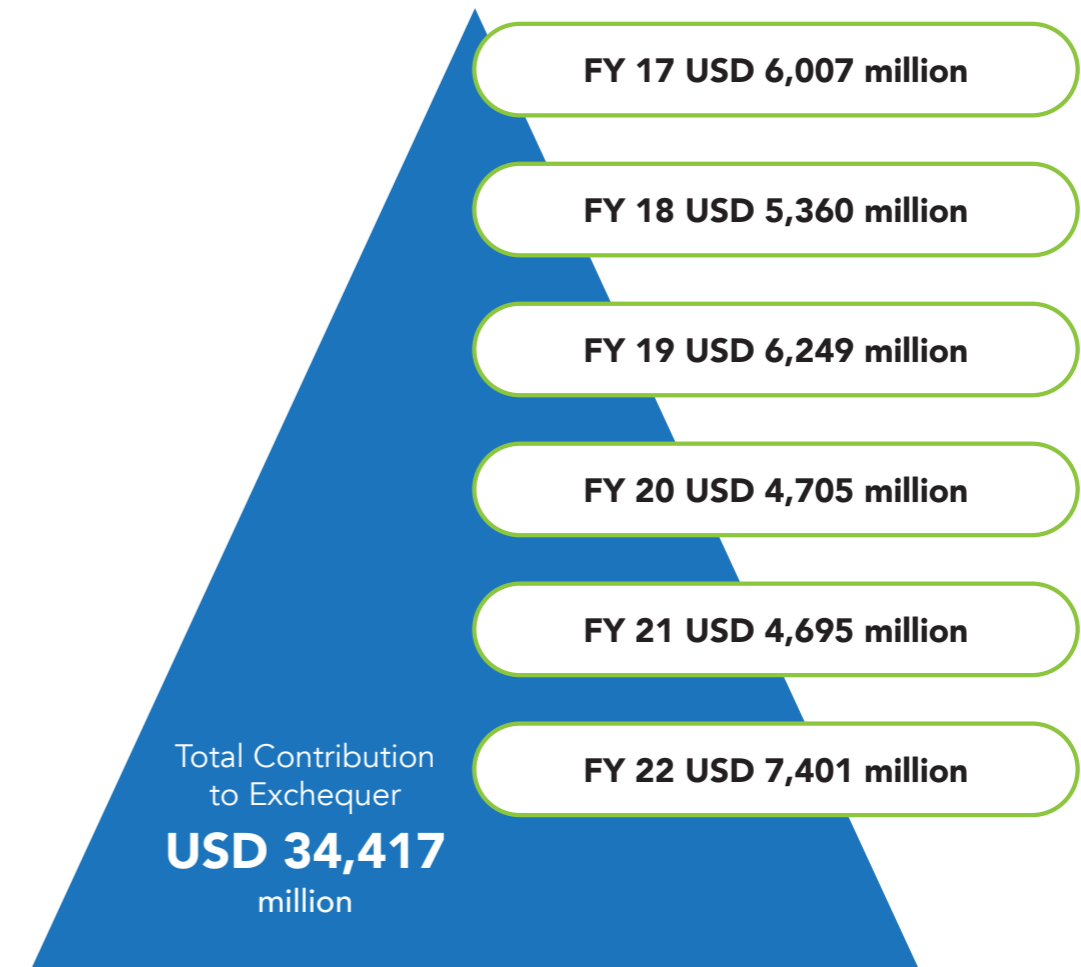
### SOCIETY

- Community welfare at the core of decision making
- Positively impact the lives of 100 million women and children





ESG PURPOSE	TRANSFORMING FOR GOOD		
<b>Pillars</b> 	<b>Transforming Communities</b> 	<b>Transforming the Planet</b> 	<b>Transforming the Workplace</b> 
<b>Commitments &amp; Targets</b> 	<b>Aim 1.</b> Keep community welfare at the core of business decisions  <b>Aim 2.</b> Empowering over 2.5 million families with enhanced skillsets  <b>Aim 3.</b> Uplifting over 100 million women and children through Education, Nutrition, Healthcare and welfare	<b>Aim 4.</b> Net-carbon neutrality by 2050 or sooner  <b>Aim 5.</b> Achieving net water positivity by 2030  <b>Aim 6.</b> Innovating for a greener business model	<b>Aim 7.</b> Prioritizing safety and health of all employees  <b>Aim 8.</b> Promote gender parity, diversity and inclusivity  <b>Aim 9.</b> Adhere to global business standards of corporate governance



# ECONOMIC RESPONSIBILITY

As one of the world's largest and most diversified natural resources company, we are poised to play a major role in the economic growth of the nations in which we operate. We are making the right investments at right places to grow exponentially across the globe, while ensuring sustainability, focus remains resolute. We are working with the Government of respective operational jurisdictions to promote inclusive development and improve environmental well-being for the critical minerals and mining sector.

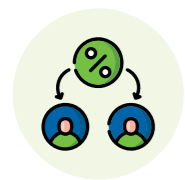
FY 22 witnessed a notable rebound in the commodity markets with the release of pent-up demand and buoyant prices. The demand was further accelerated by the global energy transition, with Original equipment manufacturer (OEM) and other players sourcing metals and minerals at scale for deployment in renewable energy infrastructure.

With this backdrop, Vedanta reaffirmed its position as a strong natural resources player that contributes to global and industrial growth and gives utmost priority to carbon neutrality. We saw a substantial growth across all our businesses, in terms of throughput and volumes, and in improved financial results.

Over the past few years, the Group has materially improved the operational performance of the businesses whilst constantly focusing on accelerating investments in energy transition, health and safety, diversity and ESG in general.

Keeping in mind the ESG facet while making overall business future ready, Vedanta is extending its operations in the segments of renewable energy, manufacturing of semiconductor chips, cement manufacturing etc., which will entail an overall strong growth. Vedanta is committed to nation building and to infuse in future investments of USD 20 billion across businesses which will play a crucial role in overall economic growth.

In line with the past trends, we are proud to declare that we have contributed USD 7.4 billion to the public exchequer of the various countries where we operate in FY 22. The total contribution to exchequer is the result of value addition by various business segments across their respective value chain and multiple hierarchies of business cycle.



Shareholders, Investors, Lenders

Return on Investment



Employees

Safe & Inclusive work environment



Industry

Strong Partnerships



Community

Social Investment



Government

Economic Value & Sustainable Growth

# AWARDS AND RECOGNITION

- 1 Frost and Sullivan & TERI Sustainability Award - Leaders award under Mega Large Business Sector
- 2 Dow Jones Sustainability Index - HZL ranked 5<sup>th</sup> globally, 1<sup>st</sup> in Asia Pacific and 1<sup>st</sup> Globally in Environment dimension in the Metal and Mining sector
- 3 Sabera Award - For CSR efforts under Responsible Business of the Year category
- 4 Best Rural Health Initiative Award - Ranked 5<sup>th</sup> under the Gold Category - CSR Health Impact Awards
- 5 Most Sustainable Company in the Mining Industry - World Finance at the Sustainability Awards
- 6 Awarded Certificate of Merit for financial reporting by the South Asian Federation of Accountants (SAFA)

# OUR OPERATIONS AROUND THE WORLD





All amounts are in USD million

<b>Direct Economic Value Generated:</b>		<b>18,880</b>
<b>Economic Value Distributed:</b>		<b>15,261</b>
Operating Costs (Payments made to our suppliers for the purchase of utilities, goods and services)	11,630	
Payment to Government (CIT and Profit Petroleum)	1,500	
Employee Wages and Benefits (Employee expenses for salary, wages and incentives)	387	
Payments to Providers of Funds (Dividend payments and Interest payments)	1,690	
Community Investments Voluntary donations	54	
<b>Direct Economic Value Retained</b>		<b>3,619</b>

## GUIDING TAX PRINCIPLES

- 1**

To maintain high standards of integrity with respect to tax compliance and reporting
- 2**

To observe all applicable laws, rules and regulations in the countries where we operate, including in respect to Transfer Pricing. To meet all tax compliance requirements in a timely manner, through a team of suitably qualified tax professionals and external service providers
- 3**

To maintain the Group's reputation as a fair contributor to the economy where tax forms a part of that contribution. To proactively disclose detailed information about the overall tax contribution of the Group to the governments of the countries where we operate
- 4**

To avoid transactions which will have tax results that are inconsistent with the underlying economic consequences unless there exists specific legislation designed to give that result
- 5**

To ensure that all transactions and tax positions are properly documented. In completing the Group's tax compliance requirements, we aim to apply diligent professional care and judgment, including ensuring all decisions are taken at an appropriate level and supported by documentation that evidences the judgment involved
- 6**

Working positively, proactively and transparently with tax authorities to minimise the extent of disputes, achieve early agreement on any disputed issues when they arise, and achieve certainty wherever possible
- 7**

To identify tax risks in a consistent and formal manner and communicate these when appropriate to the Audit Committee and the Board
- 8**

To actively participate in tax policy consultation processes where appropriate at a national or international level
- 9**

To develop our people, through training, experience and opportunity

# TAX GOVERNANCE AND STRATEGY

## TAX PRINCIPLES

Vedanta has laid down nine guiding tax principles which encompass the way it operates. Adherence to tax laws and timely compliance in all countries of operation is a standard procedure. The core theme remains high level of integrity, transparency and accountability. All business decisions are driven by commercial prudence and tax is usually the outcome of such business decisions.

### Drawing on guidance from B Team

Globally there have been various initiatives to work towards a more accountable business environment. Most of these initiatives have been focused on operational accountability with respect to environment and society. But in recent times, operational responsibility towards payment to the government exchequer has also come into focus. Leading business conglomerates have come together to form the B Team that has laid down certain principles ensuring greater accountability for such payments. Vedanta, being a conscious global operator, has always been aligned to the (seven) tax principles laid down by the B Team.

### Drawing on guidance from Extractives Industries Transparency Initiative (EITI)

Vedanta's business is deeply entrenched in the extractive industry space. This necessitates additional commitment to ensure a sustainable way of doing business. Vedanta is conscious of its responsibility towards the environment and we ensure that due consideration is given to avoid negative impacts on society, environment as well as government. The business is driven by commercial prudence complying with all required regulations and adherence to sustainability. Public disclosures are provided as needed and

thus, fundamentally, there exists an alignment with the set of principles laid down by the EITI.

### Vedanta Group Tax Strategy

To ensure that the spirit of accountability, transparency and commitment to sustainable value creation is well understood by all stakeholders, Vedanta has drawn out a detailed Tax Strategy document. The document can be accessed at <https://www.vedantaresources.com/Pages/TaxTransparencyReport.aspx>. The document captures the tax principles and acts as a guiding pillar to all employees of Vedanta Group so they are aligned to the inherent principles that are applicable to them in their everyday operation. This ensures that the Group adheres to the rules of doing business the right way, always keeping tax in consideration.

Transparency is our core value as we firmly believe that in the business of natural resource and wealth, we need to have strong commitment in building long term sustainable value creation for our multiple- stakeholders including the government and society at large. We remain at the forefront of tax reporting by managing our tax affairs in a succinct and straightforward manner.

Vedanta and its group companies have a simple approach to structuring and addressing relevant tax impacts. They are driven by commercial prudence and substance creation at operational level. In the process, whatever tax impacts or consequences are envisaged are evaluated internally by in-house experts along with external specialists. Tax planning or tax efficiency is never the driving force in either structuring of entities or transactions within the Group.

## TAX RISK MANAGEMENT, CONTROL AND COMPLIANCE

### Tax Risk Management

The Group recognizes the need and is committed to managing its global tax risks and has processes and controls that enable timely identification and management of these risks. These processes and controls are part of a strong governance framework adopted by the Group.

### Tax Risk Governance framework

The Group maintains internal controls in the form of compliance calendars, internal audit processes by MAS (Management Assurance Services) teams, and authorization matrices under maker-checker concept.

Vedanta has also formed an internal 'Tax Council' which acts as an overarching governing body to the tax function as a whole. The Tax Council operates with a mix of experienced professionals internally drawn from Tax and Finance, and externally drawing on senior lawyers, retired Bureaucrats and independent tax practitioners. The Tax Council addresses issues relating to both direct and indirect tax. The body plays a vital role in ensuring that all the businesses across the group duly comply with the risk governance framework and tax strategy of the group. It conducts periodical reviews, provides guidance and advises with respect to tax compliance, tax litigation and other related matters which ensures adequate transparency and consistency.

Material tax risks or disputes are reported to the Audit Committee for its consideration. This review includes assessment of probabilities of different outcomes, cash flow and reputational impact. The Audit Committee then updates the Board.

The tax strategy is owned and approved by the company's Board. It is subject to annual review by the Board and six monthly tax report which is prepared by the Group's Corporate

tax team under the guidance of the Group Tax Head is also presented to the Board. The Board is continuously advised on the tax affairs and risks of the Group with support from the Group's Corporate tax team. Responsibility for tax governance rests with the tax function, in consultation with the Group Financial Controller.

### Approach to Tax Compliances

These systems, processes and controls enable the Group to fulfill its tax compliance obligations and mitigate associated risks.

The Group also strives to ensure that commercial transactions are structured in tax-efficient ways where credible technical analysis and interpretation is available. In particular, the governance structure we have, ensures that such transactions should be in full compliance with the law. This includes setting of transfer prices at arm's length for all inter-company transactions in accordance with global guidance. The Group claims tax incentives and exemptions as legitimately available in the countries where it operates and maintains appropriate documentation and ensures compliance with the law for all its tax initiatives.

## RESPONSE TO STAKEHOLDER AND TAX ENVIRONMENT

### Vedanta's Stakeholders

The Group's vision is to become a developer of choice in the areas of our operations and create long-term value for all stakeholders. The stakeholders include the local community, employees, shareholder, investors and lenders, civil society, industry and government. From a tax perspective, stakeholders include the tax authorities as well. The Group strives to deal with all its stakeholders with integrity and transparency.



**Approach on Advocacy**

We maintain an open, honest, transparent and constructive relationship in all our dealings with the tax authorities in the jurisdictions in which we operate. Our dealings are based on mutual trust in line with Vedanta's Code of Business Conduct and Ethics.

We actively participate in the tax authority's formal consultation processes on matters having material impact on the Group. We work with Industry chambers wherever possible to contribute in development of tax laws and associated policies.

For strategic and critical transactions, the Group proactively evaluates dispute avoidance mechanisms and has applied for advance pricing agreements wherever feasible.

**Grievance Redressal**

Our Code of Business Conduct and Ethics, which applies to all employees, sets out our zero tolerance on corruption and bribery. Vedanta requires its employees, tax advisors and suppliers of tax services to act with integrity and maintain high ethical standards in all tax activities. Vedanta also has a Stakeholders' Relationship Committee which cohesively supports the Board in maintaining strong and long-lasting relations

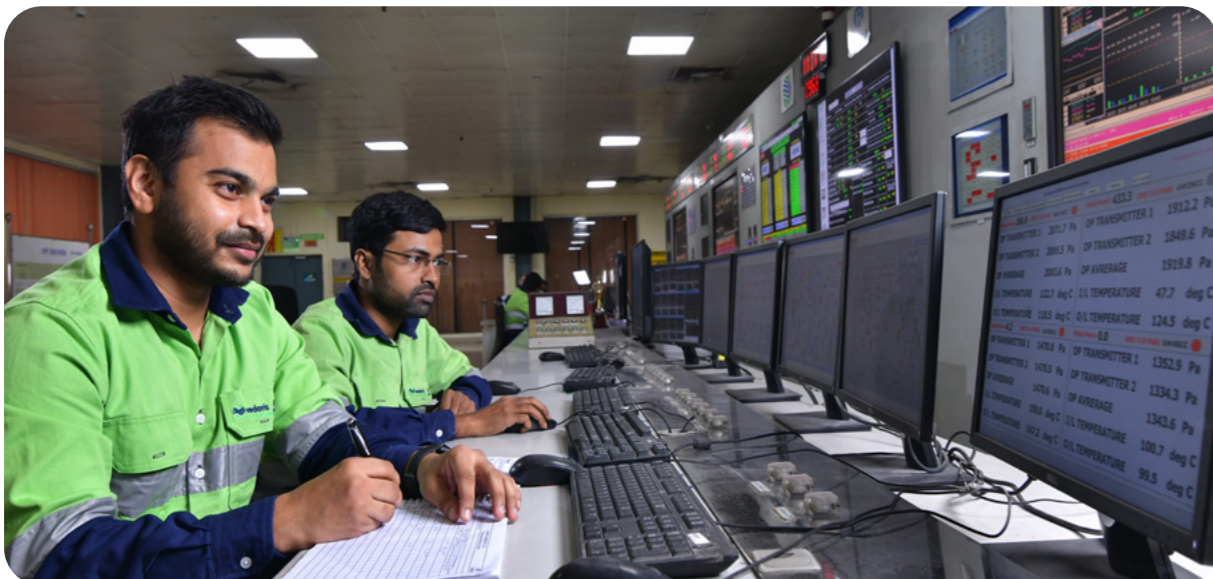
with its stakeholders. It also ensures a process for collection of views and concerns of the stakeholders and their redressal.

**Vedanta's Tax Agility Focus**

We strive to strengthen our systems, processes, group structures, transactions etc. to comply with changing tax laws across the globe. In the current year the Group is striving to assess the application and impact of BEPS 2.0 initiatives on all of its group companies. Vedanta team has systems and standard protocols which would enable it to handle this transition without any disruptions. Further, the transitioning out of LIBOR has also been addressed by all group companies in all their financial transactions with special attention to related party transactions.

**TAX APPROACH IN OUR JURISDICTIONS**

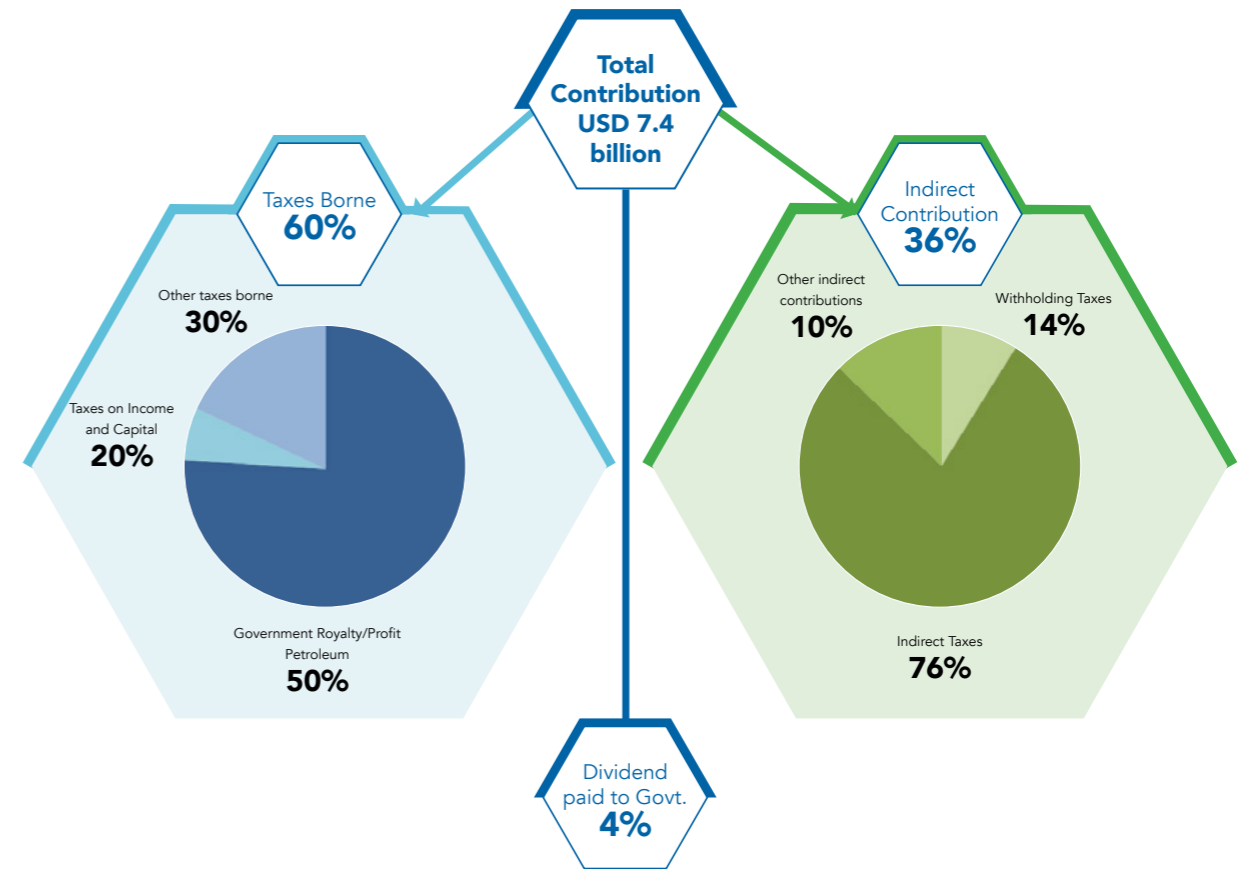
Vedanta as a group, operates across several countries in the world. In each of the jurisdictions, it ensures that compliances are adhered to as per local standards and requirements. Wherever required, Vedanta and its group entities work proactively with tax authorities to avoid any potential disputes on account of incorrect understanding of the facts of a transaction, and the impact of the legislation applicable to such facts.



**OUR CONTRIBUTION TO EXCHEQUER IN FY 22**

Vedanta contributed **USD 7.4 billion**, around 42% of its turnover to the exchequer through a wide range of contributions in the nature of Corporate Income taxes, royalties, profit petroleum, through significant indirect revenue contributions by way of withholding taxes and Indirect taxes. With this edition, the Company is publishing its **sixth** Tax Transparency Report.

The total contribution to the exchequer comprises of the following –



For the purpose of preparation of this chart, we have shown the tax contributions under two broad categories of taxes i.e. Taxes borne and Indirect Contributions.

- Taxes borne primarily comprise corporate income tax, royalty related tax payments, production entitlements i.e. profit petroleum and other material payments made to the Government such as production based Oil Cess, Stamp Duty Payments, Levies on Import/Export, Local Municipal taxes, etc.
- Indirect Contributions primarily comprise of taxes collected and paid on behalf of our employees and vendors i.e. withholding taxes, payroll taxes (professional taxes), payments of value added taxes on sales and other Social Security Contributions to fund the Social Security program of the governments for the employees etc.

**Government Royalty & Profit Petroleum - 50% - USD 2,243 million**

**Government Royalties – USD 1,126 million**

We pay royalties to the state governments of India in Gujarat, Punjab, Rajasthan, Andhra Pradesh, Goa and Karnataka based on extraction of bauxite, lead-zinc, silver, iron ore, Crude oil and natural gas. The most significant of these is the royalty that Hindustan Zinc Limited (HZL) is required to pay to the state government of Rajasthan, where all of HZL's mines are located.

Generally in respect of oil and gas operations, royalty payments are made by the joint operation partners in proportion to their participating interest. Vedanta being the operator of the block reports the total government royalty paid.

**Profit Petroleum - USD 1,117 million**

The Government of India (GOI) is the owner of the hydrocarbons wherein it has assigned the responsibility to the joint operation (Contractor) to explore, develop and produce

the hydrocarbons. Contractor is entitled to recover out of Petroleum produced, all the costs incurred according to the Production Sharing Contracts in exploring, developing and producing the hydrocarbons, which is known as "Cost Petroleum". Excess of revenue (value of hydrocarbons produced) over and above the cost incurred as above, is called "Profit Petroleum", which is shared between the GOI and Contractor Parties as per procedure laid down in Production Sharing Contracts. Vedanta being the operator of the block reports the total profit petroleum.

**Taxes on Income and capital - 20% - USD 891 million**

Profits of companies in India are subject to either regular income tax or Minimum Alternate Tax ("MAT"), whichever is greater. Regular Income tax on Indian companies is charged at a statutory rate of 30.00% plus a surcharge of 12.00% on the tax and has an additional health and education cess of 4.00% on the tax including surcharge, which results in an effective statutory tax rate of 34.94%.

The effective MAT rate during the year for Indian companies was 17.47% . The excess of amounts paid as MAT over the regular income tax amount during the year may be carried forward and applied towards regular income taxes payable in any of the succeeding fifteen years subject to certain conditions.



**Other taxes borne – 30% - USD 1,321 million**



**Indirect Taxes -76% - USD 2,001 million**

Goods and Service Tax (GST) is a supply driven concept and would therefore apply on supply of goods and services.

Taxes under GST apply as follows:

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

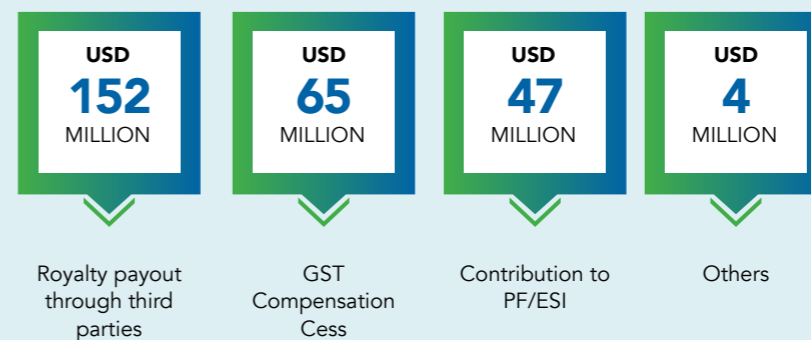
applies on certain specified goods and services. The general rate of GST on our output supplies is 18.00%, 5.00% and 3.00%

**Withholding taxes – 14% - USD 375 million**

This comprises of the following:

- Payroll and Employer Taxes payable as a result of a company's capacity as an employer.
- Payroll and employee taxes withheld from employee remuneration and are paid to governments on behalf of employees.
- Other taxes collected/deducted.

**Other indirect contributions - 10% - USD 268 million**



**BUSINESS SPREAD OF CONTRIBUTION TO EXCHEQUER**  
(Highest contribution – Oil & Gas – 34%)



All amounts are in USD million

**TABLE 1 - GLOBAL TAX & OTHER CONTRIBUTIONS**

Country wise Operations	Taxes Borne				Indirect Revenue Contributions				Dividend paid to Govt.	Contribution to exchequer
	Taxes on Income and Capital	Government Royalties & Profit Petroleum	Others	Total Payments Borne	Withholding Taxes	Indirect Taxes	Others	Total		
	(A)	(B)	(C)	I = (A + B + C)	(D)	(E)	(F)	II = (D + E + F)		
India	768	2,241	1,318	4,327	359	2,001	259	2,619	302	7,248
South Africa	-	2	0	2	12	-	5	17	-	19
Others*	123	0	3	126	4	0	4	8	-	134
<b>Total</b>	<b>891</b>	<b>2,243</b>	<b>1,321</b>	<b>4,455</b>	<b>375</b>	<b>2,001</b>	<b>268</b>	<b>2,644</b>	<b>302</b>	<b>7,401</b>

\*This includes contribution for Namibia, Australia, Japan, South Korea, UAE, Ireland, Mauritius, Netherlands, Taiwan, Liberia, UK and Cyprus.

**TABLE 2 - OTHER RELEVANT INDICATORS**

Country	Functions	Revenue (External)	Profit Before Tax (PBT)	No of employees
India	One of the largest producer of zinc-lead-silver, iron ore, copper, aluminium, power in India and having business operations in steel, nickel, and oil and gas sector	16,571	4,736	15,750
South Africa	Producer of zinc and lead concentrate at Black Mountain Mining (BMM) and Special High Grade Zinc metal at Skorpion Zinc	602	131	940
Others*	Mining and other activities	446	(718)	826

\*This includes contribution for Namibia, Australia, Japan, South Korea, UAE, Ireland, Mauritius, Netherlands, Taiwan, Liberia, UK and Cyprus.



## BASIS OF PREPARATION

### NOTE 1

Amounts reported in the Table 1 - 'Global Tax & Other Contributions' have been subject to external assurance. Assurance Report forms a part of this report. The financial information it contains is consistent with that used to prepare our FY 22 consolidated financial statements and financial statements of the Group's listed/non-listed operating subsidiary companies. In case of joint venture operations, contributions are shown at gross level as made by the Unincorporated Joint Venture (UJV) of which the Company's subsidiary is the operator irrespective of our percentage interest in the UJV.

### NOTE 2

All data is prepared for the year from 1 April 2021 to 31 March 2022. The above contributions have been reported on a cash basis. The base information used to compute the above contributions is the same as that for the audited financial statements of respective companies with inherent differences in the accounting methodology. The social expenditures have not been considered in the contribution to exchequer shown in the above table.

### NOTE 3

Vedanta has disclosed in taxes borne in table above, the taxes charged by suppliers/ service providers in their invoices and paid by the Group to the extent not creditable. Indirect contributions shown in the table above inter-alia include royalty and cess paid through third parties, and these collectively represent gross output liabilities discharged by the Group. Any amount arising on account of foreign exchange fluctuation has been excluded from the reportable data as such amount is not paid to any government entity and arises only on account of book entries.

### NOTE 4

#### TAXES BORNE

##### A) Taxes on Income and Capital

This comprises Corporate Income Tax but does not include Deferred Tax and Penalty, if any. These taxes are provided at amounts paid during the year FY 22 with respect to corporate income tax liability of the same year and of previous years at respective corporate tax rates applicable for those years. Typically, these taxes would be reflected in corporate income tax returns made to governments, and tend to become payable, and are paid (either directly by way of advance tax or self-assessment tax or through credit of withholding tax), either in the year the profits were made or up to one year later, depending on the tax laws of the respective countries as to the timing of payments.

##### B) Government Royalties and Profit Petroleum

This comprises contributions made to exchequer in the form of royalties, license fees and resource rents; for example, contribution for the extraction of minerals, metals, crude oil or gas whether paid directly to the Government or through the third parties. These form part of operating costs. Profit Petroleum represents share of profit paid to the government on account of production of crude oil and natural gas from the fields awarded by the government as per the terms of Production Sharing Contract (PSC). Typically, this is reflected in various forms/ returns prescribed by the government for this purpose. The government's share of profit petroleum is accounted for when the obligation (legal or constructive) in respect to the same arises. Profit petroleum is netted off from revenue generated from such operations.



##### C) Other taxes borne

This comprises cess paid on production of crude oil in India, stamp duty that arises on the transfer of assets or capital, levies on import/export of goods (considered on gross basis), municipal taxes, electricity duty, service tax, excise duty, GST, entry tax/octroi and other taxes borne. These form part of operating costs, except where creditable.

##### E) Indirect Taxes

This comprises taxes paid to the governments on procurement or production or sale of goods such as Value Added Tax (VAT)/sales tax, excise duty, central sales tax, Goods and Services Tax, etc. (considered gross basis) These taxes would not be collected if the Group had not produced and made sales to the customers.

#### INDIRECT REVENUE CONTRIBUTIONS

##### D) Withholding Taxes

This comprises payroll and employee taxes (including professional tax) withheld from employee remuneration, and paid to governments, i.e., tax collected and remitted to governments on behalf of employees. Typically, these taxes would be reflected in payroll tax returns made to exchequer and tend to be payable, and are paid, on a regular basis (often monthly) throughout the year, shortly after the submission of the returns. It also comprises taxes withheld or collected from various payments made to contractors and paid to governments, i.e., taxes collected/deducted and remitted to governments on behalf of the service providers/vendors/group companies.

##### F) Other

This includes contribution of employers and employees for funding the social security programme of the government such as Provident Fund (PF) and Employee State Insurance Fund (ESI). Such contributions are reflected in the monthly and annual returns made to the respective organisations.

#### DIVIDENDS TO GOVERNMENT

This includes dividends paid to government wherever the government holds shares in any of the Group companies and that company has paid dividend during the year.

Please refer to Annexure A on types of taxes paid by Vedanta in various countries.

## ANNEXURE A - TAXES PAID

Below mentioned are the types of taxes paid by Vedanta companies:

 Corporate Income Tax	 Goods and Service tax
 Government Royalties	 Octroi/ Entry Tax
 Profit Petroleum	 Provident Fund and Employee State Insurance
 Oil Cess / NCCD	 Land Tax/Property Tax
 Duties on Export and Import	 License Fees
 Other Cesses and Surcharges	 Signature, Discovery & Production Bonuses
 Stamp duty	 Electricity Taxes/Duty
 Municipal Taxes	 Export License Utilization
 Withholding taxes	 Taxes paid under Amnesty Scheme (Excise Duty, Service Tax)
 Excise Duties	 Any other taxes inter-alia Niryat Kar, Panchayat Tax, Paryavaran Tax, Upkar Tax, Inhabitant Tax, SPV, PAYE Taxes
 Value Added Tax	
 Service Tax	

## INDEPENDENT REASONABLE ASSURANCE REPORT

### To Vedanta Resources Limited on Global Tax & Other Contribution

We ('KPMG Assurance and Consulting Services LLP' or 'KPMG') were engaged by the management of Vedanta Resources Limited ('VRL' or 'the Company') to report on 'Global Tax & Other Contributions' – Table 1 contained in VRL's Tax Transparency Report for the financial year 2021-22 [the said Table 1 hereinafter referred to as 'Global Tax & Other Contributions'], in the form of an independent reasonable assurance conclusion about whether VRL's statement that the Global Tax & Other Contributions is properly prepared, in all material respects, based on 'Basis of Preparation' attached to the Tax Transparency Report is fairly stated.

### VRL'S RESPONSIBILITIES

The management of VRL are responsible for preparing the Global Tax & Other Contributions that is free from material misstatement in accordance with Basis of Preparation and for the information contained therein. The management of VRL are also responsible for preparing the Basis of Preparation.

This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of Global Tax & Other Contributions that is free from material misstatement, whether due to fraud or error. It also includes developing the Basis of Preparation. The Company is also responsible for preventing and detecting fraud and for identifying and ensuring that it complies with laws and regulations applicable to its activities.

### OUR RESPONSIBILITIES

Our responsibility is to examine the Global Tax & Other Contributions prepared by the Company and to report thereon in the form of

an independent reasonable assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000: Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the Global Tax & Other Contributions is properly prepared, in all material respects. The firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of Global Tax & Other Contributions whether due to fraud or error.

In making those risk assessments, we have considered internal control relevant to the preparation and presentation of Global Tax & Other Contributions in order to design assurance procedures that are appropriate in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the Company's internal control over the preparation and presentation of Global Tax &



Other Contributions. Our engagement also included assessing the appropriateness of Global Tax & Other Contributions, the suitability of the Basis of Preparation used by the Company in preparing the Global Tax & Other Contributions in the circumstances of the engagement, evaluating the appropriateness of the procedures used in the preparation of Global Tax & Other Contributions and the reasonableness of estimates made by the Company and evaluating the overall presentation of the Global Tax & Other Contributions. Reasonable assurance is less than absolute assurance.

The procedures performed by us have been included herein as Annexure 1.

### CONCLUSION

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. In our opinion, the Global Tax & Other Contributions is properly prepared in all material respects, based on the Basis of Preparation.

For **KPMG Assurance and Consulting Services LLP**

**Place:** Mumbai, India  
**Date:** 21<sup>st</sup> June 2022

### RESTRICTION OF USE OF OUR REPORT

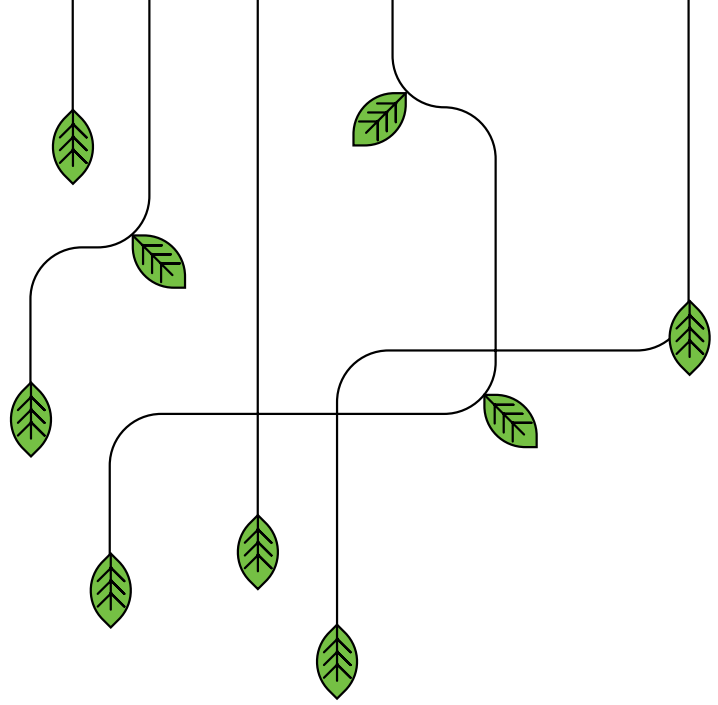
In accordance with the terms of our engagement, this independent reasonable assurance report on Global Tax & Other Contributions has been prepared for VRL solely for inclusion in its Tax Transparency Report for the financial year 2021-22 and for no other purpose or in any other context.

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than VRL for any purpose or in any context. Any party other than VRL who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than VRL for our work, for this independent reasonable assurance report, or for the conclusions we have reached.

Our report is released to VRL on the basis that it shall not be copied, referred to or disclosed, in whole (save for inclusion in VRL's Tax Transparency Report) or in part, without our prior written consent.

## ANNEXURE 1 - ASSURANCE PROCEDURES - GLOBAL TAX & OTHER CONTRIBUTIONS

- Understand and examine the processes and controls at Group level in managing, collating and reviewing the data for the 'Global Tax & Other Contributions'
- Review the guidance provided / instructions issued to locations/ units/ group entities by central team for collation of various Tax and other specified items
- Review the country wise break-up of the Tax and other specified items reported in the 'Global Tax & Other Contribution'
- Understand and examine the processes and controls at local country level for collation of Tax and other specified items included in 'Global Tax & Other Contribution'. This will include review of
  - Processes for data collation
  - Processes for ensuring that all local country taxes are included within the reporting
- Review the basis on which the country level tax and other specified data reported has been captured, reviewed and consolidated to assess whether the data has been collected, consolidated and reported fairly
- For the countries selected, perform trend analysis on the tax and other specified data for the reporting period to understand any material variances. Seek explanations for variances, if any
- For the countries selected, verify the tax paid (on a sample basis) to the underlying documents
- Compare the tax and other specified data in the report to the relevant disclosures in the consolidated financial statements for reporting period.



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