

6th June 2022

Vedanta Resources Limited Results for the year ended 31 March 2022

Financial highlights

- Record Revenue for the year at \$17.6 billion (FY2021: \$11.7 billion), higher 50%YoY. This was primarily driven by higher commodity prices, higher volumes at Aluminium, Copper, TSPL, IOB and FACOR, increased premium at Aluminium and HZL, rupee depreciation, partially offset by lower power sales at VAL and BALCO.
- All time high consolidated EBITDA at \$6.3 billion, 65% higher YoY (FY2021: \$3.8 billion)
- Industry leading adjusted EBITDA margin¹ of 40% (FY2021: 37%)
- Strong ROCE at c.32% in FY2022 (FY2021: 19%)
- Profit Attributable to equity holders (before Special items) at \$ 825 million (FY2021: \$ 303 million)
- Free cash flow (FCF) post-capex of \$2.1 billion (FY2021: \$1.3 billion) driven by strong cash flows from operations, partially offset by capex payments and working capital investment.
- Gross debt at \$16.1 billion (FY2021: \$16.4 billion), mainly due to the repayment of debt at HZL, BALCO and CIHL partially offset by increase in borrowing at Vedanta Resources standalone.
- Net debt at \$11.7 billion (FY2021: \$10.7 billion), primarily driven by stake increase in VEDL, capex payment and working capital built up, partially offset by strong cash flow from operations.
- Strong liquidity position with cash and cash equivalents of \$4.4 billion (FY2021: \$5.6 billion)
- In August 2021, Moody's while affirming the Corporate Family Rating of Vedanta Resources Ltd at B2, upgraded its rating on the senior unsecured notes of the company to 'B3' from 'Caa1' and changed the outlook to "Stable" from "Negative". The outlook revision was driven by expected improvement in operating and financial metrics in the prevailing commodity price improvement. However, on 16 February 2022, Moody's again revised the outlook to "Negative" in view of the near-term refinancing requirements amid tightening liquidity in the capital markets. S&P Global kept its rating on VRL unchanged at 'B-' during FY2022. In April 2022, Moody's and S&P acknowledged the large dividend declaration by Vedanta Limited as a positive towards Vedanta Resources Limited's refinancing efforts.
- Contribution to the exchequer of c. \$7.4 billion in FY2022 (FY2021: \$4.7 billion)
- Net Debt/EBITDA of 1.9x – lowest in 5 years

¹ Excluding customs smelting at Copper business

Business highlights

Zinc India

- Record ore production of 16.3 million tonnes, up 6%YoY
- Highest ever annual mined metal production of 1,017 kt, up 5%YoY
- Highest ever annual refined zinc-lead production of 967 kt, up 4%YoY

Zinc International

- Record mined metal production at Gamsberg of 170 kt, up 18%YoY
- Gamsberg achieved 220 kt annualized run rate of MIC production in Mar'22

Aluminium

- Record annual aluminium production at 2,268 kt. Continue to be the largest primary Aluminium producer in the country.
- Record annual alumina production from Lanjigarh refinery at 1,968 kt, up 7%YoY

Oil & Gas

- Average gross operated production of 161 kboepd, broadly stable as impact of natural field decline was largely offset by increase in volume primarily due to gains realized from ramp up of gas sales, continued impact of polymer injection in Bhagyam & Aishwariya fields and new infill wells brought online in Mangala field.
- Key growth projects update:
 - Infill drilling commenced to sustain volumes in Mangala, Tight Oil (ABH), Tight Gas (RDG), Satellite Field (NI) and Offshore (Cambay)
 - 38 wells drilled and 52 wells hooked up during FY22
 - OALP & DSF - Drilling ongoing across basins. Hydrocarbon discovery notified for Durga -1 in Rajasthan and Jaya-1 in Cambay during the year. Till date three hydrocarbon discoveries have been notified under the OALP portfolio.

Power

- Highest ever import substitute allocation at TSPL of 2.03 million MT from CIL amongst all IPPs across India.
- TSPL is the first Vedanta site to become SUP (Single Use Plastic) free.
- Uninterrupted Unit#3 operation at TSPL for 160 days after capital Overhauling.

Iron Ore

- Goa operations remained suspended during the year due to state-wide directive from the Hon'ble Supreme Court, continuous engagement with the stakeholders for a resumption of mining operations
- Production of saleable ore at Karnataka at 5.4 million tons, up 8%YoY
- Highest ever sales of 5.7 million tonnes at Karnataka, up 30%YoY
- Value Added Business achieved record annual production of 790 kt, up 33%YoY
- Steel
- Record annual hot Metal Production of 1.4 million tonnes post acquisition, up 5%YoY
- Record annual saleable production of 1.3 million tonnes post acquisition, up 6%YoY

FACOR

- Highest ever chrome Ore Production recorded at 250 kt since acquisition, up 70%YoY
- Record Ferro Chrome Production of 75 kt post acquisition, up 10%YoY

Copper India

- Due legal process being followed to achieve a sustainable restart of the operations
- Phase 1 technological innovation through Multi Effect Evaporator Plant for better nickel recovery.

Committed to ESG leadership in the natural resources sector

- Committed to being the lowest cost producer in a sustainable manner.
- Committed to incorporating global best practices to transform communities, planets and workplace in alignment to our Group objective of 'Zero Harm, Zero Waste and Zero Discharge'.
- Implemented critical risk management across the business to improve workplace safety
- Committed to promoting diversity in all forms at the workplace and building an inclusive work culture
- Committed to attaining Net Zero Carbon by 2050 and reducing absolute emissions by 25% by 2030 from 2021 baseline. Operational efficiency, changing fuel mix, switching to renewables, exploring greener businesses opportunities and developing low carbon product portfolio are the levers that will be deployed to achieve this goal.
- Water efficiency and achieving net water positivity by 2030.
- Committed to keeping community welfare at the core of decision making by implementing global best practices and becoming a developer of choice.
- Committed to positively impacting the lives of 100 million women and children through skilling and education, nutrition and healthcare initiatives.
- Committed to transparency and completeness of disclosure in alignment with GRI, TCFD and IIFC.

Actions taken during FY22

- 3,200+ Nand Ghars created for women and child welfare, signed MoU with Government of Rajasthan for developing 25,000 Nand Ghars
- c. \$53.7 million Social Investment; improving the lives of 4.64 million people
- C. \$7.4 billion contribution to the National Exchequer
- ~13.75 million tonnes GHG emissions avoided
- 31% water recycled
- Electric mobility: Jharsuguda partners with GEAR India to supply 23 e-forklifts; deployed 50+ electric vehicles at Hindustan Zinc and ESL steel together
- 10-year MoU signed with TERI to develop implementation programs to further our ESG vision
- Signed Power Distribution Agreement for 580 MW renewable energy - a significant milestone towards 2.5 GW RE Round the Clock commitment
- Launched green Aluminium under the brands 'Restora' & 'Restora Ultra' to usher new era of green metals
- Collaboration with TUV-SUD to develop roadmap for our 'Net Water Positive' Initiative

- 1st fly ash rake from Jharsuguda dispatched to a cement plant
- Commenced Ash backfilling in one of the coal India's open cast mines in Mar'22
- Used 17kt biomass in Hindustan Zinc; committed to using 5% biomass in our thermal power plants

Consolidated Group results

(US\$ million, unless stated)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021 ³	% change
Revenue ¹	17,619	11,722	50%
EBITDA ¹	6,255	3,800	65%
EBITDA margin ¹	36%	32%	-
Adjusted EBITDA margin ²	40%	37%	-
Operating profit before special items ¹	5,027	2,701	86%
Profit/(loss) attributable to equity holders of the parent	1,002	323	-
Underlying attributable profit/(loss)	844	334	-
ROCE %	32%	19%	-

1. Excludes Copper Zambia as its operations have been discontinued & deconsolidated in books w.e.f. 21 May 2019

2. Excludes custom smelting at Copper Business.

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

Message from Chairman

Dear Stakeholders,

At Vedanta, the pandemic challenged us to think differently and act swiftly, both from the perspectives of business continuity and social responsibility. With decisive actions and a strong stakeholder focus, we could mount the imminent challenges and continue to deliver value for everyone.

Even as the pandemic tested our collective mettle, we have many takeaways in our quiver both for business and life that will stay with us. I would like to take this occasion to thank my fellow Board members, all employees of Vedanta, our supplier partners, our investor fraternity and all other stakeholders, who have stood in solidarity with us as we navigated the COVID crisis.

Rebound, revival and opportunities

Post the pandemic, the world has nearly returned to normalcy in terms of restored economic and business activity, unrestricted mobility of people and re-opening of spaces for work. This has enabled the International Monetary Fund (IMF) to forecast a global growth rate of 4.4% in 2022. However, there are downside risks, which are weighing upon optimism, in the form of the Russia-Ukraine conflict and the COVID break-out in China. These have caused a fair share of ripple effect across the globe including disruptions to already battling supply chains, and in turn, muted manufacturing activity in Europe and the United States.

In India, economic growth has bounced back last year, with the National Statistical Office (NSO) pegging GDP growth at a strong 8.9% in its second advance estimates. Government expenditure and domestic spending has shored up the economy well, complemented by a long-term growth-focused budget. The initiatives by the government in the recent past, such as the commodity-intensive National Infrastructure Pipeline (NIP) and Production Linked Incentive (PLI) scheme to boost local manufacturing, are also progressing well. This is encouraging, as such bold and scalable programmes are instrumental in realising the vision of a self-reliant India.

On the policy front, the Mines and Minerals (Development and Regulation) Amendment (MMRDA) Bill, 2021 is also an encouraging move, which calls for private participation in the exploration of key resources such as coal and gold. This paves way for better utilisation of India's natural resources potential and in ensuring better trade balance in India's favour. That said, there is significant space for import substitution of minerals such as Zinc and Oil & Gas, where India freely allows imports for domestic consumption.

In line with India's net zero ambition, we can foresee a strong demand for renewable energy infrastructure and transition material intensive growth. This will lead to an automatic increase in demand for materials such as aluminium and zinc, which forms part of Vedanta's core portfolio.

Strengthening our performance and position

FY 2022 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 OEMs and other players sourcing metals and minerals at scale for deployment in renewable energy infrastructure.

In this scenario, Vedanta reaffirmed its position as a strong natural resources player that contributes to national and industrial growth and to global priority of carbon neutrality. We saw a substantial growth across all our businesses, in terms of throughput and volumes, and in improved financial results. Our strong liquidity position and deleveraging focus pegs our debt at a very comfortable level.

During the year, our individual businesses received several accolades on recognised forums such as World Finance, SABERA Awards, World HRD Congress and others. At a Group level, we were awarded for our corporate reporting practices and others. Our sustainability efforts were also recognised with improved ratings and rankings in the MSCI and CDP platforms.

In March 2022, we conducted focused interactions with more than 100 investors and analyst. The engagements were very successful as we conveyed about our unique position to create long term

sustainable shareholder value through our growth plans across commodities, execution capability, disciplined capital allocation, strong dividend distribution policy and commitment to deleverage. We also explained about our resolve to manufacture semiconductors for self-reliant India and value creation opportunities in this space through partnership with worlds one of best semiconductor player.

Prudent capital allocation for strategic growth

In November 2021, we convened to review and unveil our capital allocation policy, which establishes specific guidelines under which we will allocate funds. The policy focusses on rapid but responsible growth and maximising shareholder returns, and is charted under three streams as below:

- Capital expenditure, with a focus on volume augmentation, cost reduction, ESG and moving to value added products; growth projects with a minimum expected IRR of 18%; and sustaining capex on per tonne basis
- Dividend policy, which lays down that a minimum 30% of Attributable Profit after Tax (before special items) of the Company will be distributed as dividends (excluding profits of HZL, dividends of which will pass through in six months). This will be subjected to the Board's evaluation of various factors, such as robustness of cash flows, economic situation, commodity price cycles, natural calamities, etc. for overall optimal cash management
- Inorganic growth, where we will selectively invest in acquisitions, which are accretive to existing businesses or that have synergies with its core businesses

A new mantra to live by: Transforming for Good

In the recent years, we can clearly see an accelerated inclusion of environmental, social and governance (ESG) aspects in businesses and investments globally and in India. While sustainability has always been a strategic priority for Vedanta, we have now made ESG, a central focus to everything that we do.

With the renewed ESG purpose of 'Transforming for Good', we are making substantial investments in our business on ESG initiatives. The ESG purpose is taken forward by the three pillars of transforming communities, planet and the workplace. Each pillar further has nine specific aims with quantifiable targets for the medium to long term, helping us map tangible progress every year. Further, the purpose also propagates a culture of ESG within the organisation, across levels and businesses.

1. **Transforming communities:** Vedanta has always stood by the communities in and around our areas of operations. We staunchly believe that their trust is our social license to operate, and it's our fiduciary duty to operate responsibly and empower them with opportunities and support. The three aims that anchor our community transformation agenda include Responsible business decisions based around community welfare; Empowering over 2.5 million families with enhanced skillsets; and uplifting over 100 million women and children through Education, Nutrition, Healthcare and welfare.
2. **Transforming planet:** We are a natural resources company, and everything we do is closely tied to the availability of natural capital. We are also aware that our operations and value chain, can leave behind substantial environmental footprint. Towards this end, we are investing in climate action and decarbonization, circular economy, water stewardship and several environment-focused interventions. The planet transformation agenda is propelled by our aim of Net-carbon neutrality by 2050 or sooner; Achieving net water positivity by 2030; and Innovations for greener business model.
3. **Transforming the workplace:** Our people and their collective skills and abilities gives us unparalleled competitive advantage. At Vedanta, our policies and processes are oriented towards inclusivity, equity, meritocracy and satisfaction. Similarly, the health and safety of our people continue to assume highest priority and we continue to put in world-class safety

standards in our operations. 'Prioritizing safety and health of all employees' and 'Promote gender parity, diversity and inclusivity' forms key aims of this pillar.

We are also mindful of the way our organisation is governed. With strict policies and frameworks in place, we ensure that good governance is practiced across the organisation and are continuously striving to raise the bar. 'Adhere to global business standards of corporate governance' is thus the final aim under this pillar.

The future is bright

We are operating in a highly dynamic environment which is flush with opportunities, especially in India. With large-scale infrastructure and energy transition plans, efforts towards self-sufficiency, and a booming consumer economy, the avenues that lie ahead of us are endless. At Vedanta, our hard work and strategic focus over the years has helped position us perfectly to make the best of this environment, and our future plans are focused on achieving accelerated growth. More importantly, we are fully equipped to achieve our potential with tenets of responsibility and sustainability at the core. As we put our best foot forward to do the right things and to do things rightly, we expect your continued support.

Best regards,

Anil Agarwal

Strategic overview

Vedanta has always focused on '**Growth in a Responsible way**' to unearth elements that contribute significantly towards self-sustainability and growth of the regions in which it operates and the well-being of the communities around its operations. Technology and innovation, with a focus on zero harm, zero waste, zero discharge, recycling and reducing the carbon footprint, are at the centre of the Company's harnessing of resources.

In FY2022, Vedanta delivered strong performance across its business verticals, the success underpinned by its asset quality and strength of business model. Zinc India achieved a milestone, crossing the 1 million tonne mark in mined metal production. At Zinc International, where the performance ramp-up continues, Gamsberg achieved the highest ever annual mined metal production till date. Vedanta successfully concluded commissioning of the Zinc Rougher Cell and lead pump box, which resulted in 3-5% recovery improvement. The Aluminium business recorded the highest ever annual production, driven by a strong focus on operational excellence and asset optimisation. With a consistent emphasis on growth and integrated operations, the Aluminium business has now become 2nd largest contributor to the Group's profitability. In Oil & Gas, Vedanta continued to deliver on growth projects such as the new discoveries in the OLAP blocks, drilling of infill wells, and it will further augment its R&R base. Maximising on growth opportunities, FACOR continues its turnaround journey, achieving a historic annual Ferro Chrome production with 3x EBITDA margin jump on a y-o-y basis.

Vedanta's diversified portfolio of world-class, low-cost, scalable assets consistently generate strong profitability and deliver robust cash flows. The Company's continued focus on applying smart manufacturing technologies aimed at significantly improving HSE, driving up production volumes, reducing operating cost, improving stakeholder experiences, and enhancing ease of doing business is raising the bar across its wide canvas of operations.

Summary of strategic priorities:

Operational excellence and cost leadership:

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

Continue Focus on World Class ESG Performance:

We operate as a responsible business with a focus on Zero harm, Zero Discharge and Zero Waste. Our revised vision is "Transforming for Good" around three focus areas transforming communities, transforming the planet, and transforming the workplace. Through these focus areas, we work towards generating positive values for our important stakeholders and minimizing the impacts on the environment. We also promote social inclusion across our operations to promote inclusive growth.

Optimise capital allocation and maintain a strong balance sheet:

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

Delivering on growth opportunities:

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

Augment our reserves & resources (R&R) base:

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

Finance review

Executive summary:

We had a historic operational and financial performance in FY2022 amidst the challenges faced due to the pandemic. The company continues to focus on controllable factors such as resetting cost base through diverse cost optimisation initiatives, disciplined capital investments, working capital initiatives, marketing initiatives & volume with strong control measures to ensure safe operations across businesses within framed government and corporate guidelines amidst the pandemic.

In FY2022, we recorded an EBITDA of \$6.3 billion, 65% higher y-o-y and robust adjusted EBITDA margin¹ of 40%. (FY2021: \$3.8 billion, margin 37%).

Higher sales volumes resulted in increase in EBITDA by ~\$212 million, driven by higher volumes at Aluminium, Zinc International and Iron ore business.

Market factors resulted in increase in EBITDA by \$2,418 million. This was primarily driven by increase in the commodity prices, rupee depreciation, partially offset by input inflation and change in Profit Petroleum Tranche.

Gross debt as on 31 March 2022 was \$16.1 billion, a decrease of \$0.30 billion since March 31, 2021. This was mainly due to the repayment of debt at HZL, BALCO and CIHL partially offset by increase in borrowing at Vedanta Standalone.

Net debt as on 31 March 2022 was \$11.7 billion, increased by \$ 1 billion since 31 March 2021 (FY2021: \$10.7), primarily driven by stake increase in VEDL, capex payment and working capital built up, partially offset by strong cash flow from operations.

The balance sheet of Vedanta Limited continues to remain strong with cash & cash equivalents, of \$4.4 billion and Net Debt to EBITDA ratio at 1.9x (FY2021: 2.8x)

Consolidated operating profit before special items:

Operating profit before special items increased by 86% in FY 2022 to \$5.0 billion. This was mainly driven by higher commodity prices, higher sales realisation from Iron ore and Steel business, increased volumes primarily at Aluminium business, partially offset by input inflation and increase in cost of production.

Consolidated operating profit summary before special items:

(US\$ million, unless stated)

Consolidated operating profit before special items ¹	FY2022	FY2021	% change
Zinc	1,930	1,313	47%
-India	1,793	1,236	45%
-International	137	77	78%
Oil & Gas	502	151	-
Aluminium	2,058	816	-
Power	68	111	(39)%
Iron Ore	272	215	27%
Steel	56	80	(30)%
Copper India/Australia	(35)	(42)	(19)%
Others	176	57	-
Total Group operating profit before special items	5,027	2,701	86%

1. Excludes Copper Zambia as its operations have been discontinued & deconsolidated in books w.e.f. 21 May 2019.

Consolidated operating profit bridge before special items:

	(US\$ million)
Operating profit before special items for FY2021¹	2,701
Market and regulatory: US\$ 2,418 million	
a) Prices, premium / discount	3,775
b) Direct raw material inflation	(1,232)
c) Foreign exchange movement	(16)
d) Profit petroleum to GOI at Oil & Gas	(106)
e) Regulatory changes	(3)
Operational: US\$ (161) million	
f) Volume	212
g) Cost and marketing	(373)
h) Others	198
Depreciation and amortization	(129)
Operating profit before special items for FY2022	5,027

1.Excludes Copper Zambia as its operations have been discontinued & deconsolidated in books w.e.f. 21 May 2019.

a) Prices, premium/discount:

Commodity price fluctuations have a significant impact on the Group's business. During FY2022, we saw a net positive impact of \$3,775 million on operating profit due to commodity price fluctuations.

Zinc, lead and silver: Average zinc LME prices during FY2022 increased significantly to US\$3,257 per tonne, up 34% y-o-y; lead LME prices decreased to US\$2,285 per tonne, up 22% y-o-y; and silver prices increased to US\$24.6 per ounce, up 7% y-o-y. The cumulative impact of these price fluctuations increased EBITDA by \$ 793 million.

Aluminium: Average aluminium LME prices increased to US\$2,774 per tonne in FY2022, up 54% y-o-y, this had a positive impact of \$2,131 million on operating profit.

Oil & Gas: The average Brent price for the year was US\$80.9 per barrel, up 83% y-o-y. This had positive impact on EBITDA by \$436 million.

Iron & Steel: Higher realisations positively impacted operating profit at ESL by \$223 million and IOB by \$162 million.

b) Direct raw material inflation:

Prices of key raw materials such as imported alumina, thermal coal, carbon and caustic have increased in FY2022, negatively impacting EBITDA by \$1,232 million, primarily at Aluminium, Zinc and Iron & Steel business.

Key exchange rates against the US dollar:

	Average year ended 31 March 2022	Average year ended 31 March 2021	%	As at 31 March 2022	As at 31 March 2021
	change				
Indian rupee	74.46	74.11	0.5%	75.59	73.30

c) Profit petroleum to GOI at Oil & Gas:

The profit petroleum outflow to the Government of India (GOI), as per the production sharing contract (PSC), increased by \$106 million.

d) **Volumes:**

Higher volume led to increase in operating profit by \$212 million by following businesses:

Aluminium (positive \$154 million) - In FY2022, the Aluminium business achieved metal sales of 2.26 million tonnes, up 15% y-o-y. This volume increase had a positive impact on operating profit of \$154 million.

FACOR (positive \$29 crore) - Increased operating profit driven by increase in sales volumes at FACOR.

Zinc International (positive \$15 million) - Sales volume increased at Gamsberg mine.

e) **Cost and marketing:**

Higher costs resulted in decrease in operating profit by \$373 million over FY2022, primarily due to increased cost, partially offset by higher premia realizations at Aluminium and Zinc business.

f) **Others:**

This primarily includes the impact of higher capex and opex recovery at Oil & Gas business, inventory and foreign exchange adjustments during the FY2022 partially offset by lower power EBITDA, impacting EBITDA positively by \$198 million.

Income statement:

<i>(US\$ million, unless stated)</i>			
Particulars	FY2022	FY2021¹	% change
Revenue	17,619	11,722	50%
EBITDA	6,255	3,800	65%
EBITDA margin (%)	36%	32%	10%
EBITDA margin without custom smelting (%)	40%	37%	8%
Special items	408	(49)	-
Depreciation and amortisation	(1,228)	(1,099)	12%
Operating profit	5,435	2,652	-
Operating profit without special items	5,027	2,701	86%
Net interest expense	(1,249)	(917)	36%
Interest cost-related special items	-	(58)	-
Other gains /(losses)	(38)	6	-
Profit before taxation	4,148	1,683	-
Profit before taxation without special items	3,740	1,795	-
Income tax expense	(1,400)	(316)	-
Income tax (expense)/credit (special items)	(170)	18	-
Effective tax rate without special items (%)	37.8%	17.7%	-
Profit for the year from continuing operations	2,578	1,385	91%
Profit for the period/year from continuing operations before special items	2,340	1,479	63%
Profit for the year from discontinuing operations (special items)	-	91	-
Profit for the period /year	2,578	1,476	79%
Profit for the period /year without special items	2,340	1,479	63%
Non-controlling interest	1,576	1,153	37%
Non-controlling interest without special items	1,515	1,176	29%
Attributable profit	1,002	323	-
Attributable profit without special items	825	303	-
Underlying attributable profit	844	334	-

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

a) **Consolidated revenue:**

Revenue for the year was \$17,619 million, higher 50% y-o-y. This was driven by higher commodity prices, higher volumes at Aluminium business, Copper, TSPL, Iron Ore and, FACOR, increase in premium in Aluminium and Zinc and rupee depreciation.

<i>(US\$ million, unless stated)</i>			
Consolidated revenue¹	FY2022	FY2021	Net revenue % change
Zinc	4,446	3,328	34%
India	3,844	2,960	30%
International	602	368	64%
Oil & Gas	1,669	1,016	64%
Aluminium	6,833	3,865	77%
Power	783	725	8%
Iron Ore	852	611	40%
Steel	869	630	38%
Copper India/Australia	2,035	1,469	38%
Others ²	132	76	72%
Total	17,619	11,722	50%

1. Excludes Copper Zambia as its operations have been discontinued & deconsolidated in books w.e.f. 21 May 2019

2. Includes Facor, port business and eliminations of inter-segment sales.

b) **Consolidated EBITDA¹:**

The consolidated EBITDA by segment is set out below:

<i>(US\$ million, unless stated)</i>						
	FY2022	FY2021	% Key drivers change		EBITDA margin % FY2022	EBITDA margin % FY2021
Zinc	2,376	1,688	41%		53%	51%
-India	2,170	1,568	38%	Higher price realisation	56%	53%
-International	206	120	72%		34%	33%
Oil & Gas	809	438	85%	Higher brent	48%	43%
Aluminium	2,328	1,046	-	Higher volume & Higher LME's	34%	27%
Power	145	190	(24)%		19%	26%
Iron Ore	304	245	24%	Higher price realisations and higher volumes	36%	40%
Steel	94	117	20%	Higher price realisation offset by increased COS	11%	19%
Copper India/Australia	(15)	(21)	(31)%		(1)%	(1)%
Others ³	214	97	-		-	-%
Total	6,255	3,800	65%	EBITDA margin¹	36%	32%
				Adjusted EBITDA margin²	40%	37%

1. Excludes Copper Zambia as its operations have been discontinued & deconsolidated in books w.e.f. 21 May 2019

2. Excludes customs smelting at Copper business.

3. Includes FACOR, port business and eliminations of inter-segment sales.

c) **EBITDA and EBITDA Margin:**

EBITDA for the year was \$6,255 million, 65% higher y-o-y. This was mainly driven by higher commodity prices, higher sales realisation from Iron ore and Steel business, increased

volumes at Zinc International and Aluminium business, and rupee depreciation; partially offset by input inflation and change in Profit Petroleum Tranche.

We maintained a robust adjusted EBITDA margin¹ of 40% for the year (FY2021: 37%)

d) Special items - Continued operations (included interest income related and others)

In FY2022 special items stood at negative \$ 238 million. For more information, refer note [6] on special items is set out in financial statement.

e) Net Interest

The blended cost of borrowings was 8.08% for FY2022 compared to with 7.52% in FY2021.

Finance cost for FY2022 was \$1,402 million, 11% higher compared to \$1,267 million in FY2021 mainly on account of increase in average borrowings, and increase in blended cost of borrowings.

Investment income for FY2022 stood at \$153 million, 48% lower compared to \$292 million in FY 2021. This was mainly due to Mark to Market movement and change in investment mix.

f) Other gains/(losses) excluding special items

Other gains/(losses) excluding special items for FY2022 amounted to US\$(38) million, compared to US\$ 11 million in FY2021.

g) Taxation

The normalized ETR is 35% (excluding tax on special items of US\$ 170 mn, tax on distributable reserves of subsidiaries US\$ 63 mn and DTA reversal on ESL losses US\$ 16 mn) compared to 38% (excluding tax on dividend from HZL US\$ 117mn and tax on special items of US\$ 18 mn, new tax regime impact of (US\$ 34)mn and Deferred Tax Asset of US\$ 420mn recognized on losses in ESL) which is primarily on account of profit mix of Plc losses in total profit (Plc losses as a percentage of Vedanta consol profit (16%) as compared to (25%) in FY 2022 and reduction in profit contribution of entities taxable at higher statutory rates.

h) Attributable profit after tax (before special items)

Attributable PAT before special items was \$ 825 million in FY2022 compared to \$ 303 million in FY2021.

i) Fund flow post-capex

The Group generated free cash flow (FCF) post-capex of \$2,083 million (FY2021: \$1,253 million), driven by strong cash flow from operations and lower sustaining and project capital expenditure.

Fund flow movement in net debt¹: Fund flow and movement in net debt¹ in FY2021 are set out below.

Particulars	(US\$ million, unless stated)	
	FY2022	FY2021
EBITDA ²	6,255	3,800
Working capital movements	(657)	(576)
Changes in non-cash items	(11)	(2)
Sustaining capital expenditure	(697)	(467)
Movements in capital creditors	(32)	(164)
Sale of property, plant and equipment	44	23
Net interest (including interest cost-related special items)	(1,314)	(938)
Tax paid	(829)	(242)
Expansion capital expenditure	(676)	(325)
Free cash flow (FCF) post capex ¹	2,083	1,109
Dividend paid to equity shareholders	(131)	(162)
Dividend paid to non-controlling interests	(1,075)	(992)
Dividend Received	-	-
Tax on dividend from Group companies	-	-
Acquisition of subsidiary	-	(8)
Discontinued operations of Copper Zambia ²	-	-
Payment for acquiring non-controlling interest	(1,971)	(403)
Others	138	(253)
Movement in net debt	(955)	(709)

1. Includes foreign exchange movements

2. Copper Zambia operations have been discontinued & deconsolidated in books w.e.f. 21 May 2019.

Debt, maturity profile and refinancing:

The Gross debt decreased from US\$16.4 billion in FY2021 to US\$16.1 billion, mainly on account of repayment of debt at Vedanta Limited partially offset by additional borrowing for creeping acquisition at Vedanta Resources Limited Standalone level.

During FY2022, Net Debt increased from US\$10.7 billion to US\$ 11.7 billion, primarily driven by stake increase in VEDL, capex payment and working capital built up, partially offset by strong cash flow from operations.

Our total gross debt of US\$16.1 billion comprises:

- US\$15.2 billion as term debt (March 2021: US\$15.9 billion);
- US\$0.7 billion of short-term borrowings (March 2021: US\$0.3 billion); and
- US\$0.2 billion of working capital loans (March 2021: US\$0.2 billion).

The maturity profile of term debt of the Group (totalling US\$ 15.2 billion) is summarised below:

Particulars	As at	As at	FY2023	FY2024	FY2025	FY2026 & beyond
	31 March 2022	31 March 2021				
Debt at Vedanta Resources	9.1	8.6	2.7	2.9	2.9	0.5
Debt at subsidiaries	6.1	7.3	1.3	1.1	1.0	2.8
Total term debt¹	15.2	15.9	4.0	4.0	3.8	3.3

1. Term debt excluding preference shares.

Cash and liquid investments stood at US\$ 4.4 billion at 31 March 2022 (31 March 2021: US\$5.6 billion). The portfolio continues to be invested in debt mutual funds, and in cash and fixed deposits with banks.

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 2021 was approved by the Board of Directors in December 2021. The Directors were confident that the Group will be able to ensure: the production is not materially impacted by the COVID-19 virus, that the Group will be able to roll-over or obtain external financing as required and that prices will remain within their expected range.

Since then, while the other mitigating actions as highlighted in the period ended September 30, 2021 financial statements remain available to the Group, several recent significant developments have had a positive bearing on the liquidity and company's ability to continue as going concern. [For more information, please refer to, Note 1(d) of the Consolidated Financial Statements]

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.

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 31st March 2022

Credit rating:

In August 2021, Moody's while affirming the Corporate Family Rating of Vedanta Resources Ltd at B2, upgraded its rating on the senior unsecured notes of the company to 'B3' from 'Caa1' and changed the outlook to "Stable" from "Negative". The outlook revision was driven by expected improvement in operating and financial metrics in the prevailing commodity price improvement. However, on 16 February 2022, Moody's again revised the outlook to "Negative" in view of the near-term refinancing requirements amid tightening liquidity in the capital markets. Meanwhile, S&P Global's rating of VRL has remained unchanged at 'B-' during FY2022.

Balance sheet:

Particulars	<i>(US\$ million, unless stated)</i>	
	31 March 2022	31 March 2021
Goodwill	12	12
Intangible assets	90	99
Property, plant and equipment	13,484	12,968
Exploration and Evaluation Assets	220	334
Other non-current assets	2,961	3,115
Cash, liquid investments and Financial asset investment net of related liabilities	4,476	5,957
Other current assets	4,411	2,834
Total assets	25,654	25,319
Gross debt	(16,082)	(16,377)
Other current and non-current liabilities	(8,037)	(6,611)
Net assets	1,535	2,331
Shareholders' equity	(3,113)	(3,147)
Non-controlling interests	4,648	5,478
Total equity	1,535	2,331

Shareholders' (deficit)/equity was US\$ (3,113) million at 31 March 2022 compared with US\$ (3,147) million at 31 March 2021. Non-controlling interests decreased to US\$ 4,648 million at 31 March 2022 (from US\$ 5,478 million at 31 March 2021).

a) Property, plant and equipment (including exploration and Evaluation Assets)

As at March 31, 2022, PPE was at US\$13,484 million (FY2021: US\$ 12,968 million). The increase of US\$ 516 million was primarily driven by additions \$ 485 million (Oil & Gas \$112mn, ESL \$80mn, Aluminium division \$120mn, Malco/GNRE \$55mn, Zinc International \$24mn, Zinc India \$17mn, Power \$13mn), CWIP \$983 million, Impairment reversal at O&G Business ~\$700 million partly offset by FCTR ~US \$336 million, depreciation charge US \$1227 million, net disposals US \$102 million.

b) Contribution to the exchequer

The Group contributed c.US\$ 7.4 billion to the exchequer in FY2022 compared to US\$4.7 billion in FY2021 through direct and indirect taxes, levies, royalties and dividend, which was made by Vedanta Resources Limited.

Project capex:

<i>(US\$ million)</i>					
Capex in progress	Status	Total capex approved ²	Cumulative spend up to 31 March 2021 ³	Spent in FY2022 ³	Unspent as at 31 March 2022 ⁴
Cairn India¹					
Mangala Infill, Bhagyam & Aishwariya Polymer, Liquid Handling, ASP, OALP, Tight Oil & gas etc	On - going	3,100	1,028	184	1,888
Aluminium Sector					
Balco smelter and rolled product capacity expansion	In Progress	935	1	69	865
Jharsuguda 1.25 mtpa smelter, 550 ktpa VAP capacity expansion	In Progress	3,280	2,961	74	245
Zinc India					
Mine expansion	Ongoing	2,077	1,770	39	267
Others		261	165	1	94
Zinc International					
Gamsberg Phase II Project	In Progress	466	-	-	466
Iron Ore Project	In Progress	37	-	9	28
Copper India					
Tuticorin smelter 400ktpa	Project is under force majeure	717	198	-	519
ESL- Growth Project					
		349	-	24	325
Avanstrate Inc					
Furnace Expansion and Cold repair		116	54	26	36
Capex flexibility					
Metals and Mining					
Lanjigarh Refinery (Phase II) – 5mtpa	Ongoing	1,563	919	45	599
Skorpion refinery conversion	Currently deferred till pit 112 extension	156	14	-	142

1. Capex approved for Cairn represents Net capex, however Gross capex is \$4.2 bn
2. Based on exchange rate prevailing at time of approval.
3. Based on exchange rate prevailing at the time of incurrence.
4. Unspent capex represents the difference between total capex approved and cumulative spend as at March 31, 2022

Operational review

Zinc India

The year in brief

Mine production progressively improved during the year with record ore production for the full-year up 6% y-o-y to deliver a record 16.3 million MT, supported by strong production growth at Zawar mines, SK Mines and Rampura Agucha mine, which were up 12%, 8% and 6% respectively. Highest ever Mined metal production was up 5% y-o-y to 1,017 kt primarily on account of higher ore production & milling recovery partly offset by lower ore metal grade.

Occupational health & safety

It is with deep sadness that we report the loss of four colleagues (Business partners) in work-related incidents at our managed operations. These incidents happened despite continuous effort to eliminate fatalities and attain zero harm work environment. A thorough investigation was conducted to identify the causes of these incidents and to share lessons learned across HZL, with the aim of preventing repeat or similar incidents.

LTIFR for the year was 0.79 as compared to 0.97 in FY2021.

LTIFR for the last quarter was 0.62 as compared to 0.89 (Qtr-4) in FY2021 driven by several safety awareness, investigation and prevention initiatives implemented. As compared to a year ago, number of LTIs decreased from 13 to 10 in the fourth quarter. LTIFR for the year was 0.79 (total 50 LTIs for year). There has been greater management focus to bring a cultural change via felt leadership programs, town halls, enabling tools like safety whistle blower as well as reward & recognition for near-miss reporting.

During the second wave of COVID 19, we set up an oxygen bottling plant in record 5 days; commissioned to produce 500 oxygen cylinders per day helping local government and hospitals in fight against Covid 19. New field hospital established in Dariba, having capacity of 100 beds with air conditioning facility and medical assistance. Apart from these efforts the company has extended all kind of support to the Local Health Administrations for fighting against covid. Unfortunately, reported loss of 59 employee and contract employees during wave 1 and wave 2 of COVID.

To ensure vaccination to all the employees, business partners and their family members, mega drives were organized during the year. The company has also introduced the Group Corona Kavach Policy that covers more than ~25000 business partners in Rajasthan and Pantnagar in Uttarakhand. This cashless policy covers all corona related diagnostic charges including pre-hospitalization and post-hospitalization expenses. There is also a dedicated 24x7 Covid Care Apollo helpline number to provide any kind of healthcare support and assistance for all employees and their dependents. Post covid care drive also initiated to boost the motivation level of the employee. Company has also rolled out Group Term Life policy which provides life (term) insurance protection in case of death of active regular executive. The coverage limit is 5 Times of Fixed Salary of each employee up to a max. Limit i.e., INR 5.5 Cr.

During the year we commissioned first made in India emergency escape route staircase type in underground at Rajpura Dariba Mine and underground rescue station at Rampura Agucha Mine which significantly improves the response time in emergency cases. Qualitative and Quantitative Exposure Assessment completed for all units and exposure mitigation plan developed. 22 Digitized safety modules launched for easy understanding of safety standard requirements and road map developed to eliminate manual charging by all mining locations.

HZL is also using & deploying IOT solutions for safety of its employees and equipment. Connected work force solution which are safety wearables & tags, is one such technology that will alert management proactively to ensure safety of employees and to intervene on priority for necessary support and rescue. Detect technology is another IOT that uses of Artificial intelligence and video analytics, of presently installed CCTV cameras and identify and capture Unsafe conditions and

Unsafe acts which gets reported and help Line leadership to act on violators and build around the clock assurance for preventing safety incidents. Through this technology, we are achieving autonomous system for detection of safety violations during turnarounds through a network of cameras, supported by back-end data analytics & frontend real-time reporting.

Demonstrating the highest standards of health and safety management during the year, Chanderia CPP and Debari both received the prestigious 'Sword of Honor' from British Safety Council for showing excellence in the management of health and safety risks at work. This came as a double swoop following the top Five-Star rating achieved by Chanderia CPP and Debari, for successfully completing the best practice Occupational Health and Safety Audit conducted by the British Safety Council. Our Kayad Mine was also awarded the National Safety Award from the Government of India for Longest Accident-Free in metal mines and for lowest injury frequency rate (LIFR).

Environment

Hindustan Zinc commits to 'Long-term target to reach net-zero emissions by 2050' in alignment with Science Based Targets initiative (SBTi) aiming to have clearly defined path to reduce emissions in line with the Paris Agreement goals. To achieve the target, we are working towards improving our energy efficiency, switching to low carbon energy sourcing, introducing battery operated electrical vehicles and increasing the role of renewables in our energy mixes.

Company has made notable technological advancements in energy conservation. Zinc Smelter Debari has revamped the Cell House and eliminated current losses through electrolytic cells by successfully replacing 600+ concrete cells with poly concrete cells. As a result, the power rating has improved. Additionally, the turbine revamping project is certified as a carbon reduction project by VERRA (the world's most widely used voluntary GHG program) resulting in a decrease of 270,000 tCO₂e per year. For Decarbonizing the future of Indian mining, Hindustan Zinc partnered with leading global manufacturers for introducing BEVs in underground mines. All units of HZL are certified to ISO 50001 (Energy Management system).

At HZL, we recognize the reality of climate change, Therefore, our risk management processes embed climate change in the understanding, identification, and mitigation of risk. We have published our first TCFD (Task Force on Climate-related financial disclosure) report during the year which sets the adoption of the TCFD framework for climate change risk and opportunity disclosure. HZL actively participated in 'Business Leaders Group COP26' and was engaged for shaping the agenda for COP26 which was held at Glasgow (UK) in Nov'21. Endeavoring towards sustainable organization HZL enhanced the governance by establishing Board Level ESG & Sustainability Committee formed to overview the ESG progress of the organization.

Hindustan Zinc joins the Taskforce on Nature-Related Financial Disclosures (TNFD) Forum to tackle nature-related risks. Miyawaki Method of Afforestation pilot project completed at DZS and horizontal deployment will be done across HZL. 3 years Engagement with IUCN will help in development of Biodiversity Management Plan focusing No Net Loss approach to achieve Sustainability Goal 2025.

One of the most notable achievements has been the successful commissioning of a 3000 KLD Zero Liquid discharge (RO-ZLD) plant at the Zinc Smelter Debari. Expansion of 3200 KLD ZLD plant at Dariba Smelter is under progress and shall be commissioned by first Quarter of FY 23. Apart from that Zawar (ZM) and Rampura Agucha Mine ZLD projects of 4000 KLD capacity each have been initiated to improve recycling and strengthen the zero discharge. Like ZM, Dry tailing plant at Rajpura Dariba Mine is also under final stage of commissioning and will result in significant amount of water recovery from the tailings.

The company has also commissioned 10 MLD Sewage Treatment Plant (STP) and 5 MLD facility in Udaipur, bringing the total Udaipur STP capacity built up by it to 60 MLD. This will treat nearly all of Udaipur's sewage, and the treated sewage is used by Beneficiation, Smelters and Captive Power Plants, lowering its freshwater use. In the area of water stewardship Rampura Agucha Mine has also completed astonishing project of executing groundwater recharge intervention project across 4 blocks of Bhilwara district having ground water recharge potential of 8.5 MCM/ annum.

Successful public hearing was conducted during the year for Expansion of Zawar Mines from 4.8 million TPA (Tones per annum) to 6.5 Million TPA and Beneficiation from 4.8 Million TPA to 7.3 Million TPA.

Our sustainability activities received several endorsements during the year:

- The Company is ranked 1st in Asia-Pacific and globally 5th in Dow Jones Sustainability Index in 2021 amongst Mining & Metal companies. (1st in environment Dimension among the metal and mining sector globally)
- Company won the 1st Bronze Medal and been featured in the prestigious Sustainability Yearbook for the fifth year in a row by S&P Global.
- The company received the award for 'Outstanding Accomplishment in Corporate Excellence and Dariba smelter received the award for excellence in Environment management' in 16th CII-ITC Sustainability Awards.
- HZL received IEI Industry Excellence Award 2021, instituted by The Institution of Engineers (India)
- HZL's RAM and Kayad mine received 5 Star Rated Mines' award by the Ministry of Mines, Govt. of India.
- Hindustan Zinc wins at ESG India Leadership Awards – Leadership in Environment and Green House Gas Emissions Reduction Categories organized by ESGRisk.ai, India's first ESG rating company.
- Kayad received FIMI Bala Gulshan Tandon Award of Excellence for the year.
- HZL has been awarded the Most Sustainable Company in the Mining Industry by World finance at their Sustainability Awards 2021
- Hindustan Zinc has been Awarded as Most Innovative Project (CLZS- Restoration of Jarofix Yard Project) and Innovative Project (RDM- Biodiversity Park) in the renowned CII National Award for Environmental Best Practices 2021
- Hindustan Zinc's Dariba Smelting Complex wins Prestigious CII-National Awards for Excellence in Water Management.

Hindustan Zinc is a law-abiding corporate citizen and will always uphold the law. National Green Tribunal (NGT) appointed a seven-member committee of subject matter experts, and this committee submitted its report recommending plantation of trees worth INR 90 lakh, which Hindustan Zinc Limited is willing to comply with.

However, NGT has directed that the company under the precautionary principle should spend INR 25 crores towards community welfare programmes under the aegis of a newly constituted committee. For us, our local communities have always been an integral part of all our social initiatives and will continue to be so.

We are already preparing a blueprint for INR 1000 crore CSR plan, to be executed in the next 4 to 5 years, along with the local administration and stakeholders for the socio-economic welfare of communities in all our areas of operations.

While we continue with our social welfare work on ground, Hindustan Zinc Limited will be filing an appeal against certain observations made by NGT, that are contradictory to the finding of the expert committee and the realities on the ground.

Production performance

Production (kt)	FY2022	FY2021	% Change
Total mined metal	1017	972	5%
Refinery metal production	967	930	4%
Refined zinc – integrated	776	715	8%
Refined lead – integrated ¹	191	214	(11%)
Production – silver (in tonnes) ²	647	706	(8%)

1. Excluding captive consumption of 6,951 tonnes in FY2022 vs. 6,424 tonnes in FY2021.

2. Excluding captive consumption of 37.4 tonnes in FY 2022 vs. 34.6 tonnes in FY 2021.

Operations

For the full-year, ore production was up 6% y-o-y to 16.3 million tonnes on account of strong production growth at Zawar mines, SK mines & Rampura Agucha mines, which were up 12%, 8% and 6% respectively. FY2022 saw the best ever Mined metal production of 1,017,058 tonnes compared to 971,975 tonnes in the prior year in line with higher ore production across Mines supported by improved recovery.

For the full year, we saw our ever-highest metal production, up 4% to 967 kt in line with better plant and MIC availability, while silver production was 8% lower at 647 MT in line with lower Lead metal production.

Prices

Particulars	FY2022	FY2021	% Change
Average zinc LME cash settlement prices US\$ per tonne	3,257	2,422	34%
Average lead LME cash settlement prices US\$ per tonne	2,285	1,868	22%
Average silver prices US\$/ounce	24.58	22.89	7%

Global zinc consumption growth will slow from the 7.1% seen in 2021 to 2.3% in 2022 and an average of 1.7% p.a. in 2023 and 2024. Compared with zinc's recent pre-pandemic history, this is still a robust growth rate and sufficient to lift consumption to 14.5Mt, surpassing the 2017 all-time high of 14.2Mt. In 2023 and 2024, the pace of growth is projected to moderate further with average growth of 1.7% pa or approximately 250kt/a, lifting consumption to just under 15Mt. Tightness in the refined market continues to be evidenced in the spot markets of Europe and North America where spot premiums remain high. However, the backwardation together with high prices and premiums is encouraging consumers to buy on a hand to mouth basis. Meanwhile, the concentrate market has seen indicative spot TCs jump to \$135-150/t of concentrate, up from \$85/t in December 2021. Spot TCs will have to remain at elevated levels until the arbitrage of Chinese prices over the LME returns, or any shortage of domestic concentrates force Chinese smelters into the international market.

Although the Russia/Ukraine conflict has rocked many commodities markets, the impact on the zinc market has been negligible, a reflection of the fact that Ukraine is of modest importance as a zinc consumer. The roughly 20kt/a of zinc consumed by the country is largely supplied by Kazzinc. With Ukraine's 500kt of continuous galvanizing capacity being idled in the face of the conflict, the zinc normally destined for the country will be readily re-directed into the tight refined markets in other parts of the world. The more profound impacts for zinc will be indirect. Energy prices were already high, and the conflict has only exacerbated the situation. As a result, a significant easing of European electricity prices, and the financial pressure on Europe's smelters is unlikely this summer.

Zinc Demand – Supply

Zinc Global Balance In KT	CY 2020	CY 2021	CY 2022 E
Mine Production	12276	13094	13083
Smelter Production	13679	13867	13937
Consumption	13205	14147	14469

Source: Wood Mackenzie, March STO

The metal market is little changed, the refined zinc market outside of China is fundamentally tight. The cash-to three months spread has been in backwardation for virtually all of the first two months of the year. Although the average backwardation has halved from \$30/t in January to just under \$15/t in February, it remains significant. Meanwhile, LME stocks have continued to drip lower ending February at 144kt, 10kt lower than January. At the equivalent of just 4 stock days this is extremely low.

India's manufacturing PMI increased to 54.9 in February, a slight improvement from January's 54.0, signalling a stronger improvement of the sector. "The seasonally adjusted IHS Markit India

Manufacturing Purchasing Managers' Index® (PMI®) was at 54.9 in February, up from 54.0 in January and signalling a stronger improvement in the health of the sector. Growth has now been seen in each of the latest eight months, with the headline figure remaining above its long-run average of 53.6," stated IHS Markit in its report.

The report added that firms responded to strong increases in new work intakes by lifting production, input buying and stocks of purchases. Employment fell at the softest pace and favourable demand conditions improved sentiments to its strongest since October. Demand for raw materials strengthened to lead to another marked rate of input price inflation.

As government spending continues in infrastructure, highways, electrification and transmission projects, the major demand for zinc came from the structural segment. Buying activity was higher in February for Indian manufacturers due to higher output in new order inflows.

Unit costs

Particulars	FY2022	FY2021	% Change
Unit costs (US\$ per tonne)			
Zinc (including royalty)	1,567	1,286	22%
Zinc (excluding royalty)	1,122	954	18%

For the full year, zinc COP excluding royalty was \$1122, higher by 18% y-o-y (18% higher in INR terms). The COP has been affected by higher coal & commodity price increase partially offset by benefits from better volumes, operational efficiencies & recoveries

Financial performance

(US\$ million, unless stated)

Particulars	FY2022	FY2021	% change
Revenue	3,844	2,960	30%
EBITDA	2,170	1,568	38%
EBITDA margin (%)	56%	53%	-
Depreciation and amortisation	377	332	14%
Operating Profit before special items	1,793	1,236	45%
Share in Group EBITDA (%)	35%	41%	-
Capital Expenditure	378	281	35%
Sustaining	339	225	51%
Growth	39	56	(30)%

Revenue from operations for the year was \$3,844 million, up 30% y-o-y, primarily on account of higher metal prices, higher production & higher sulphuric acid realisations

EBITDA in FY2022 increased to \$2,170 crore, up 38% y-o-y. The increase was primarily driven by higher revenue and partly offset by higher cost of production.

Projects

In HZL journey of 1.25 mtpa MIC expansion, some of key projects are under execution at RD Mines complex. We have successfully completed RD Mines Shaft & Conveyor upgradation for enhancement of ore hoisting capacity in Q3 of this FY. In line with our ESG journey, we have completed installation of Dry Filtration & Paste fill plant to enable effective tailings managements by switching from Wet to Dry tailing management system. Commissioning of plant will start by Q1 of next FY. For enhancing metal recovery, we have placed order for RD Beneficiation plant revamping, enabling better Pb, Zn & Ag recoveries and improving plant reliability by replacing obsolete Grinding, Floatation & Filtration circuits. Civil construction already ongoing and plant is scheduled to be commissioned in Q3 of next FY.

At Zawar, in order to enhance the ventilation capacities and working conditions of West Mochia and North Baroi mines, installation of underground ventilation fans has started. For increasing the

capacity of Tailing storage Facility, design and stabilisation studies have been conducted and the dry stacking is under progress.

The development of North Decline (ND1) was completed at Rampura Agucha (RA) mine. This improves the accessibility of shaft section, alternate emergency evacuation, ease in mine equipment deployment at lower levels of mine, face charging with emulsion explosives, face drilling with long feed jumbo, etc.

Treatment of Raw Zinc Oxide (RZO) in RKD circuit (component of overall Fumer project) continued during the entire year. Process for applying employment visa for the Chinese experts coming for Fumer commissioning has started. Regular follow ups are being done with government authorities for speedy issuance of the visas. Fumer Commissioning is targeted by Q1 of FY23.

Exploration

Zinc India's exploration objective is to upgrade the resources to reserves and replenish every ton of mined metal to sustain more than 20 years of metal production by fostering innovation and using new technologies. The Company has an aggressive exploration program focusing on delineating and upgrading Reserves and Resources (R&R) within its license areas. Technology adoption and innovations play key role in enhancing exploration success.

The deposits are 'open' in depth, and exploration has identified number of new targets on mining leases having potential to increase R&R over the next 12 months. Across all the sites, the Company increased its surface drilling to assist in Resource addition and upgrading Resources to Reserves.

In line with previous years, the Mineral Resource is reported on an exclusive basis to the Ore Reserve and all statements have been independently audited by SRK (UK).

On an exclusive basis, total ore reserves at the end of FY 2022 totalled 161.21 million tonnes and exclusive mineral resources totalled 286.73 million tonnes. Total contained metal in Ore Reserves is 9.57 million tonnes of zinc, 2.45 million tonnes of lead and 298.3 million ounces of silver and the Mineral Resource contains 13.17 million tonnes of zinc, 5.86 million tonnes of lead and 576.27 million ounces of silver. At current mining rates, the R&R underpins metal production for more than 20 years.

Strategic priorities & outlook

Our primary focus remains on enhancing overall output, cost efficiency of our operations and disciplined capital expenditure. Whilst the current economic environment remains uncertain our goals over the medium term are unchanged.

Our key strategic priorities include:

Further ramp up of underground mines towards their design capacity, deliver increased silver output in line with communicated strategy.

- Continue to maintain 1st quartile cost curve positioning globally through efficient ore hauling, higher volume & grades and higher productivity through ongoing efforts in automation and digitization
- Disciplined capital investments in minor metal recovery to enhance profitability
- Increase R&R through higher exploration activity and new mining tenements, as well as upgrade resource to reserve

Zinc International

The year in brief

During FY2022, Zinc International continued to ramp up production from its flagship project Gamsberg mine and achieved record production of 170kt. Several milestone projects were completed including rougher cells commissioning at Gamsberg resulting in throughput increase

from 535tph to 575tph and the BMM plant debottlenecking project which resulted in throughput of 238tph, up from 213tph.

Black Mountain continued to have a stable production of 52kt, slightly lower than FY21 due to lower head grades and mining challenges including Deeps Shaft dewatering system failure.

Skorpion Zinc has been under Care and Maintenance since start of May 2020, following cessation of mining activities due to geotechnical instabilities in the open pit. Activities to restart the mine are progressing well.

Safety

The LTIFR rate improved to 1.1 in FY2022 (FY2021 1.7). Black Mountain Mine had a fatality on 11 November 2021 when a business partner employee succumbed to injuries sustained after a rockslide inside the blast hole. As part of the remedial measures, the drilling and blasting of blastholes were reviewed to improve fragmentation and eliminate boulders. Planned Task Observations are conducted to enforce these remedial measures and prevent employees entering blast holes.

With regards to Gamsberg South Pit failure that happened in November 2020, rescue and recovery search are continuing and remains our first priority. Revised plan and approach has been shared with Department of Mineral Resources with expected date of completion being Q1 FY2023.

Employee engagement is an integral part of our Safety strategy, and our leaders are required to conduct Frequent, Caring and Risk based Visible Felt Leadership Interactions to coach and address behavioural issues at both our operations. Both Black Mountain and Gamsberg Mines have embarked on a Critical Control Management programme where all the employees are required to know the Top High-Risk activities in their area of work as well as the mitigating strategy.

Occupational Health

At Vedanta Zinc International, we take the health and safety of our employees and stakeholders very seriously and we remain committed to communicating timeously and transparently to all stakeholders. Since the start of the COVID-19 pandemic, we have recorded 880 positive cases, 873 recoveries and 6 deceased. We have implemented stringent protocols to mitigate COVID-19 spread and we have social programs in place to assist communities in which we operate. We have also embarked on a Workplace (and community) Vaccination programme to ensure 100% coverage of vaccination for the employees and their families.

Airborne particulate management remains a key focus in reducing Lead and silica dust exposures of employees. Black Mountain Mine has had 9 blood lead withdrawals for FY22, against more stringent limits than required by law. We have strengthened our Employee Wellness Programme, focussing on the increased participation of employees and communities in VCT for Aids / HIV, Blood donation and wellness.

Environmental

Gamsberg further reduced water consumption in the plant by implementing conversions from potable (RAW) water to process water and successfully reduced the plant water intensity to 0.45m³/t. A strategy that will enable Vedanta Zinc International to transition to a low carbon operation was finalised and the two main projects is in early stages of implementation. These projects include reducing reliance on the coal-based electricity from ESKOM through implementation of Renewable energy replacements of 77MW for Black Mountain and Gamsberg. The first phase of implementing a programme to replace current diesel fuelled underground TMM with Battery Electrical Vehicles commenced which will culminate in a full replacement strategy of the total BMM mining TMM fleet with Battery Electrical Vehicles.

The Gamsberg Nature Reserve Strategic Management Plan has approved, and the properties transferred to Department Public Works. A major campaign saw the collaboration between the South African police force, Department Environment Nature conservation and SANBI, to spread awareness of biodiversity and endangered species of the Region.

Production performance

Particulars	FY2022	FY2021	% Change
Total production (kt)	223	203	10%
Production – mined metal (kt)			
BMM	52	58	(9)%
Gamsberg	170	145	18%
Refined metal Skorpion*	-	-	-

* The mine is under care & maintenance since May'20 onwards

Operations

During FY2022, total production stood at 223,000 tonnes, 10% higher y-o-y. This was primarily through ramp up and higher production in Gamsberg.

At BMM, production was 52,000 tonnes, 9% lower y-o-y. This was mainly due to lower grades of zinc (2.1% vs 2.6%), lead (2.1% vs 2.3%), lower zinc recoveries (75.2% vs 80.2%) and lower lead recoveries (81.6% vs 81.8%) offset by 13.6% higher throughput.

Gamsberg's production was at 170,000 tonnes as the operation continues to ramp up with improved performance during current financial year.

At Skorpion Zinc engagement with technical experts to explore opportunities of safely extracting the remaining ore is ongoing. The pit optimization work is complete. The business is currently evaluating options to restart mining.

Unit costs

Particulars	FY2022	FY2021	% Change
Zinc (US\$ per tonne) unit cost	1,442	1,307	10%

The unit cost of production increased by 10% to US\$1,442 per tonne, from US\$1,307 per tonne in the previous year. This was mainly driven by higher mining cost and local currency appreciation offset by higher production at Gamsberg and higher BMM copper production and credits.

Financial performance

Particulars	(US\$ million, unless stated)		
	FY2022	FY2021	% change
Revenue	602	368	64%
EBITDA	206	120	72%
EBITDA margin (%)	34%	33%	-
Depreciation and amortisation	69	43	59%
Operating Profit before special items	137	77	78%
Share in Group EBITDA (%)	3%	3%	-
Capital Expenditure	133	44	-
Sustaining	133	44	-
Growth	-	-	-

During the year, revenue increased by 64% to \$602 million, driven by higher sales volumes compared to FY2021 due to higher production at Gamsberg and higher LME prices, partially offset by higher costs. EBITDA increased by 72% to \$206 million, from \$120 million in FY2021 mainly on account of higher LME prices and sales volumes.

Projects

Refinery Conversion – Substantial progress has been made on Skorpion Zinc Refinery conversion Project with the completion of FEED, feasibility study, tendering activities & techno-commercial adjudication. All regulatory approval is in place to start project execution. Previously completed feasibility study also has been updated. With power tariffs being very critical for the viability of the project, discussions/ negotiations are happening with the state power utility along

with the option of renewable power which is also being explored. We are only waiting for confirmation of power tariff to take the final decision and starting the execution on the ground by H1 2022-23.

Gamsberg Phase 2 - Gamsberg Phase 2 project includes the mining expansion from 4 MTPA to 8 MTPA and Construction of New Concentrator plant of 4 MTPA, taking the total capacity to 8 MTPA. This will have additional Metal in concentrate (MIC) of 200+ which will take the total MIC production capacity to 450+. The EOI for the Concentrator plant was floated and proposals were received. The project was approved by Vedanta Board in March 2022. The execution philosophy is on EPC basis and the project is on track for start of execution in Q1 FY 2023.

Gamsberg Smelter – We would set-up a 300 KTPA Smelter Project by repeating the conventional Roaster-Leach-Electrolysis(R-L-E) process along with necessary modifications required for capacity upgrade to treat Gamsberg Concentrate. We have received the environmental approval for Bulk water pipeline construction and outcome of ESIA is also expected in April 2022. We are appointing an Advocacy partner for engaging with Gov. of South Africa on the other critical success factors like SEZ, power price, sulphuric acid offtake, logistics infrastructure and other regulatory approvals which are absolutely vital for economic feasibility of the project.

Black Mountain Iron Ore project – This is a project to recover iron ore (magnetite) from the BMM tailings. The 0.7MTPA Iron Ore plant is currently under execution with the EPC contractor being Lead EPC. Owners' Engineer for the project has been appointed. World class Iron Ore will be produced from the new plant with Fe grade > 68%. First production is expected in August 2022.

Exploration

- 5.8% reduction in reserve metal tons from 8.3Mt to 7.8Mt, with 24.0% increase in resources from 21.9Mt to 27.2Mt metal
- Total R&R for VZI increased from 566Mt to 671Mt of ore, while metal increased from 30.2Mt to 35.0Mt (15.9% increase in total metal)
- Reduction in reserve largely attributed to smaller open pit design at Gamsberg North, while main factors affecting resources is discovery of Gamsberg Kloof deposit, remodelling of Gamsberg East and lower CoGs for resources.

Strategic priorities & outlook

Zinc International continues to remain focused to improve its YoY Production by sweating its current assets beyond its design capacity, debottlenecking the existing capacity and adding capacity through Growth Projects. Our Immediate priority is to ramp up the performance of our Gamsberg Plant at Designed capacity and simultaneously develop debottlenecking plan to increase Plant capacity by 10% to 4.4Mt Ore throughput. Likewise, BMM continues to deliver stable Production performance and focus is to debottleneck its Ore volumes from 1.6Mt to 1.8Mt. Skorpion is expected to remain in Care and Maintenance for H1 FY23 while management is assessing feasible & safe mining methods to extract Ore from Pit 112. Zinc International continues to drive cost reduction programme to place Gamsberg operations on 1st Quartile of global cost curve with COP< US\$1100 per tonne.

In addition to above, Core Growth strategic priorities include;

- Completion of Magnetite project in H1 FY 2023.
- Commencement of construction activities of Gamsberg Phase 2 project with aim to start production in H2 FY2024.

- Continue to improve Business case of *Skorpion Refinery Conversion Project* and *Gamsberg Smelter Project* through Government support, Capex and Opex reduction.

Oil & Gas

The year in summary:

During FY2022, Oil & Gas business delivered gross operated production of 161 kboepd, down by 1% y-o-y, primarily driven by natural reservoir decline at the MBA fields. The decline was partially offset by addition of volumes from ramp up of gas volumes, commissioning of Aishwariya Barmer Hill facility, impact of polymer injection in Bhagyam and Aishwariya fields, new infill wells brought online in Mangala field and reduced operational downtime.

In OALP blocks, seismic acquisition program has been completed in Assam, Cambay, Rajasthan and Offshore region. As part of the 15 well drilling program, 11 wells have been drilled till date across basins. Of these, two hydrocarbon discoveries in Rajasthan (KW-2 Updip and Durga -1) and one in Cambay (Jaya-1) have been notified as oil and gas discovery

Occupational health & safety

There are seven lost time injuries (LTIs) in FY2022. Frequency rate stood at 0.20 per million-man hours (FY2021: 0.16 per million-man hours) amidst increased development activities.

Our focus remains on strengthening our safety philosophy and management systems. We were recognised with awards conferred by external bodies:

- Five Star Rating in Occupational Health & Safety Audit conducted by British Safety Council for Mangala, Bhagyam and Aishwarya Mines
- Raageshwari Gas Terminal (RGT) recognized for Quality with Excellence Award in the 46th International Convention on Quality Control 2021
- Golden Peacock Occupational Health & Safety Award 2021 for Cambay asset
- Gold award for Ravva asset from Quality Circle Forum of India (QCFI) at 21st Chapter Convention
- Apex Gold Award in Occupational Health & Safety for Mangala, Bhagyam and Aishwarya mines
- Cairn awarded Greentech Safety Excellence Award 2021.

Cairn Oil & Gas has taken various initiatives:

- COVID-19 mass vaccination drive for employees, their family members, and Business Partners. 100% of eligible employees of Cairn and Business Partners have completed both dose of vaccination.
- “5S” certification for Mangala, Bhagyam and Aishwarya Mines.
- Launched Business Partner’s awards to recognize HSE initiatives to make workplace and work environment safe.
- Digital initiatives: Drone based inspection of Overhead Power Lines, Artificial Intelligence (AI) based CCTV Camera in Suvali, High voltage proximity detectors for cranes and tippers to avoid incident with overhead electrical lines, e-Lock for crude tankers, Solar based traffic light system, Contactless Breath Analyzer, Hazard reporting through Kiosk and Mobile App etc.

Environment

Our Oil & Gas business is committed to protect the environment, minimize resource consumption and drive towards our goal of ‘zero discharge’. Highlights for FY2022 are as:

- NABL accreditation (ISO 17025:2017) and ILAC-MRA (International Laboratory Accreditation Cooperation - Mutual Recognition Arrangement) approval for Environment Lab at Mangala Processing Terminal, Barmer
- Leaders Award in Sustainability 4.0 under Mega large business category conferred by Frost & Sullivan and TERI
- **Reduction in GHG emission:**
 - a) Commissioning of pipeline from Raag Oil to RGT for gas transportation instead of flaring resulted in ~0.8 mmscfd gas with annual GHG reduction potential of 32,500 tons of CO₂e.
 - b) Diversion of condensate from Bridge plant to RDG resulted into saving of 1 mmscfd gas with annual GHG reduction potential of 27,750 tons of CO₂e/annum
 - c) Commissioned 100 KWP Solar Plant at Sara WP#01.
 - d) Green OB project: Commissioned 530 KWP Solar Plant at Operation Base Camp at MPT (Annual GHG reduction potential of 790 tons of CO₂e/annum.
- Reject water treatment plant commissioned at MPT to increase produced water recycling rate: ~194,811 KL recovered
- Hydrocarbon recovery by processing of skimmed oil: ~18,233 bbls.

Production performance:

	Unit	FY2022	FY2021	% change
Gross operated production	Boepd	160,851	162,104	(1%)
Rajasthan	Boepd	137,723	132,599	4%
Ravva	Boepd	14,166	19,177	(26%)
Cambay	Boepd	8,923	10,329	(14%)
OALP	Boepd	39	-	100%
Oil	Bopd	135,662	140,353	(3%)
Gas	Mmscfd	151	131	15%
Net production – working interest	Boepd	103,737	101,706	2%
Oil*	Bopd	87,567	88,923	(2%)
Gas	Mmscfd	97	77	26%
Gross operated production	Mmboe	58.7	59.2	(1%)
Net production – working interest	Mmboe	37.9	37.1	2%

* Includes net production of 535 boepd in FY2022 and 441 boepd in FY2021 from KG-ONN block, which is operated by ONGC. Cairn holds a 49% stake.

Operations

Average gross operated production across our assets was 1% lower y-o-y at 160,851 boepd. The company's production from the Rajasthan block was 137,723 boepd, 4% higher y-o-y. The increase was primarily due gains realized from ramp up of gas sales, continued impact of polymer injection in Bhagyam & Aishwariya fields and new infill wells brought online in Mangala field. Production from the offshore assets, was at 23,089 boepd, 22% lower y-o-y, owing to natural field decline.

Production details by block are summarized below.

Rajasthan block

Gross production from the Rajasthan block averaged 137,723 boepd, 4% higher y-o-y. The natural reservoir decline has been offset by ramp-up of gas production, infill wells in Mangala field and impact of polymer injection in Bhagyam and Aishwariya fields.

Gas production from Raageshwari Deep Gas (RDG) averaged 158 million standard cubic feet per day (mmscfd) in FY2022, with gas sales, post captive consumption, at 128 mmscfd.

On 26th October 2018, the Government of India, acting through the Directorate General of Hydrocarbons (DGH), Ministry of Petroleum and Natural Gas, granted its approval for a ten-year extension of the PSC for the Rajasthan block, RJ-ON-90/1, subject to certain conditions, with effect from 15th May 2020. The Division Bench of the Delhi High Court in March 2021 set aside the single judge order of May 2018 which allowed extension of PSC on same terms and conditions. We have filed a Special Leave Petition (SLP) in Supreme Court against this Delhi High court judgement. We have also filed application for amendment of SLP to bring additional grounds and question of law on 8th March 2022 along with the application for seeking interim relief.

We have served notice of Arbitration on the Gol in respect of the audit demand raised by DGH based on PSC provisions. The Government has accepted it and the arbitration tribunal stands constituted. It is our position that there is no liability arising under the PSC owing to these purported audited exceptions. The audit exceptions do not constitute demand and hence shall be resolved as per the PSC provisions.

The Tribunal had a first procedural hearing on 24th October on which Vedanta also filed its application for interim relief. The interim relief application was heard by the Tribunal on 15th December 2020 wherein it was directed that the Gol should not take any coercive action to recover the disputed amount of audit exceptions which is presently in arbitration and that during the arbitration period, the Gol should continue to extend the tenure of the PSC on terms of current extension.

We have also filed application under Sec 151 of CPC read with S9 of the Arbitration Act 1996 requesting Court to direct Gol to extend the PSC for 10 years without insisting upon a payment of disputed dues under audit exceptions which have been already referred to arbitration. On 12th April 2022, Court issued notice under this application and Gol was required to file its reply by May 3, 2021. Gol filed reply on May 13, 2022 and we filed our Rejoinder to the Gol's Reply on 20th May 2022. The matter is listed for hearing on 11th July 2022.

We have filed Statement of Reply and Defence to Counterclaim on 30th November 2021. Rejoinder to Statement of Reply and Statement of Reply to Defence to Counterclaim has been filed by Gol on 7th March 2022.

The Gol has also filed application before the Tribunal objecting to its jurisdiction to decide issues arising out of or relating to the PSC extension policy dated 7th April 2017, the Office Memorandum dated 1st February 2013, as amended and audit exceptions notified for FY 2016-18. We have filed our objection to this assertion by Gol. Tribunal's Procedural Order dated 23rd September 2021 dismissed the motion and ordered costs in favour of Vedanta. The costs are not payable until the end of the arbitration or further order in the meantime.

Further, on 23rd September 2020 Gol filed an application for interim relief before Delhi High Court seeking payment of all disputed dues. The bench has not been inclined to pass any ex-parte orders and the matter is now listed for hearing on 11th July 2022.

Further to above stated letter from Gol on 26th October 2018, in view of pending non-finalization of the Addendum to PSC, the Gol granted, permission to the Oil & Gas business to continue petroleum operations in Rajasthan block, till the execution of the Addendum to PSC or 14th May 2022, whichever is earlier.

Ravva block

The Ravva block produced at an average rate of 14,166 boepd, lower by 26% y-o-y, owing to natural field decline. Previous year production included impact of infill drilling campaign.

Cambay block

The Cambay block produced at an average rate of 8,923 boepd, lower by 14% y-o-y. This was primarily due to natural field decline partially offset by well interventions and production optimization measures.

Prices

Particulars	FY2022	FY2021	% Change
Average Brent prices –US\$/barrel	81.15	44.3	83%

Crude oil price averaged US\$81.15 per barrel, compared to US\$44.3 per barrel in FY2021. The continuous upward movement is mostly driven by accelerating global oil market rebalancing, increasing vaccination rates, continued easing of COVID-19-related mobility restrictions and increasing geopolitical tensions around the world.

Early in the year, demand dampened amid deteriorating situation around the world due to surge in COVID-19 Delta variant taking the oil prices downwards. However, increased COVID-19 vaccination rate, continued efforts by OPEC to follow their scheduled crude oil production increase of 400,000 barrels per day (b/d) and natural factors effecting production in US, offset the sudden downward spikes in the prices due to planned and unplanned outages.

Later during the year, crude prices remained volatile bolstered by fast spreading omicron variant, raising demand concerns and need for harsh lockdowns. However, low death rates and higher vaccinations around the world nullified the concerns over demand.

Russian invasion further into Ukraine on February 24 and the subsequent escalation of armed conflict, contributed to rising crude oil prices crossing 100\$/bbl mark. The increase in crude oil prices reflects potential effects of the extensive sanctions levied by the United States, European Union, and others on Russian entities in response to Russia's continued invasion of Ukraine, as well as the risk of potential disruptions to crude oil and energy production and infrastructure related to the conflict. In addition to western sanctions and the U.S. import ban, weather-related disruptions at Kazakhstan's Caspian Pipeline Consortium (CPC) terminal along Russia's Black Sea Coast, as well as a fire related to a Houthi missile attack at a Saudi Aramco oil storage and distribution facility in Jeddah, contributed to additional volatility and risk of supply disruptions, led to a continued rally in prices.

Financial performance:

(US\$ million, unless stated)

Particulars	FY2022	FY2021	% change
Revenue	1,669	1,016	64%
EBITDA	809	438	85%
EBITDA margin (%)	48%	43%	-
Depreciation and amortisation	307	287	7%
Operating Profit before special items	502	151	-
Share in Group EBITDA (%)	13%	12%	-
Capital Expenditure	233	233	-
Sustaining	9	9	-
Growth	225	224	-

Revenue for FY2022 was 64% higher y-o-y at \$1,669 million (after profit petroleum and royalty sharing with the Government of India), as a result of the increase in oil prices. EBITDA for FY2022 was at \$809 crore, higher by 85% y-o-y in line with the higher revenues.

The Rajasthan operating cost was US\$10.1 per barrel in FY2022 compared to US\$7.7 per barrel in the FY2021, primarily driven by increase in polymer commodity index, owing to oil price rally and increased interventions. Previous year cost included impact of lower maintenance activities due to COVID-19.

A. Growth Projects Development

The Oil & Gas business has a robust portfolio of infill development & enhanced oil recovery projects to add volumes in the near term and manage natural field decline. Some of key projects are:

Infill Projects-

Mangala

Based on the success of the FM3 infill drilling campaign, opportunities to further accelerate production by drilling 4 horizontal wells and 1 vertical well in FM3 & FM5 sands were identified. The project also entails drilling of few deviated wells for FM2/3 sands and conversion of 3 wells to polymer injector.

As of March 31, 2022, drilling campaign of 5 wells is completed, of which 4 horizontal wells are hooked up.

Tight Oil (ABH)

Aishwariya Barmer hill stage II drilling program enabled to establish the confidence in reservoir understanding of ABH. Based on the success of it, drilling of 5 additional wells were conceptualized and drilling of which completed in fourth quarter of fiscal year 2022. Of these, 2 wells have been hooked up.

NI Infill

The project entails drilling, completion, and hook-up of 3 producer wells in the NI field. Drilling and hook up of 3 well campaign has been completed during fiscal year 2022.

Tight Gas (RDG)

In order to realize the full potential of the gas reservoir, an infill drilling campaign of 27 wells has commenced during fiscal year 2022. As of March 31, 2022, 6 wells have been drilled and they are being progressively hooked up to ramp up volumes.

Satellite Fields

In order to monetise the satellite fields, an integrated contract for the appraisal and development activity through global technology partnership has commenced. Till March 31, 2022, 14 wells have been drilled, of which 2 wells are hooked-up.

Offshore (Cambay)

Infill program in Cambay over the last few years has resulted in incremental recovery. New opportunities have been identified basis integration of advanced seismic characterization, well and production data. Drilling commenced during third quarter of fiscal year 2022. As of March 31, 2022, 2 wells have been drilled of which 1 well is hooked-up

Discovered Small Field (DSF)

Hazarigaon: Well intervention and testing activities was carried out in Hazarigaon-1 well. Extended well testing and monetisation is under planning.

B. Exploration and Appraisal

Rajasthan - (BLOCK RJ-ON-90/1)

Rajasthan exploration

The Rajasthan portfolio provide access to multiple play types with oil in high permeability reservoirs, tight oil and tight gas. We have completed drilling of 3 exploration wells during fiscal year 2022. We also performed appraisal activities in Felsic (oil) zone in RDG and monetization is under planning. We are also evaluating further opportunities to drill low to medium risk and medium to high reward exploration wells to build on the resource portfolio.

Open Acreage Licensing Policy (OALP)

Under the Open Acreage Licensing Policy (OALP), revenue-sharing contracts have been signed for 51 blocks located primarily in established basins, including some optimally close to existing infrastructure.

Full Tensor Gravity Gradiometry™ (FTG) airborne survey for prioritising area of hydrocarbon prospectivity has been completed in Assam, Cambay, Rajasthan & Kutch region. Seismic acquisition program has been completed in Assam, Rajasthan, Cambay, and Offshore region.

15 wells exploration (risked resource potential of 122 mmbob) work program spread over Rajasthan, Cambay, and North-east with drilling cost of \$118 million is under execution. Till March 31, 2022, 11 wells have been drilled (3 in Rajasthan, 6 in Cambay and 2 in North-east). Additional drilling, fracing, and related preparation activities are ongoing in Rajasthan, Cambay, and North-east.

Till date three hydrocarbon discoveries have been notified under the OALP portfolio.

- Rajasthan (2 Discoveries): KW2-Updip-1 was notified as oil discovery and is under extended testing. Durga -1 notified as oil discovery during fiscal year 2022 and monetisation is under planning.
- Cambay (1 Discovery): Jaya-1 is a gas and condensate discovery, and monetisation is under planning.

Geophysical and geotechnical site survey is ongoing in Offshore region Drilling is expected to commence during first half of fiscal year 2023.

Strategic priorities & outlook

Vedanta's Oil & Gas business has a robust portfolio mix comprising of exploration prospects spread across basins in India, development projects in the prolific producing blocks and stable operations which generate robust cash flows.

The key priority ahead is to deliver our commitments from our world class resources with 'zero harm, zero waste and zero discharge':

- Infill projects across producing fields to add volume in near term
- Unlock the potential of the exploration portfolio comprising of OALP and PSC blocks
- Continue to operate at a low cost-base and generate free cash flow post-capex

Aluminium

The year in brief

In FY2022, the aluminium smelters achieved India's highest production of 2.27 million tonnes. It has been a remarkable year as we inched towards our vision of 3 MTPA Aluminium. Though this year saw headwinds in cost due to rising commodity prices and the coal crisis, we undertook several structural initiatives to make our business immune from market induced volatilities. These reforms coupled with our continued focus on operational excellence, optimising our coal and bauxite mix, improved capacity utilisation across refinery, smelter and power plant, will further help reduce our cost in sustainable manner and make the business more predictable. and improving our price realisation to improve profitability in a sustainable manner through well-structured PMO approach. The hot metal cost of production for FY2022 stood at US\$ 1,858 per tonne. We also achieved record production of 1.97 million tonnes at the alumina refinery through continued debottlenecking.

Occupational health & safety

We report with deep regret, five fatalities of business partner employees during the year at our Aluminum business, two each at Lanjigarh project site and at Jharsuguda and one at BALCO. We have thoroughly investigated all the five incidents and the lessons learned were shared across all our businesses to prevent such incidents in future.

This year, we experienced total 30 Lost Time Injuries (LTIs) resulting in LTIFR of 0.41 at our operations.

We conducted safety stand-downs across the sites to communicate the learnings from safety incidents and prevent repeated future incidents. Our safety leadership regularly engages with the business partner site in-charges and their safety officers for their capability development and strengthening the culture of safety at our sites. We follow a zero-tolerance policy towards any safety related violations with stringent consequence management.

To enhance competencies of our executives, engineers, and supervisors of business partners and inculcate culture of Safety, we have engaged DuPont Safety Solutions. The initiative is known as Sankalp – demonstrates our resolve to provide Safe and Healthy workplace to all our employees. Under this initiative the unit Leadership are trained to provide visible felt leadership and lead effective safety interactions with the employees. Safety Committees are formed across the business to drive and review safety performance across the business. Training is being given in various areas of safety to improve the safety culture. Visible felt leadership is core to our operations and all leaders are expected to demonstrate highest level of safety discipline in their respective areas of operations ensuring inclusivity of Business Partners as well.

To build a culture of CARE, a new initiative of assigning 10 to 15 business partner employees to an executive, who will work with them to drive safe behavior and eliminating unsafe practices has been implemented. This is an attempt / opportunity to solidify the relations between workers and executive.

Environment

During the year, Jharsuguda has recycled 11.5% of the water used, while BALCO has recycled 10.6%.

Our specific water consumption at VLJ metal was 0.39 m³/t, BALCO metal was 0.54 m³/t and alumina refinery was 1.90 m³/t.

Several Projects are being taken in water conservation to increase the amount of recycled water at each of our location. Reverse Osmosis plant has been commissioned at JSG thermal power plant to recycle water.

EV vehicles will be used in operations as part of the green drive. Under this initiative, the Jharsuguda unit has signed a contract to use 23 Electrical forklift instead of diesel-based forklift. We have planned to shift to 100 % EV LMV by FY 30. This will help us eliminate our in-plant scope 3 GHG emission from LMV operations at the Jharsuguda business.

This year we launched our low carbon aluminium brand, Restora, manufactured using Renewable energy through our two product lines – Restora and Restora Ultra. GHG emission intensity for these product lines are about half the global threshold for low carbon aluminium. A Strong step towards our commitment to achieve GHG emission intensity reduction of 25% by 2030 and Net zero carbon by 2050.

Restora Ultra is an ultra-low carbon aluminium brand in collaboration with Runaya Refining. Near zero carbon footprint – one of the lowest in the world. Testament to our focus on 'zero waste' through operational efficiencies and recovery from dross.

In the current fiscal year, we have reduced our GHG emission intensity by about 8.2% compared to the FY 21 baseline.

Management of hazardous waste such as spent Pot line, aluminium dross, and high volume low toxic waste such as fly ash, red mud etc. are material waste management issues for the aluminium business.

During the year, our operations have utilized 120% of Ash and 102% Dross. Ash is being utilized in partnership with NHA and cement companies as part of circular economy model. JSG operations is supplying fly ash for highway construction activities in and around Odisha as part of partnership with NHA. This partnership aims at creating a connected economy aligned to our vision of creating a cleaner, greener and sustainable tomorrow. BALCO is associated with Cement industries in the vicinity through road mode and striving to achieve economies of scale and enterprise solution which is environmentally friendly and cost effective. For the very purpose, BALCO has ventured into supplying the conditioned Fly Ash through Rake. This meaningful, sustainable increase in fly ash utilization at locational, distant thermal power plant is mutual win for both Cement companies and BALCO. BALCO is also engaged in Mine back filling of Manikpur Mines which will further support the effort to utilize Fly Ash. Our Lanigarh operation has placed an order for manufacturing of red mud bricks. It is in the direction of waste-to-wealth initiative. On similar lines, JSG unit is working with Runaya refining for extracting valuable metals from Dross as part of waste-to-wealth initiatives.

The organization is working proactively towards the vision of Zero Waste.

Production performance

Particulars	FY2022	FY2021	% change
Production (kt)			
Alumina – Lanjigarh	1,968	1,841	7%
Total aluminium production	2,268	1,969	15%
Jharsuguda I	550	533	3%
Jharsuguda II ¹	1,137	867	31%
BALCO I	226	265	(15%)
BALCO II	355	304	17%

Alumina refinery: Lanjigarh

At Lanjigarh, production was 7% higher y-o-y at 1.97 million tonnes, primarily through continued plant debottlenecking and improved capacity utilisation.

Aluminium smelters

We ended the year with all time high production of 2.27 million tonnes. Our smelter at BALCO continued to show consistent performance.

Coal Security

We continue to focus on the long-term security of our coal supply at competitive prices. We added Jamkhani (2.6 MTPA), Radhikapur (West) ;(6 MTPA) and Kuraloi (A) North (8 MTPA) coal mines through competitive bidding process by GOI. We intend to operationalize Jamkhani and Radhikapur (West) in the next fiscal year. These acquisitions, along with 15 million tons of long-term linkage will ensure 100% coal security for Aluminium Business. We also look forward to continuing our participation in linkage coal auctions and secure coal at competitive rates.

Prices

Particulars	FY2022	FY2021	% Change
Average LME cash settlement prices (US\$ per tonne)	2,774	1,805	54%

Average LME prices for aluminium in FY2022 stood at US\$ 2,774 per tonne, 54% higher y-o-y. The LME aluminium price has seen a wild swing this year, especially in the last quarter owing to both supply and demand side disruptions. Post the covid resurgence, the aluminium market is in a growth phase now with dedicated focus to accelerate development and reached to pre covid levels. This demand growth is expected to increase from 68 million tons to 75 million tons by 2025 driven by sunrise sectors such as Electric Vehicle, Renewable Energy, Défense and Aerospace. On supply side, during Q2 & Q3 FY 2022, the energy price skyrocketed due to closure of coal mines in China, exceptionally higher demand for oil and closure of oil refinery in the east coast of Americas. Pertaining to exceptionally higher energy prices, several European smelters closed during the FY 2022 causing a deficit of ~1.5 million tonnes in CY21. The deficit is expected to intensify with the ongoing geopolitical situation and continued high energy prices in CY22. FY 2022 also witnessed demand growth stabilisation around the world.

Unit costs

(US\$ per tonne)

Particulars	FY2022	FY2021	% change
Alumina cost (ex-Lanjigarh)	291	235	24 %
Aluminium hot metal production cost	1,858	1,347	38 %
Jharsuguda CoP	1,839	1,304	41 %
BALCO CoP	1,913	1,450	32 %

During FY2022, the cost of production (CoP) of alumina increased to US\$ 291 per tonne, due to headwinds in the input commodity prices, partially offset via benefits from increase in locally sourced bauxite, continued debottlenecking and improved capacity utilization

In FY2022, the total bauxite requirement of about 5.8 million tonnes were met through domestic as well as import sources. ~63% of the Bauxite requirement was catered from Odisha through our LTC with the Government of Odisha and remaining 37% through imports from LTC with a reputed supplier.

In FY2022, the CoP of hot metal at Jharsuguda was US\$ 1,839 per tonne, increase by 41% from US\$ 1,304 in FY2021. The hot metal CoP at BALCO stood at US\$ 1,913 per tonne, increase by 32% from US\$ 1,450 per tonne in FY2021. This was primarily driven by the headwinds in commodity prices and reduced materialisation of domestic coal from Coal India Limited (CIL) with higher auction premiums.

Financial performance

Particulars	<i>(US\$ million, unless stated)</i>		
	FY2022	FY2021	% Change
Revenue	6,833	3,865	77%
EBITDA	2,328	1,046	-
EBITDA margin (%)	34%	27%	-
Depreciation and amortisation	270	230	17%
Operating Profit before special items	2,058	816	-
Share in Group EBITDA (%)	37%	28%	-
Capital Expenditure	460	221	-
Sustaining	166	162	3%
Growth	293	59	-

During the year, revenue increased by 77% to \$6,833 million, driven primarily by rising LME Aluminium prices and higher production volumes. EBITDA was significantly up at \$2,328 million (FY2021: \$1,046 million), mainly due to higher sales volumes and increased sales realisation.

Strategic priorities & outlook

With the primary aluminium demand expected to increase and the ongoing geopolitical issues, the outlook for FY2023 is strong. European premiums are soaring while US premiums are supported by high demand and low stocks. The deficit is expected to intensify in 2022.

The input commodity prices across carbon are moving on a higher side driven by continued demand increases. We are looking at ways to continuously optimise our costs, while also increasing the price realisation to improve profitability sustainably.

India's market is expected to have robust growth, supported primarily by growing industrial activity and government focus on infrastructure sector and domestic manufacturing in the country. Several government initiatives (Make in India, Production-linked Incentive for domestic manufacturing, National Infrastructure Pipeline and National Rail Plan) will enhance aluminium demand, going forward.

Vedanta continues to expand its value-added product portfolio in line with evolving market demand, making it poised to grow in the Indian aluminium market.

At our power plants, we are also working towards improving materialisation from CIL, reducing gross calorific value (GCV) losses in coal as well as improving plant operating parameters which should deliver higher plant load factors (PLFs) and a reduction in non-coal costs. Vedanta is working out a plan to expediate operationalization of Jamkhani, Radhikapur and Kuraloi coal mines.

Whilst the current market outlook remains bullish, our core strategic priorities include:

- ESG: Focus on the health & safety of our employees, business partners, customers, and community
- Asser Optimisation: Deliver alumina and aluminium production through structured asset optimisation framework
- Growth: Aluminium capacity expansion to 3 MTPA, Value added product capacity expansion to 90%, Alumina capacity expansion to 6 MTPA
- Raw Material Security: Enhance bauxite and alumina security through LTCs and new mines auctions.
- Coal security: 100% operationalisation of Jamkhani, Radhikapur and Kuraloi coal block, improve linkage coal materialisation

- Quality: Zero slippage in quality in entire value chain
- Operational Excellence: Improve our plant operating parameters across locations; and
- Product Portfolio: Improve realisations by enhancing our value-added product portfolio

Power

The year in brief

In FY2022, TSPL's (Talwandi Sabo Power Limited) plant availability was 76% and Plant Load Factor (PLF) was 51%.

Occupational health & safety

In FY2022 TSPL focus on Category 5 Safety Incident elimination such as Critical Risk management, Catastrophic Risk Management, Horizontal deployment of Safety alert learnings, Vedanta Safety Standard Implementation and Engineering / Controls such as Line of Fire Prevention and Safety improvement project.

We continue to strengthen the 'Visible Felt Leadership' through the on-ground presence of senior management, improvement in reporting across all risk and verification of on-ground critical controls. We also continue to build safety assisting infrastructure development through the construction of pedestrian pathways, dedicated route for bulkers, creation of secondary containment for hazardous chemicals and other infra development across sites.

Environment

TSPL focus on environment protection measures such as maintaining green cover of over 800 acres, continue the expansion of green cover inside plant premises and nearby communities. TSPL ensure availability of environment protection system such as ESP, Fabric Filters, water treatment plant and RO Plant. In Tailing Dam Management, TSPL has implemented all the recommendation of M/s Golder associates for ash dyke. Additional desk top review of TSPL Ash Dyke Facility by ATC Williams, Australia & TATA Consultancy (TCE) as Engineer of Records (EOR) to ensure Ash Dyke stability to review dyke design, quality assurance during for ash dyke raising and quarterly audit of ash dyke facility. In FY22, TSPL achieved 91% Ash utilisation in Road Construction, in Building sector for bricks, blocks, cements and low-lying area filling. TSPL has signed various MOUs with stakeholders to increase ash utilisation.

TSPL has recycled 16.7% of the water used & Reduce the Fresh water consumption by various operation controls. TSPL continue its focus on energy saving projects such as CWP RPM reduction, HPT performance improvement, replacement of conventional lighting fixtures with LED lighting fixtures.

To stimulate efforts and reach towards new heights of sustainable business practices, TSPL established ESG transformation office. Under this initiative, TSPL has accelerated its efforts in Environment, Social and Governance aspects. TSPL ESG Transformation Office was created which included 12 communities of practice from each aspect of sustainability. Communities of Practice included Carbon, Water, Waste, Biodiversity, Supply chain, People, Communities (CSR), communication, Safety and Health, Acquisitions, Expansions. Each Community is led by a senior leader in the concerned department. Each community is driving sustainability initiatives in their community. In FY2021-22, total 55 projects are identified, and improvement initiatives works are in progress.

Production performance

Particulars	FY2022	FY2021	% Change
Total power sales (MU)	11,872	11,261	5%
Jharsuguda 600 MW	2,060	2,835	(27%)
BALCO 300 MW*	1,139	1,596	(29%)
MALCO#	-	-	-

HZL wind power	414	351	18%
TSPL	8,259	6,479	28%
TSPL – availability	76%	81%	-

#Continues to be under care and maintenance since 26 May 2017 due to low demand in Southern India.

*We have received an order dated 01 Jan 2019 from CSERC for Conversion of 300MW IPP to CPP w.e.f. 01 April 2017. During the Q4 FY2019, 184 units were sold externally from this plant.

Operations

During FY2022, power sales were 11,872 million units, 5% higher y-o-y. Power sales at TSPL were 8,259 million units with 76% availability in FY2022. At TSPL, the Power Purchase Agreement with the Punjab State Electricity Board compensates us based on the availability of the plant.

The 600MW Jharsuguda power plant operated at a lower plant load factor (PLF) of 53% in FY2022. The 300 MW BALCO IPP operated at a PLF of 63% in FY2022. The MALCO plant continues to be under care and maintenance, effective from 26 May 2017, due to low demand in Southern India.

Unit sales and costs

Particulars	FY2022	FY2021	% change
Sales realisation (US cents/kWh) ¹	4.2	4.2	-
Cost of production (US Cents/kWh) ¹	3.2	3.2	3%
TSPL sales realisation (US Cents/kWh) ²	4.9	4.0	22%
TSPL cost of production (US Cents/kWh) ²	3.7	2.8	31%

(1) Power generation excluding TSPL

(2) TSPL sales realisation and cost of production is considered above, based on availability declared during the respective period

Average power sale prices, excluding TSPL, remained flat and the average generation cost was marginally higher at US cents 3.25 per kWh (FY2021: US cents 3.16 per kWh).

In FY2022, TSPL's average sales price was higher at US cents 4.9 per kWh (FY2021: US cents 4 per kWh), and power generation cost was higher at US cents 3.7 per kWh (FY2021: US cents 2.8 per kWh).

Financial performance

Particulars	(US\$ million, unless stated)		
	FY2022	FY2021	% change
Revenue	783	725	8%
EBITDA	145	190	(24%)
EBITDA margin (%)	19%	26%	-
Depreciation and amortisation	77	79	(1%)
Operating Profit before special items	68	111	(39%)
Share in Group EBITDA (%)	2%	5%	-
Capital Expenditure	6	3	77%
Sustaining	6	3	77%
Growth	-	-	-

*Excluding one-offs

EBITDA for the year was 24% lower y-o-y at \$145 million from \$190 million.

Strategic priorities & outlook

During FY2023, we will remain focused on maintaining the plant availability of TSPL and achieving higher plant load factors at the BALCO and Jharsuguda IPPs.

Our focus and priorities will be to:

- Resolve pending legal issues and recover aged power debtors;

- Achieve higher PLFs for the Jharsuguda and BALCO IPP; and
- Improve power plant operating parameters to deliver higher PLFs/availability and reduce the non-coal cost.
- Ensuring safe operations, energy & carbon management

Iron Ore

The year in brief

Production of Crude ore at Karnataka stood at 5.60 wet million tons. With the order of Central Empowered Committee (Supreme Court appointed body) on 21st March'20, our annual mining capacity has been increased up to 5.89 MTPA. In line with this the Govt. of Karnataka on Feb'2021 has allocated the production quantity of 5.60 wet million tons from FY2021 onwards to maintain the SC allocated district cap.

Meanwhile, operations in Goa remained in suspension in FY2021 due to a state-wide directive from the Supreme Court. However, we continue to engage with the Government to secure a resumption of mining operations.

Occupational health & safety

With our vision towards the of Zero Harm we are committed to achieve zero fatal accident at Iron ore Business. Our Lost Time Injury Frequency Rate (LTIFR) is 0.85 compared to 0.56 (FY 21). We are now focusing on bringing down the number of Injuries by conducting a detailed review of critical risk controls through critical task audits, strengthening our work permit and isolation system through identification and closure of gaps, on site audits, increasing awareness of both Company and business personnel by conducting trainings as per requirements considering the sustainability framework.

We have strived to enhance the health and safety performance by digitalisation initiatives such as COVID Marshalls, usage of non-contact type voltage detectors, underground cable detectors, usage of AI cameras for spotting safety violations etc. Currently we are working on implementing virtual reality training for our manpower in areas such as safety performance standards, hazards, risk control measures, and best practices in the field of Safety. We are also considering the possibility of implementing geo fencing so as to achieve better access control at various locations across the plant.

In order to achieve highest levels of safety at site we have identified key personnel from operation and maintenance to serve as safety stewards in addition to their current roles and responsibilities. Those who are nominated as safety stewards have been made to pursue a distance Masters degree in safety from reputed universities from the country which will enable them to identify and rectify issues at site using sophisticated tools. We have also conducted trainings through third party on incident investigations in which various investigation tools such as ICAM, etc are covered. At IOK we have conducted trainings through a third-party post which a selected number of employees have been nominated as certified machine safety experts. These certified machine safety experts will be responsible for improving machine guarding design and implementation of the same as per Vedanta Safety Standards. At VAB we have conducted a training on crane and lifting safety through a third party so as to authorize a shortlisted group of competent personnel for approving critical lift plan and better focus on safety in areas of lifting and critical lifts.

In addition to employees nominated as safety stewards we also conducting training on NEBOSH and IOSH for shortlisted Vedanta personnel from departments such as Operation, Maintenance and Environment.

In FY 2023 we will be further strengthening our Fatality Prevention Programme and also improving our safety management system through cross business audits.

Environment

At our Value-Added Business we recycle and reuse almost all the wastewaters. Only the non-contact type condenser cooling water of the power plant is cooled and treated for pH adjustment and discharged back into the Mandovi river, which is a consented activity by the authorities.

8500 numbers of plantation were done in the year 2021-22, including 7500 numbers of plantation through Miyawaki method.

Also, Value Added Business received Environmental Clearance for expansion project for installing Ductile Iron plant, oxygen plant & Ferro Silicon Plant along with increasing hot metal production capacity.

At Iron ore Karnataka, continuing with its best practises, company has constructed 38 check dams, 7 settling pond and 2 Harvesting pits. Additionally, company has de-silted 6 nearby village ponds increasing their rainwater harvesting potential by 60000 m³/annum.

In FY2022, around 18 Ha of mining dump slope was covered with biodegradable geotextiles to prevent soil erosion & 45,000 native species sapling were planted. Various latest technologies like use of fog guns; environment friendly dust suppressants mixed with water were adopted on the mines to reduce water consumption for dust suppression without affecting the effectiveness of the measures.

Awards and accolades

For the year FY 2022 various IOB units have received awards for their performance in Health and Safety such as Green Triangle Safety Award by Factories & Boilers for VAB, Apex India Gold Award for Safe Work Place Management and Apex India Green Leaf Award for Environment Excellence for Also our Sanquelim mine won Platinum award for Best environment Practises from International Conference on Geotechnical Challenges in mining , Tunneling and Underground Structures, 2021.

Production performance

Particulars	FY2022	FY2021	% Change
Production (dmt)			
Saleable ore	5.4	5.0	8%
Goa	-	-	-
Karnataka	5.4	5.0	8%
Pig iron (kt)	790	596	33%
Sales (dmt)			
Iron ore	6.8	6.5	4%
Goa	1.1	2.1	(50%)
Karnataka	5.7	4.4	30%
Pig iron (kt)	790	609	30%

Operations

At Karnataka, production was 5.4 million tonnes, 8% higher y-o-y. Sales in FY2022 were 5.7 million tonnes, 30% higher y-o-y due to Covid-19 Impact in the previous financial year. Production of pig iron was 789,717 tonnes in FY2022, higher by 30% y-o-y due to Covid-19 Impact in previous year and efficiency improvement post relining.

At Goa, mining was brought to a halt pursuant to the Supreme Court judgement dated 7 February 2018 directing all companies in Goa to stop mining operations with effect from 16 March 2018. We continue to engage with the Government for a resumption of mining operations.

We bought low grade iron ore in auctions held by Goa Government in Auction No -25, 26 & 27. This ore along with opening stock of ore purchased in 23rd & 24th auction and fresh royalty paid ore moved out of mines post the supreme court order, was then beneficiated and around 1.1

million tonnes were exported which further helped us to cover our fixed cost and some ore were used to cater to requirement of our pig iron plant at Amona.

Financial performance

Particulars	(US\$ million, unless stated)		
	FY2022	FY2021	% Change
Revenue	852	611	40%
EBITDA	304	245	24%
EBITDA margin (%)	36%	40%	-
Depreciation and amortisation	32	30	8%
Operating Profit before special items	272	215	27%
Share in Group EBITDA (%)	5%	6%	-
Capital Expenditure	22	14	59%
Sustaining	9	6	42%
Growth	12	7	75%

In FY2022, revenue increased to \$853 million, 40% higher y-o-y mainly due to increase in sales volume at Karnataka & VAB and higher realisations at Karnataka & VAB during the year. EBITDA increased to \$ 304 million compared with \$ 245 million in FY2021 was mainly due to improved margin at Karnataka and higher volume at Karnataka & VAB.

Strategic priorities & outlook

Our near-term priorities comprise:

- Resume mining operations in Goa through continuous engagement with the government and the judiciary
- Realign and revamp resources, assets, HEMM's for starting the mine's operation
- Grow our footprint in iron ore by continuing to participate in auctions across the country, including Jharkhand.
- Advocacy for removal of E-auction/trade barrier in Karnataka.

Steel

The year in brief

ESL is an integrated steel plant (ISP) in Bokaro, Jharkhand, with a design capacity of 2.5mtpa. Its current operating capacity is 1.5mtpa with a diversified product mix of Wire Rod, Rebar, DI Pipe and Pig Iron. This year business has achieved highest ever hot metal production of 1,355kt, since acquisition.

In FY2022, ESL Steel Limited (ESL) has achieved highest ever NSR during the year since acquisition resulting in favorable EBITDA margin of US\$74 per tonne.

Occupational health & safety

We had one unfortunate incident in the month of September where we had lost 3 of our business partners while carrying out a job on lift. A detailed investigation was carried out by cross business experts and actions implemented in letter and spirit. The current LTIFR for FY22 is 0.80

As part of our safety culture transformation journey, we had come up with various safety initiatives to enhance our safety performance. Given below are few of the significant initiatives:

- Project Prarambhik- We have engaged DuPont Sustainable Solutions in our safety transformation journey with key focus on safety interactions and people engagement in executing safe operational practices.

- Safety Park- An on-site demonstration facility for trainings on various VSS Standards developed with prototypes for better understanding.
- AR/VR- Virtual Reality technology used for safety trainings to place the employees and business partners in the work environment and build their capability before actually placing them in the workplace.
- Safety Portals- Introduced various safety portals-Safety Interaction portal, Incident Management portal, mQuiz Portal, Safety Projects portal to provide user friendly platforms to capture various leading indicators of safety promoting a better workplace.
- CCTV cameras with AI detection technology
- NDO- Night Duty Officer concept initiated where senior leaders are engaged in night duties for better vigilance round the clock on observations.
- Joint Safety Walks- Site leadership team visits each shop/floor on every Saturday to have a site walkthrough survey and conducts safety interactions to identify gaps and handhold the team in mitigating the risks.
- Surakshavahan- A mobile safety van concept to provide on job safety training to business partners and employees with audio visual facility for effective training with maximum engagement.
- Theme based campaigns- Every month we select one safety standard as a theme and drive various awareness initiatives and competitions including trainings and webinars along with quick wins

On COVID preparedness we have successfully ensured business continuity during the third wave with reinforcing various facilities including the Vedanta Field Hospital in Bokaro City. Vaccination of both the doses have been arranged for employees, business partners and their families.

Environment

In Waste Management system, ESL has attained 100 % utilization of BF granulated Slag and Fly Ash by sending it to nearby cement Industries and Brick manufacturers. Recyclable Hazardous waste is sent to PCB authorised recyclers/re-processors and rest is sent to TSDF for which membership has already been taken. E-waste is also sent to authorised dismantlers.

In Water Management, treatment of 4500 KI of effluent daily in the Effluent Treatment Plant is done and it is being re-utilised in several processes such as Coke Quenching, BF Slag granulation, in Greenbelt Development, Fire Fighting, Dust Suppression and in operations of Lime and Dolo, DIP and others. Recycling percentage has increased from 12% to 28 %. Settling pits at different locations are constructed and proper retention time is given for better treatment of water. In FY 22 till date 2,272,125 KLD of water is saved through different projects and initiatives being undertaken in ESL.

In Energy Management, the usage of waste heat from coke oven flue gas for generation of steam which ultimately helps in power generation, reduction in auxiliary power consumption from 12 % to 8 % through improvement in station heat rate is carried out.

Usage of LP steam in blast furnace to minimise the fuel requirement, LD gas and BF gas in several operations such as reheating furnace of rolling mills, Blast Furnace, DIP and lime and Dolo to reduce the fuel consumption, Running of TG through steam generated from Waste Heat recovery.

In Air Emission Management, Revamping of Oxygen Convertor Gas Recovery (OG) system in Steel Melting Shop (SMS) to reduce fugitive emission, Upgradation of Air pollution control equipment's to meet the norms stipulated by the regulatory authorities, ESP revamping of Sinter Plant, Installation of fixed sprinklers all along the roads in RMHS area and dry fog system in all the closed conveyors and deployment of mechanical sweepers for road sweeping is carried out.

Apart from that fixed type of fog guns are also installed in RMHS and CHP area of CPP in order to arrest the dust. Provision of water tanker is also there where fixed sprinklers are not installed.

Several initiatives have been taken in Biodiversity section as well. Miyawaki Forest development is carried out in ESL in 1.25 acres area and altogether 35000 saplings are planted during FY 22. Wildlife conservation plan for schedule 1 species is prepared and approved from all the levels in order to conserve them for 10 kms of area surrounding the plant.

We at ESL are driving ESG in order to facilitate sustenance in long run. Several CoPs (community of parties) are framed keeping into consideration all the three pillars Environment, Social and Governance. Several initiatives are taken in order to move towards Net Zero carbon by 2050 and net water positive by 2030. ESL is focused on deployment of EVs (Electrical vehicle) in order to reduce its Scope 3 emissions as well. In the renewable section the work is already in progress for installation of 4.5 MW rooftop Solar Power Plant.

Several community development programmes are carried out all along the area for women empowerment, livelihood generation, Health & Nutrition, Education, Water and Sanitation for all. In social front several initiatives are undertaken by Human resource for diversity inclusion and development of potential leaders from within by several employee development programmes.

Production performance

Particulars	FY2022	FY2021	% Change
Production (kt)	1,260	1,187	6 %
Pig iron	186	189	(2)%
Billet	91	165	(45)%
TMT bar	399	338	18%
Wire rod	421	361	17%
Ductile iron pipes	164	135	22%

Operations

There have been significant gains in Sales & NSR front. However, operational inefficiencies higher raw material prices of coking coal & other market factors resulted in higher cost of sales. We are trying to stable our raw material prices. We have acquired two iron ore mines to achieve raw material long term security & pricing stability.

During FY2022, we produced 1,260,000 tonnes of saleable product, higher by 6% y-o-y on account of increased availability of hot metal due to higher production.

The priority remains to enhance production of value-added products (VAPs), i.e., TMT Bar, Wire Rod and DI Pipe. ESL maintained 78% of VAP sales, in line with priority.

Our Consent to Operate (CTO) for the steel plant at Bokaro, which was valid until December 2017, was not renewed by the Jharkhand State Pollution Control Board (JSPCB). This was followed by the Ministry of Environment, Forests and Climate Change (MoEF&CC) revoking the Environmental Clearance (EC) dated February 21, 2018. MoEF&CC, on August 25, 2020, has granted a Terms of Reference to ESL for 3 MTPA plant with conditions like fresh EIA/EMP reports and public hearing. The Honorable High Court of Jharkhand had extended the interim protection granted in the pending writ petitions till September 16, 2020. Hon'ble High Court on September 16, 2020, pronounced and revoked the interim stay for plant continuity w.e.f September 23, 2020. ESL filed a SLP before Hon'ble Supreme Court against September 16, 2020, order for grant of interim status quo order and plant continuity. Vide order dated September 22, 2020, Hon'ble Supreme Court issued notice and allowed plant operations to continue till further orders. In furtherance of the Supreme Court orders for plant continuity, MoEF vide its letter dated 02.02.2022 has deferred the grant of Environment Clearance till Forest Clearance Stage-II is granted to ESL. ESL has submitted its reply against MoEF letter vide letter dated 11.02.2022 for reconsidering the decision and not linking EC with FC since as per the applicable law and available precedents, grant of FC Stage - II is not a condition precedent for grant of EC. CTO will be procured post furnishing the EC.

Prices

Particulars	(US\$ per tonne)		
	FY2022	FY2021	% Change
Pig Iron	545	382	43%
Billet	612	336	82%
TMT	687	539	27%
Wire rod	706	537	31%
DI pipe	628	544	15%
Average steel price (US\$ per tonne)	659	488	35%

Average sales realisation increased 35% y-o-y from US\$488 per tonne in FY2021 to US\$659 per tonne in FY2022. Prices of iron and steel are influenced by several macro-economic factors. These include global economic slowdown, US-China trade war, supply chain destocking, government expenditure on infrastructure, the emphasis on developmental projects, demand-supply dynamics, the Purchasing Managers' Index (PMI) in India and production and inventory levels across the globe especially China. Even though the NSR increased by US\$ 171 per tonne, we were unable to increase our EBITDA margin & landed to US\$ 74 per tonne for the year (against US\$ 95 per tonne in FY2021) due to increased raw material prices of coking coal.

Unit costs

Particulars	FY2022	FY2021	% Change
Steel (US\$ per tonne)	585	393	49%

Cost has increased by 49 % y-o-y from US\$ 393 per tonne to US\$ 585 per tonne in FY2022, primarily on account of heavy increase in coking coal prices during the year, uncontrollable factors and operational inefficiencies.

Financial performance

Particulars	(US\$ million, unless stated)		
	FY2022	FY2021	%Change
Revenue	869	630	38%
EBITDA	94	117	(20%)
EBITDA margin (%)	11%	19%	-
Depreciation and amortisation	38	37	1%
Operating Profit before special items	56	80	(30%)
Share in Group EBITDA (%)	2%	3%	-
Capital Expenditure	118	(21)	-
Sustaining	15	14	7%
Growth	102	(36)	-

Revenue increased by 38% to \$ 869 million (FY2021: \$ 630 million), primarily due to higher volume. EBITDA decreased by 20% to \$ 94 million even after higher sales due to increased cost of production.

Strategic priorities and outlook

Steel demand is expected to surge owing to the gradual recovery in economic activities across the world, and the emphasis of governments to ramp up infrastructure spend. The focus is to operate with the highest Environment, Health and Safety standards, while improving efficiencies and unit costs.

The focus areas comprise:

- Doubling Hot Metal Capacity to 3.0 MTPA from 1.5 MTPA
- Ensuring business continuity
- Greater focus on Reliability Centred Maintenance
- Obtain clean 'Consent to Operate' and environmental clearances

- Raw material securitisation through –long-term contracts; approaching FTA countries for coking coal
- Ensure zero harm and zero discharge, fostering a culture of 24x7 safety culture

Ferro Alloys Corporation Limited (FACOR)

The year in brief

FACOR has achieved highest ferro chrome ore production of 250kt, since acquisition through operationalization of two ore mines. Also achieved historic high ferro chrome production of 75kt and ever highest sales of 77 kt.

Health Safety Environment

In FY22, HSE and Sustainability Policies were rolled out. HSE E-library launched for easy access to HSE documents. For capability developments trainings given on Lifting plan, Defensive Driving, Machine Guarding, Work at Height, Forklift operation, Fire extinguisher to Employees & BPs. Training on Compliance, IFC/ICMM, HIV, Incident Investigation, VSAP/VSS modules were also given to all Employees. We also introduced Golden Safety rules and Cardinal rules for risk mitigation at workplace. We also framed SOPs related to Permit to Work, JSA, HIRA and PSSR. Visual Signage displayed at all strategic locations. Man-machine segregation & wheel Choke provided at strategic locations to mitigate risks. Mandatory PPEs and PPEs zone were introduced for all Employees and BPs.

For environment wellbeing and to ensure zero harm to environment we installed Sewage Treatment Plant, Effluent Treatment Plant at Mines & Power plant. Wheel wash system, HD IP Camera, Rainwater harvesting structure were also installed at FPL to reduce environmental risks. First ever VSAP, IMS Level 1 and Level 2 Audits conducted at FACOR.

Under the guidance of our CEO and unit wise cross functional teams, for implementation of all the preventive and precautionary measures, are engaged in prevention and control of the virus. We were implemented the COVID protocol/SOP formulated to ensure business continuity by ensuring minimum footfall and mitigating COVID risk. This includes staggered shift schedules, mandatory screening, social distancing, usage of masks, contact tracing, work from home, zero touch auto sanitizing facilities, daily sanitization of workplace, vaccination for frontline warriors, SOP & handbook on COVID, Vigilance of PPE compliances through automation, Cardinal COVID rules, etc.

Production Performance

Particulars	FY2022	FY2021	% Change
Ore Production (kt)	250	147	69%
Ferrochrome Production (kt)	75	68	10%
Ferrochrome Sales (kt)	77	71	8%
Power Generation (MU)	294	274	7%

At Mining division, we recorded ever highest Chrome Ore production of 250 kt in FY22 since acquisition. Through disrupt ideas and out of the box thinking we also achieved ever highest monthly and quarterly Ore Production of 45 kt in June'21 and 123 kt in Q1 FY22 since acquisition. Ensuring our commitment towards zero harm we installed Slope Stability Radar (SSR) for real time pit slope & dump monitoring at our Ostapal Mines and installed fatigue monitoring system in all dumpers at Mines. We also installed Renewable Energy (RE) based solar panels for energy savings at Ostapal & Kalarangiatta Mines.

At Charge Chrome Plant (CCP), we recorded ever highest Ferrochrome metal volume of 75 kt in FY2022 since inception. We also achieved 1st and 2nd ever highest Ferrochrome metal volume of 6,902 and 6,852 MT in May and December since inception and highest metal volume of 20,058 MT in Q-3 FY2022 since acquisition. We started blending Met Coke with Anthracite coal and Coke

Fines Briquettes in FY2022 and were able to achieve average blending of 15% (10% Anthracite Coal and 5% Coke Fine Briquettes) in FY2022. We also reduced our specific Power consumption up to levels of 3,347 Kwh/T against 3,450 Kwh /T and specific Ore consumption up to 2.4 against 2.5 in FY22.

At Power Plant, we recorded annual Power Generation of 292 MU in FY22, increased 8% Y-o-Y. We achieved first ever 100MW Power plant operation since inception.

Financial performance

(US\$ million, unless stated)

Particulars	FY2022	FY2021	%Change
Revenue	111	37	-
EBITDA	44	9	-
EBITDA margin (%)	39%	25%	-
Depreciation and amortisation	6	4	-
Operating Profit before special items	38	6	-
Share in Group EBITDA (%)	1%	2%	-
Capital Expenditure			
Sustaining	15	-	-
Growth	-	-	-

Awards and accolades

- Won the British Safety Council Prestigious International Safety Awards 2022
- Bagged 01) Excellent & 02) Distinguished Award at National *Convention on Quality Concepts (NCQC) 2021* organized by QCFI Coimbatore.
- Received HR award for excellence under Employee Engagement category by World HRD Congress.

Strategic priorities

- Expansion of Mines from current capacity of 250 kt to 390 kt.
- Metal capacity *addition of 60 KTPA through new 33MVA Furnace.*
- Lease revival of Kathpal Mine.
- Installation of Waste Heat Recovery system and refractory relining in 45 MVA furnace.
- 100 MW Power Generation & sale of additional power.
- New COB plant commissioning of enhanced capacity of 50 TPH.

Copper – India / Australia

The year in brief

The copper smelter plant at Tuticorin was under shutdown for the whole of FY2022. We continue to engage with the Government and relevant authorities to enable the restart of operations at Copper India.

We continued to operate our refinery and rod plant at Silvassa, catering to the domestic market.

Occupational health & safety

The lost time injury frequency rate (LTIFR) was Zero till Mar'22 (FY2021: 0).

Environment

Copper Mines of Tasmania continued in care and maintenance awaiting a decision on restart. Meanwhile, a small, dedicated team is maintaining the site and there were no significant safety

or environmental incidents during the year. The site retained its ISO accreditation in safety, environment and quality management systems and the opportunity of a lull in production was used to review and further improve these systems.

Production performance

Particulars	FY2022	FY2021	% Change
Production (kt)			
India – cathode	125	101	24%

Operations

The Tamil Nadu Pollution Control Board (TNPCB) vide order, dated 9 April 2018, rejected the consent renewal application of Vedanta Limited for its copper smelter plant at Tuticorin. It directed Vedanta not to resume production operations without formal approval/consent (vide order dated 12 April 2018) and directed the closure of the plant and the disconnection of electricity (vide order dated 23 May 2018).

The Government of Tamil Nadu also issued an order dated 28 May 2018 directing the TNPCB to permanently close and seal the existing copper smelter at Tuticorin; this was followed by the TNPCB on 28 May 2018. Vedanta Limited filed a composite appeal before the National Green Tribunal (NGT) against all the above orders passed by the TNPCB and the Government of Tamil Nadu. In December 2018, NGT set aside the impugned orders and directed the TNPCB to renew the CTO. The order passed by the NGT was challenged by Tamil Nadu State Govt. in Hon'ble Supreme Court.

The Company had filed a writ petition before Madras High Court challenging the various orders passed against the Company in 2018 and 2013. On August 18, 2020, the Madras High Court delivered the judgement wherein it dismissed all the Writ Petitions filed by the Company. The Company has approached the Supreme Court and challenged the said High Court order by way of a Special Leave Petition (SLP) to Appeal and also filed an interim relief for care & maintenance of the plant. The matter was then listed on December 02, 2020, before Supreme Court Bench. The Bench after having heard both the sides concluded that at this stage the interim relief in terms of trial run could not be allowed. Further, considering the voluminous nature of documents and pleadings, the matter shall be finally heard on merits. Further, Hon'ble Supreme Court held that the case will be listed once physical hearing resumes in Supreme Court. The matter was again mentioned before the bench on 17th March 2021, wherein the matter was posted for hearing on 17th August 2021. However, the matter was not listed on 17 August 2021. After a series of computer-generated hearing dates, the matter was finally taken up on 15 March 2022 and was part heard. The next date of hearing is yet to be intimated.

Meanwhile, the Company's Silvassa refinery and rod plant continues to operate as usual, enabling us to cater to the domestic market.

Our copper mine in Australia has remained under extended care and maintenance since 2013. However, we continue to evaluate various options for its profitable restart, given the Government's current favourable support and prices.

Prices

Particulars	FY2022	FY2021	% Change
Average LME cash settlement prices (US\$ per tonne)	9,689	6,897	40%

Average LME copper prices increased by 40% compared with FY2021.

Financial performance

(US\$ million, unless stated)

Particulars	FY2022	FY2021	% change
Revenue	2,035	1,469	38%
EBITDA	(15)	(21)	-
EBITDA margin (%)	(1)%	(1)%	-
Depreciation and amortisation	20	21	(5%)
Operating Profit before special items	(35)	(42)	-
Share in Group EBITDA (%)	0%	(1)%	-
Capital Expenditure	21	7	-
Sustaining	0	2	-
Growth	21	5	-

During the year, revenue was \$ 2,035 million, an increase of 38% on the previous year's revenue of \$ 1,469 million. The increase in revenue was mainly due to higher Copper LME prices and higher volume. EBITDA loss reduced to \$ 15 million on account of improved operational deliveries partially offset by cost associated with supply of medical oxygen during COVID pandemic from our oxygen plant facility at Tuticorin.

Strategic priorities & outlook

Over the following year our focus and priorities will be to:

- Engage with the Government and relevant authorities to enable the restart of operations at Copper India
- Improving operating efficiencies, reducing our cost profile;
- Upgrade technology to ensure high-quality products and services that sustain market *leadership and surpass customer expectations; and*
- Continuous debottlenecking and upgrading our processing capacities for increased throughput.

Port Business

Vizag General Cargo Berth (VGCB)

In FY 22 VGCB discharge volume increased by 49% compared to FY 21 and dispatch volume increased by 60%. This increase in volumes is due to increase in coal consumption and the critical power crisis in India during Q2 and Q3 which eventually increased the coal imports and the overall coal imports in Vizag region increased by 14% compared to FY 21

Risk Management

Managing risks and opportunities amidst a dynamic external environment

Our businesses are exposed to a variety of risks given that we operate globally. We have a multi-layered risk management system and robust governance framework that align the Company's operating controls with the Group's overarching vision and mission and help it deliver on its strategic objectives.

Enterprise risk management

We identify risks at the individual business-level for existing operations as well as for ongoing projects through a well-crafted methodology. Business-level review meetings, undertaken at least once every quarter, formally discuss risk management. Every business division of the Group has evolved its own risk matrix, which is reviewed by the Business Management Committee. In addition, business divisions have developed their own risk registers.

Respective businesses review the risks, changes in the nature and extent of major risks since the last assessment, control measures and decide on further action. Control measures stated in the risk matrix are also periodically reviewed by the business management teams to verify their effectiveness. These meetings are chaired by the CEOs of the respective businesses and attended by CXOs, senior management and functional heads concerned. The role of risk officers at each business-level and at the Group level is to create awareness on the risks among the senior management, and to develop and nurture a risk-management culture within the businesses. The Company's risk-mitigation plans are integral to the KRAs/KPIs of process owners. Leadership teams of the businesses are responsible for the governance of the risk management framework.

The Audit & Risk Management Committee aids the Board in the risk management process by identifying and assessing any changes in risk exposure, reviewing risk-control measures and approving remedial actions wherever appropriate. The Committee is, in turn, supported by the Group Risk Management Committee (GRMC), which helps it evaluate the design and operating effectiveness of the risk mitigation programme and the control systems. The Risk Management Committee meets at least four times annually to discuss risks and mitigation measures, review the robustness of our framework at the level of individual businesses and map the progress against actions planned for key risks.

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

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

The Board shoulders the ultimate responsibility for the management of risks and for ensuring the effectiveness of internal control systems. This includes review of the Audit & Risk Management Committee's report on the risk matrix, significant risks, and mitigating actions. Any systemic weaknesses identified by the review are addressed by enhanced procedures to strengthen the relevant controls, which are reviewed regularly.

Since it is critical to delivering on the Group's strategic objectives, risk management is embedded in business-critical activities, functions, and processes. The risk management framework is

designed to manage rather than eliminate the risk of failure to achieve business objectives and provides reasonable, and not absolute assurance, against material misstatement or loss. Materiality and risk tolerance are key considerations in our decision-making.

The responsibility for identifying and managing risks lies with every manager and business leader. Additionally, we have key risk governance and oversight committees in the Group. They are:

- Committee of Directors (COD) comprising Vice Chairman and Group CFO supports the Board by considering, reviewing and approving all borrowing and investment-related proposals within the overall limits approved by the Board. The invitees to these committee meetings are the CEO, business CFOs, Group Head Treasury and BU Treasury Heads, depending upon the agenda
- Sustainability Committee reviews sustainability related risks
- There are also various Group-level ManComs, such as Procurement ManCom, HSE ManCom, CSR ManCom, and so on which work on identifying risks in those specific areas and mitigating them

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

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

The planning of internal audits is approached from a risk perspective. In preparing the internal audit plan, reference is made to the risk matrix, and inputs are sought from the senior management, business teams and members of the Audit Committee. In addition, we refer to past audit experience, financial analysis and the prevailing economic and business environment.

Despite COVID-induced disruptions, Vedanta's BUs dealt with its impact extremely well, resulting in an effective response. This was made possible owing to the following:

- Our safety-first culture that prioritised people's health and well-being
- Our collaboration with communities, governments, and health experts, which ensures that best practices are followed
- Focusing on what is critical to operations and communities, while continuing to build long-term resilience
- Consistent response to the pandemic across the Group
- Establishment of COVID-19 taskforces under seasoned leaders
- Investments in new processes, procedures, protocols, health-testing equipment and support for the workforce

As a result, despite the challenges, our facilities remained largely operational during the pandemic. Rather, the disruption created an opportunity for us to identify and work on certain transformational aspects for the future. We continue to remain committed to achieving our objectives of zero harm, zero wastage and discharge, thus creating sustainable stakeholder value.

The order in which the risks appear in the section that follows does not necessarily reflect the likelihood of their occurrence or the relative magnitude of their impact on Vedanta's businesses.

The risk direction of each risk has been reviewed based on events, economic conditions, changes in business environment and regulatory changes during the year.

While Vedanta's risk management framework is designed to help the organisation meet its objectives, there is no guarantee that the Group's risk-management activities will mitigate or prevent these or other risks from occurring.

The Board, with the assistance of the management, conducts periodic and robust assessments of principal risks and uncertainties of the Group, and tests the financial plans associated with each.

Impact	Mitigation
Sustainability risks	
<p>Health, safety and environment (HSE)</p> <p>The resources sector is subject to extensive health, safety and environmental laws, regulations and standards. Evolving requirements and stakeholder expectations could result in increased cost or litigation or threaten the viability of operations in extreme cases.</p> <p>Emissions and climate change Our global presence exposes us to a number of jurisdictions in which regulations or laws have been, or are being, considered to limit or reduce emissions. The likely effect of these changes could be to increase the cost of fossil fuels, imposition of levies for emissions in excess of certain permitted levels and increase in administrative costs for monitoring and reporting. Increasing regulation of greenhouse gas (GHG) emissions, including the progressive introduction of carbon emissions trading mechanisms and tighter emission reduction targets, is likely to raise costs and reduce demand growth.</p>	<p>Risk direction: ◀▶</p> <ul style="list-style-type: none"> ■ HSE is a high priority area for Vedanta. Compliance with international and local regulations and standards, protecting our people, communities and the environment from harm, and our operations from business interruptions, are key focus areas ■ Policies and standards are in place to mitigate and minimise any HSE-related occurrences. Safety standards are issued or continue to be issued to reduce the risk level in high-risk areas. Structured monitoring, a review mechanism and system of positive compliance reporting are in place ■ BU leadership continues to emphasise on three focus areas: visible felt leadership, safety critical tasks and managing business partners ■ The process to improve learning from incidents is currently being improved to reduce re-occurrence of similar incidents ■ A Vedanta Critical Risk Management programme will be launched to identify critical risk controls and to measure, monitor and report control effectiveness ■ The Company has implemented a set of standards to align its sustainability framework with international practice. A structured sustainability assurance programme continues to operate in the business divisions covering environment, health, safety, community relations and human rights aspects. This is designed to embed our commitment at the operational level ■ All businesses have appropriate policies in place for occupational health-related matters, supported by structured processes, controls and technology ■ To provide incentives for safe behaviour and effective risk management, safety KPIs have been built into performance management of all employees ■ The carbon forum has been re-constituted with updated terms of reference and representation from all businesses. Its mandate is to develop and recommend to the ExCo and Board the carbon agenda for the Group ■ Enhanced focus on renewable power obligations ■ The Group companies are actively working on reducing the intensity of GHG emissions of our operations ■ A task force team is formulated to assess end-to-end operational requirement for FGD plant. We continue to engage with various stakeholders on the matter
<p>Managing relationship with stakeholders</p>	<p>Risk direction: ◀▶</p>

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

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

Tailings dam stability

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

Risk direction: ◀▶

- The Risk Management Committee included tailings dams on the Group risk register with a requirement for annual internal review and a three-yearly external review
- Operation of tailings dams is executed by suitably experienced personnel within the businesses
- Third party has been engaged to review tailings dam operations, including improvement opportunities/remedial works required and the application of Operational Maintenance and Surveillance (OMS) manuals in all operations. This is an oversight role in addition to the technical design and guidance arranged by respective BUs. Technical guidelines are also being developed

- Vedanta Tailings Management Standard has been reviewed, augmented and reissued, including an annual, independent review of every dam and half-yearly CEO sign-off that dams continue to be managed within the design parameters and in accordance with the last surveillance audit. Move towards dry tailings facilities has commenced
- Those responsible for dam management receive training from third party and will receive on-going support and coaching from international consultants
- Management standards implemented with business involvement
- BUs are expected to ensure ongoing management of all tailings facilities with ExCo oversight with independent third-party assessment on the YoY implementation status of Golder recommendations
- Digitalisation of tailings monitoring facilities is being carried out at the BUs
- Tailing management standard is updated to include latest best practices in tailing management. The UNEP/ICMM Global Tailings Standard incorporated into Vedanta Standard during FY21

Operational risks

Challenges in Aluminium and Power business

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

Risk direction: ▼

- Improved LME and improved aluminium demand have led to recovery from the fall which happened last year
- Alumina refinery expansion from 2 mtpa to 5 mtpa being pursued
- Continue to pursue new coal linkages to ensure coal security
- Inbound and outbound supply chain across rail, road and ocean including manpower are functioning well, with no major risks foreseen
- Local sourcing of bauxite and alumina from Odisha
- Jharsuguda facilities ramped up satisfactorily
- Project teams in place for ash pond, red mud, railway infrastructure and FGD
- Dedicated teams working towards addressing the issue of new emission norms for power plants
- Global technical experts inducted to strengthen operational excellence
- Continuous focus on plant operating efficiency improvement programme to achieve design parameters, manpower rationalisation, logistics and cost reduction initiatives
- Continuous augmentation of power security and infrastructure
- Strong management team continues to work towards sustainable low-cost of production, operational excellence and securing key raw material linkages
- Talwandi Saboo (TSPL) power plant matters are being addressed structurally by a competent team

Discovery risk

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

Risk direction: ◀▶

- Dedicated exploration cell with continuous focus on enhancing exploration capabilities
 - Appropriate organisation and adequate financial allocation in place for exploration
 - Strategic priority is to add to our reserves and resources by extending resources at a faster rate than we deplete them, through continuous focus on drilling and exploration programme. Exploration Executive Committee (ExCo) has been established to develop and implement strategy and review projects across the Group
 - Continue to make applications for new exploration tenements in countries in which we operate under their respective legislative regimes
 - Exploration-related systems being strengthened, and standardised across the Group, and new technologies being utilised wherever appropriate
 - International technical experts and agencies are working closely with our exploration teams to enhance our capabilities
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Breaches in IT / cybersecurity	Risk direction: ◀▶
<p>Like many global organisations, our reliance on computers and network technology is increasing. These systems could be subject to security breaches resulting in theft, disclosure, or corruption of key/strategic information. Security breaches could also result in misappropriation of funds or disruptions to our business operations. A cybersecurity breach could impact business operations.</p>	<ul style="list-style-type: none"> ■ Group-level focus on formulating necessary frameworks, policies, and procedures in line with best practices and international standards ■ Implementation and adoption of various best-in-class tools and technologies for information security to create a robust security posture ■ Special focus to strengthen the security landscape of plant technical systems (PTS) through various initiatives ■ Adoption of various international standards relating to information security, disaster recovery and business continuity management, IT risk management and setting up internal IT processes and practices in line with these standards ■ Work towards ensuring strict adherence to IT-related SOPs to improve operating effectiveness, continuous focus on mandatory employee training on cybersecurity awareness ■ Periodic assessment of entire IT system landscapes and governance framework, from vulnerability and penetration perspective, undertaken by reputed expert agencies and addressing the identified observations in a time-bound manner
Loss of assets or profit due to natural calamities	Risk direction: ◀▶
<p>Our operations may be subject to a number of circumstances not wholly within the Group's control. These include damage to or breakdown of equipment or infrastructure, unexpected geological variations or technical issues, extreme weather conditions and natural disasters – any of which could adversely affect production and/or costs.</p>	<ul style="list-style-type: none"> ■ Vedanta has taken appropriate Group insurance cover to mitigate this risk and an Insurance Council is in place to monitor adequacy of coverage and status of claims ■ An external agency reviews the risk portfolio and adequacy of this cover and assists us in our insurance portfolio ■ Engage underwriters are reputed institutions to underwrite our risk ■ Established mechanism of periodic insurance review in place at all entities. However, any occurrence not fully covered by insurance could have an adverse effect on the Group's business ■ Continuous monitoring and periodic review of security function ■ Continue to focus on capability building within the Group
Cairn-related challenges	Risk direction: ◀▶

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

- RJ PSC 2020 extension was issued by the Directorate General of Hydrocarbons (DGH) subject to certain conditions. Ongoing dialogue and communication with the government and relevant stakeholders to address the conditions
 - The applicability of the Pre-NELP Extension Policy to the RJ Block is currently sub judice
 - Discussions within teams as well as with partners initiated with an objective to optimise cost across all spheres of operations
 - Constant engagement with vendors/partners to ensure minimal project delay based on the current situation and plan to ramp up
 - Growth projects being implemented through an integrated contracting approach. Contracts have built-in mechanism for risk and reward. Rigorous project reviews with execution partners/contractors to deliver volumes and returns
 - Project Management Committee and Project Operating Committee set up to provide support to the outsourcing partner and address issues on time to enable better quality control as well as timely execution of growth projects
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Compliance risks

Regulatory and legal risk	Risk direction: ◀▶
<p>We have operations in many countries around the globe. These may be impacted because of legal and regulatory changes in the countries in which we operate, resulting in higher operating costs, and restrictions such as the imposition or increase in royalties or taxation rates, export duty, impacts on mining rights/bans, and change in legislation.</p>	<ul style="list-style-type: none"> ■ The Group and its business divisions monitor regulatory developments on an ongoing basis ■ Business-level teams identify and meet regulatory obligations and respond to emerging requirements ■ Focus on communicating our responsible mining credentials through representations to government and industry associations ■ Continue to demonstrate the Group's commitment to sustainability by proactive environmental, safety and CSR practices. Ongoing engagement with local community/media/NGOs ■ SOx-compliant subsidiaries ■ Common compliance monitoring system being implemented in Group companies. Legal requirements and a responsible person for compliance have been mapped in the system ■ Legal counsels within the Group continue to work on strengthening the compliance and governance framework and the resolution of legal disputes ■ Competent in-house legal organisation is in place at all the businesses; these legal teams have been strengthened with induction of senior legal professionals across all Group companies ■ SOPs implemented across our businesses for compliance monitoring ■ Greater focus for timely closure of key non-compliances ■ Contract management framework strengthened with the issue of boiler plate clauses across the Group which will form part of all contracts. All key contract types have also been standardised ■ Framework for monitoring performance against anti-bribery and corruption guidelines is in place
Tax related matters	Risk direction: ◀▶
<p>Our businesses are in a tax regime and changes in any tax structure, or any tax-related litigation may impact our profitability.</p>	<ul style="list-style-type: none"> ■ Tax Council reviews all key tax litigations and provides advice to the Group ■ Continue to engage with authorities concerned on tax matters ■ Robust organisation in place at the business and Group-level to handle tax-related matters ■ Continue to consult and obtain opinion from reputable tax consulting firms on major tax matters to mitigate tax risks on the Group and its subsidiaries

Financial risks

Fluctuation in commodity prices (including oil) and currency exchange rates

Risk direction: ◀▶

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

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

- The Group's well-diversified portfolio acts as a hedge against fluctuations in commodities and delivers cashflow through the cycle
 - Pursue low-cost production, allowing profitable supply throughout the commodity price cycle
 - Vedanta considers exposure to commodity price fluctuations to be integral to the Group's business and its usual policy is to sell its products at prevailing market prices. Its policy is not to enter into price hedging arrangements other than for businesses of custom smelting and purchased alumina, where back-to-back hedging is used to mitigate pricing risks. Strategic hedge, if any, is taken after appropriate deliberations and due approval from ExCo
 - Our forex policy prohibits forex speculation
 - Robust controls in forex management to hedge currency risk liabilities on a back-to-back basis
 - Finance Standing Committee reviews all forex and commodity-related risks and suggests necessary course of action to business divisions
 - Seek to mitigate the impact of short-term currency movements on the businesses by hedging short-term exposures progressively, based on their maturity. However, large, or prolonged movements in exchange rates may have a material adverse effect on the Group's businesses, operating results, financial condition and/or prospects
 - Notes to the financial statements in the Annual Report provide details of the accounting policy followed in calculating the impact of currency translation
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Major project delivery	Risk direction: ◀▶
<p>Shortfall in achievement of stated objectives of expansion projects, leading to challenges in achieving stated business milestones – existing and new growth projects.</p>	<ul style="list-style-type: none"> ■ Empowered organisation structure in place to drive growth projects; project management systems streamlined to ensure full accountability and value stream mapping ■ Strong focus on safety aspects in the project ■ Geo-technical audits conducted by independent agencies ■ Engaged global engineering partner to do complete life of mine planning and capital efficiency analysis to ensure that the project objectives are in sync with the business plan and growth targets ■ Standard specifications and SOPs developed for all operations to avoid variability; reputed contractors engaged to ensure the completion of the project on indicated timelines ■ Use of best-in-class technology and equipment to develop mines, ensuring the highest level of productivity and safety. Digitalisation and analytics help improve productivity and recovery ■ Stage gate process to review risks and remedy at multiple stages on the way ■ Robust quality control procedures implemented to check safety and quality of services/design/actual physical work ■ Use of reputed international agency for Geotech modelling and technical support, wherever required
Access to capital	Risk direction: ◀▶
<p>The Group may not be able to meet its payment obligations when due or may be unable to borrow funds in the market at an acceptable price to fund actual or proposed commitments. A sustained adverse economic downturn and/or suspension of its operation in any business, affecting revenue and free cash flow generation, may cause stress on the Company's ability to raise financing at competitive terms.</p>	<ul style="list-style-type: none"> ■ Focused team continues to work on proactive refinancing initiatives with an objective to contain cost and extend tenor ■ Team is actively building the pipeline for long-term funds for near to medium term requirements both for refinancing and growth capex ■ Track record of good relations with banks, and of raising borrowings in the last few years ■ Regular discussions with rating agencies to build confidence in operating performance ■ Business teams ensure continued compliance with the Group's treasury policies that govern our financial risk management practices ■ CRISIL and India Ratings have revised outlook to 'Stable' from 'Negative' while affirming the respective ratings

Consolidated income statement

(US\$ million)

	Note	Year ended 31 March 2022			Year ended 31 March 2021		
		Before Special items	Special items (Note 6)	Total	Before Special items	Special items (Note 6)	Total
Revenue	5	17,619	-	17,619	11,722	-	11,722
Cost of sales		(11,870)	(57)	(11,927)	(8,494)	(16)	(8,510)
Gross profit		5,749	(57)	5,692	3,228	(16)	3,212
Other operating income		244	-	244	178	-	178
Distribution costs		(459)	-	(459)	(272)	-	(272)
Administrative expenses		(507)	-	(507)	(433)	-	(433)
Impairment reversal/ (charge) [net]	6	-	465	465	-	(33)	(33)
Operating profit/ (loss)		5,027	408	5,435	2,701	(49)	2,652
Investment revenue	7	153	-	153	292	-	292
Finance costs	8	(1,402)	-	(1,402)	(1,209)	(58)	(1,267)
Other gains and (losses) [net]	9	(38)	-	(38)	11	(5)	6
Profit/ (loss) before taxation from continuing operations (a)		3,740	408	4,148	1,795	(112)	1,683
Net (expense)/tax credit (b)	10	(1,400)	(170)	(1,570)	(316)	18	(298)
Profit/ (loss) for the year from continuing operations (a+b)		2,340	238	2,578	1,479	(94)	1,385
Profit/ (Loss) after tax for the year from discontinued operations	3(b)	-	-	-	-	91	91
Profit/ (loss) for the year		2,340	238	2,578	1,479	(3)	1,476
Attributable to:							
Equity holders of the parent		825	177	1,002	303	20	323
Non-controlling interests		1,515	61	1,576	1,176	(23)	1,153
Profit/ (loss) for the year		2,340	238	2,578	1,479	(3)	1,476

Consolidated statement of comprehensive income

(US\$ million)

	Year ended 31 March 2022	Year ended 31 March 2021
Profit/ (Loss) for the year	2,578	1,476
Items that will not be reclassified subsequently to income statement:		
Remeasurement of net defined benefit plans	(2)	(1)
Tax effects on net defined benefit plans	0	(1)
Profit on fair value of financial asset investment	2	9
Total (a)	0	7
Items that may be reclassified subsequently to income statement:		
Exchange differences arising on translation of foreign operations	(214)	232
(Loss) of cash flow hedges recognized during the year	(36)	(34)
Tax effects arising on cash flow hedges	12	12
Gains/ (loss) on cash flow hedges recycled to income statement	50	24
Tax effects arising on cash flow hedges recycled to income statement	(18)	(8)
Total (b)	(206)	226
Other comprehensive (loss)/ income for the year (a+b)	(206)	233
Total comprehensive income for the year	2,372	1,709
Attributable to:		
Equity holders of the parent	906	419
Non-controlling interests	1,466	1,290
Total comprehensive income for the year	2,372	1,709

Consolidated statement of financial position

(US\$ million)

	Note	As at 31 March 2022	As at 31 March 2021*
Assets			
Non-current assets			
Goodwill		12	12
Intangible assets		90	99
Property, plant and equipment		13,484	12,968
Exploration and evaluation assets		220	334
Financial asset investments	12	20	21
Non-current tax assets		365	375
Other non-current assets		1,716	1,701
Deferred tax assets		860	1,018
		16,767	16,528
Current assets			
Inventories		1,895	1,358
Trade and other receivables		2,479	1,467
Financial instruments (derivatives)		34	10
Current tax assets		3	1
Short-term investments	13	3,148	5,002
Cash and cash equivalents	14	1,328	955
		8,887	8,793
Total assets		25,654	25,321
Liabilities			
Current liabilities			
Borrowings	15(a)	4,972	3,673
Operational buyer's credit/supplier's credit		1,456	1,142
Trade and other payables		4,866	4,406
Financial instruments (derivatives)		70	38
Retirement benefits		14	16
Provisions		42	32
Current tax liabilities		122	38
		11,542	9,345
Net current liabilities		(2,655)	(552)
Non-current liabilities			
Borrowings	15(a)	11,110	12,704
Trade and other payables		254	205
Financial instruments (derivatives)		1	10
Deferred tax liabilities		764	299
Retirement benefits		21	20
Provisions		427	407
		12,577	13,645
Total liabilities		24,119	22,990
Net assets		1,535	2,331
Equity			
Share capital		29	29
Hedging reserve		(88)	(97)
Other reserves		(456)	(296)
Retained earnings		(2,598)	(2,783)
Equity attributable to equity holders of the parent		(3,113)	(3,147)
Non-controlling interests		4,648	5,478
Total equity		1,535	2,331

*Restated. Refer note 1(b)(i)

Financial Statements of Vedanta Resources Limited with registration number 4740415 were approved by the Board of Directors on 06 June 2022 and signed on their behalf by

AR Narayanaswamy
Director

Deepak Kumar
Company Secretary

Consolidated cash flow statement

		(US\$ Million)	
	Note	Year ended 31 March 2022	Year ended 31 March 2021
Operating activities			
Profit/(Loss) before taxation		4,148	1,683
Adjustments for:			
Depreciation and amortisation		1,228	1,099
Investment revenues		(153)	(292)
Finance costs		1,402	1,267
Other (gains) and losses (net)		38	(8)
Profit on disposal of Property plant and equipment		(17)	(10)
Share-based payment charge		14	8
Liabilities written back		(9)	
Exploration costs written off		351	1
Impairment (reversal)/ charge (net)		(843)	-
Write off of Asset under construction, land & capital advances		27	33
Other special items		57	16
Operating cash flows before movements in working capital		6,243	3,797
(Increase)/decrease in inventories		(585)	187
Increase in receivables		(4,485)	(409)
(Decrease)/ Increase in payables		4,281	(241)
Cash generated from operations		5,454	3,334
Interest received		185	320
Interest paid		(1,559)	(1,336)
Income taxes paid (net of refunds)		(795)	(315)
Dividends paid		(131)	(162)
Net cash inflow from operating activities		3,154	1,841
Cash flows from investing activities			
Consideration paid for business acquisition (net of cash and cash equivalents acquired)	3(a)	-	(6)
Purchases of property, plant and equipment, intangibles, exploration and evaluation assets		(1,407)	(913)
Proceeds on disposal of property, plant and equipment, intangibles, exploration and evaluation assets		44	23
Proceeds from redemption of short-term investments	15(b)	16,601	13,988
Purchases of short-term investments	15(b)	(14,603)	(14,723)
Net cash inflow/(used in) in investing activities		635	(1,631)
Cash flows from financing activities			
Payment for acquiring non-controlling interest		(1,971)	(403)
Dividends paid to non-controlling interests of subsidiaries		(1,075)	(992)
Proceeds/(repayment of) working capital loan (net)	15(b)	118	(1,294)
Proceeds from other short-term borrowings	15(b)	2,815	3,569
Repayment of other short-term borrowings	15(b)	(2,349)	(3,394)
Proceeds from long-term borrowings	15(b)	4,207	5,182
Repayment of long-term borrowings	15(b)	(4,893)	(2,845)
Payment of lease liabilities		(31)	(46)
Net cash used in financing activities		(3,179)	(223)
Net increase/(decrease) in cash and cash equivalents		610	(13)
Effect of foreign exchange rate changes		(45)	22
Cash and cash equivalents at beginning of the year		701	692
Cash and cash equivalents at end of the year	14 & 15(b)	1,266	701

Consolidated statement of changes in equity For the year ended 31 March 2022

(US\$ million)

	Attributable to equity holders of the parent						Non-controlling Interests	Total equity
	Share capital	Hedging reserve	Other reserves ¹	Retained earnings	Total			
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	-	-	-	(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.

For the year ended 31 March 2021

(US\$ million)

	Attributable to equity holders of the parent						Non-controlling Interests	Total equity
	Share capital	Share premium	Hedging reserve	Other reserves ¹	Retained earnings	Total		
At 01 April 2020	29	202	(95)	(331)	(3,068)	(3,263)	5,536	2,273
Profit for the year	-	-	-	-	323	323	1,153	1,476
Other comprehensive income/ (loss) for the year	-	-	(2)	98	-	96	137	233
Total comprehensive income/ (loss) for the year	-	-	(2)	98	323	419	1,290	1,709
Transfers	-	-	-	(63)	63	-	-	-
Dividends paid/ payable	-	-	-	-	(251)	(251)	(992)	(1,243)
Exercise of stock options of subsidiary	-	-	-	-	5	5	3	8
On account of Capital reduction ³	-	(202)	-	-	202	-	-	-
Acquisition of FACOR	-	-	-	-	-	-	(4)	(4)
Acquisition of stake in Subsidiary ⁴	-	-	-	-	(38)	(38)	(365)	(403)
Change in fair value of put option liability/conversion option asset/derecognition of non-controlling interest	-	-	-	-	(19)	(19)	15	(4)
Other changes in non-controlling interests ²	-	-	-	-	-	-	(5)	(5)
At 31 March 2021	29	-	(97)	(296)	(2,783)	(3,147)	5,478	2,331

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 and exercise of stock options of subsidiary.

3. Pursuant to Section 641 (1) (a) of Companies Act 2006, US\$ 202 million of share premium was converted into distributable reserves. Accordingly, the share premium account was reduced to nil.

4. During the year ended 31 March 2021, VRL, through its subsidiary, purchased 185,000,000 equity shares of Vedanta Limited ("VEDL") thereby increasing its overall stake from 50.13% to 55.11% 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 2020	(2,605)	4	6	29	2,235	(331)
Exchange differences on translation of foreign operations	93	-	-	-	-	93
Loss on fair value of financial asset investments	-	-	5	-	-	5
Remeasurements	-	-	-	-	0	0
Transfer to retained earnings ⁽¹⁾	-	-	-	-	(63)	(63)
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)

- (1) Transfer to retained earnings during the year ended 31 March 22 includes withdrawal of US\$ 55 million from debenture redemption reserve (31 March 2021: US\$ 39 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 2021: US\$ 4 million), debenture redemption reserve of US\$ 36 million (31 March 2021 US\$ 91 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 of 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 & 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.

- 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 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 in India is owned by Vedanta Limited, and by two wholly owned subsidiaries of Vedanta Ltd, i.e., Sesa Resources Limited and Sesa Mining Corporation 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 an order of the Honourable Supreme Court of India, operations in the state of Goa are currently suspended. The Group’s iron ore business includes Western Cluster Limited (“WCL”) in Liberia which has iron ore assets and is wholly owned by the Group. WCL’s assets include development rights to Western Cluster and a network of iron ore deposits in West Africa. WCL’s assets have been fully impaired.
- The Group’s copper business comprises three operations divided into two divisions, namely (i) Copper India/Australia, comprising Vedanta Limited’s custom smelting operations in India (including captive power plants at Tuticorin in Southern India) and (ii) Copper Zambia comprising Konkola Copper Mines Plc’s (“KCM”) mining and smelting operations in Zambia. In view of ongoing litigations in relation to the Zambian operations, the Group believes that it has lost control over KCM and has accordingly deconsolidated the same (refer note 3(b) for further details).
- The Group’s copper business in India has received an order from 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 our copper smelter plant. Post such order, the state government on 28 May 2018 ordered the permanent closure of the plant. The Group continues to engage with the Government of India and relevant authorities to enable restart of operations at Copper India.
- Further, the Group’s copper business includes refinery and rod plant at Silvassa consisting of a 133,000 MT of blister/ secondary material processing plant, a 216,000 tpa copper at

refinery plant and a copper rod mill with an installed capacity of 258,000 tpa. The plant continues to operate as usual, catering primarily 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 ("CPP") at Lanjigarh and a smelter and captive power plants ("CPPs") at Jharsuguda both situated in the State of Odisha in India. BALCO's partially integrated aluminium operations comprise two bauxite mines, captive power plants, smelting and fabrication facilities in central India.
- The Group's power business is owned and operated by Vedanta Limited, BALCO, and Talwandi Sabo Power Limited ("TSPL"). 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 commercial power operations include 300 MW thermal coal-based power plant at Korba, Chattisgarh. 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 State of Tamil Nadu in southern India.
- The Group's other business include manufacturing and supply of billets, TMT bars, wire rods and ductile iron pipes in Eastern India owned and operated by ESL Steel Limited ("ESL"), formerly, Electrosteel Steels Limited.

The Group's other activities 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. VGCB commenced operations in the fourth quarter of fiscal year 2013. 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. The Group's other activities also include glass substrate, ferro alloys, and cement business by AvanStrate Inc. ("ASI"), Ferro Alloys Corporation Limited ("FACOR") and Desai Cement Company Private Limited ("DCCPL") respectively. ASI is involved in manufacturing of glass substrate in South Korea and Taiwan. FACOR is involved in business of producing Ferro Alloys and owns a Ferro chrome plant with capacity of 72,000 TPA, two operational chrome mines and 100 MW of captive power plant through its subsidiary, FACOR Power Limited ("FPL"). 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. This follows the filing done by the VEDL of Form 25 with the Securities and Exchange Commission on 29 October 2021. As a consequence of the delisting becoming effective, termination of the Deposit Agreement under which the ADS were issued (the "Deposit Agreement") has also become effective close of trading on NYSE on 08 November 2021. The said action has no impact on the current listing status or trading of the Vedanta Limited's equity shares on BSE and NSE. Further, VEDL will continue to be subject to reporting obligations under the U.S. Securities Exchange Act of 1934 until such time as it can terminate its registration under the said Exchange Act.

Notes to the preliminary announcement

1(a). General information and accounting policies

This preliminary results announcement is for the year ended 31 March 2022. While the financial information contained in this preliminary results announcement has been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards (“IFRS”), this announcement does not itself contain sufficient information to comply with IFRS. For these purposes, IFRS comprise the Standards issued by the International Accounting Standards Board (“IASB”) and Interpretations issued by the IFRS Interpretations Committee (“IFRIC”) that have been endorsed by the United Kingdom (“UK adopted IFRS”). The financial information contained in the preliminary announcement has been prepared on the same basis of accounting policies as set out in the previous financial statements unless otherwise stated. The standards/amendments applicable with effect from 01 April 2021 did not have any significant impact on the amounts reported in the financial statements. The Company expects to publish full financial statements that comply with IFRSs in due course.

1(b) Restatement/Reclassification

On an ongoing basis, the management reviews the changes in the nature of the Company’s operations, selection and application of accounting policies and recent accounting pronouncements to assess appropriateness of presentation or classifications of items in the financial statements. For the year ended 31 March 2022, the Group has revised the presentation of:

- i) In the comparative period ended 31 March 2021, some of the operational buyer’s/suppliers’ credit which were previously included under trade and other receivables and trade and other payables amounting to US\$ (2) million and US\$ 36 million respectively have been reclassified to Operational buyer's credit/supplier's credit on the face of the balance sheet.

The restatement has no material effect on financial position of the Group as at 01 April 2020.

1(c) Going concern

T 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 2021 was approved by the Board of Directors in December 2021. The Directors were confident that the Group will be able to ensure: the production is not materially impacted by the COVID-19 virus, that the Group will be able to roll-over or obtain external financing as required and that prices will remain within their expected range.

Since then, while the other mitigating actions as highlighted in the period ended September 30, 2021 financial statements remain available to the Group, several recent significant developments have had a positive bearing on the liquidity and company’s ability to continue as going concern. [For more information, please refer to, Note 1(d) of the Consolidated Financial Statements]

Notwithstanding the uncertainties, 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.

• **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 2022.

Management notes that the Group has previously obtained covenant waivers, including in response to the appointment of a provisional liquidator at KCM. Additionally, the Group had successfully amended the covenants for its listed bonds in FY 2020-21. The Directors of the Group are confident that they will be able to execute mitigating actions (see 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 Company to address the uncertainties in relation to going concern include:

- US\$ 0.2 billion term loans with a foreign bank and US\$ 0.5 billion with a public sector bank discussions in advanced stage.
- Extension of maturity for two loans of combined outstanding amount of US\$ 0.3 million by one year under final stages of discussion.
- Vedanta Limited executed a ~US\$ 0.6 billion long term facility agreement with Bank of Baroda and Canara Bank.
- 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 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 2022, the Group had unutilised working capital facilities amounting to c. US\$ 1.3 billion and commercial papers in issue amounting to c. US\$ 0.7 billion. These facilities are not committed for the full duration of the going concern period to September 2023, 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 2022, the Group had c. US\$ 1.4 billion of supplier's credit and c. US\$ 0.5 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.

2(a) Compliance with applicable law and IFRS

The financial information contained in this preliminary results announcement has been prepared on the going concern basis. This preliminary results announcement does not constitute the Group's statutory accounts as defined in section 434 of the Companies Act 2006 (the "Act") but is derived from those accounts. The statutory accounts for the year ended 31 March 2022 have been approved by the Board and will be delivered to the Registrar of Companies following approval by the Company's shareholders. The auditors have reported on those accounts and their report was unqualified. Their report did not contain statements under section 498(2) of the Act (regarding adequacy of accounting records and returns) or under section 498(3) (regarding provision of necessary information and explanations).

The information contained in this announcement for the year ended 31 March 2021 also does not constitute statutory accounts. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditors' report on those accounts was unqualified, with no matters by way of emphasis, and did not contain statements under section 498(2) or (3) of the Companies Act 2006.

2(b) Application of new and revised standards

The Group has adopted, with effect from 01 April 2021, 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. Amendments to IFRS 3 regarding recognition under acquisition method
2. Amendments to IFRS 7, IFRS 9, IAS 39, IFRS 4 and IFRS 16 regarding Interest Rate Benchmark Reform - Phase 2
3. Conceptual framework for financial reporting under IFRS issued by the IASB
4. Amendments to IFRS 16 regarding COVID-19 related rent concessions

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
Reference to the Conceptual Framework – Amendments to IFRS 3	01 January 2022
Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16	01 January 2022
Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37	01 January 2022
AIP IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities	01 January 2022
Classification of Liabilities as Current or Non-current - Amendments to IAS 1	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

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.

(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\$ 894 million (31 March 2021: US\$ 1,125 million) of which US\$ 28 million (31 March 2021: US\$ 46 Million) is expected to be utilised in the fourteenth year, fifteen years being the maximum permissible time period to utilise the MAT credits.

iii). Copper operations in Tamil Nadu, India

Existing Plant:

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, who 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 the 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 Madras High Court challenging the various orders passed against it in 2018 and 2013. On 18 August 2020, the Madras High Court delivered the judgement wherein it dismissed all the Writ Petitions filed by the Group. The Group has approached the Supreme Court and challenged the said High Court Order by way of a Special Leave Petition (“SLP”) to Appeal and filed an interim relief for care & maintenance of the plant or trial run for certain period.

The Matter was then listed on 02 December 2020 before the Supreme Court. After having heard both the sides concluded that at this stage the interim relief in terms of trial run could not be allowed. The hearing on care & maintenance could not be listed at the Supreme Court. Further, considering the voluminous nature of documents and pleadings, the matter shall be finally heard on merits.

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 period ended 31 March 2022 considering the key variables and concluded that there exists no impairment. The Group has done an additional sensitivity analysis with commencement of operations of the existing plant w.e.f., 01 April 2025 and noted that the recoverable amount of the assets would still be in excess of their carrying values.

The carrying value of the assets as at 31 March 2022 is US\$ 229 million (US\$ 250 million as at 31 March 2021).

Expansion Project:

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 High Court of Madras 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 has been granted. The Group has also filed Appeals before the TNPCB Appellate Authority challenging withdrawal of CTE by the TNPCB, the matter is pending for adjudication. 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\$ 5 million as at 31 March 2022 (31 March 2021: US\$ 13 million) approximates its recoverable value.

Property, plant, and equipment of US\$ 160 million and US\$ 181 million and inventories of US\$ 40 million and US\$ 38 million as at 31 March 2022 and 31 March 2021 respectively, 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, since operations are suspended and access to the plant restricted, any difference between book and physical quantities is unlikely to be material.

iv) PSC Extension

Rajasthan Block

The Group operates an oil and gas production facility in Rajasthan under a Production Sharing Contract ("PSC"). The management is of the opinion that the Group is eligible for automatic extension of the PSC for Rajasthan ("RJ") block on same terms w.e.f., 15 May 2020, while Government of India ("GOI") in October 2018, accorded its approval for extension of the PSC, under the Pre-NELP Extension policy as per notification dated 07 April 2017 ("Pre-NELP Policy"), for RJ block by a period of 10 years, w.e.f. 15 May 2020. As per the said policy and extension letter, the Group is required to comply with certain conditions and pay an additional 10% profit oil to GOI. The Group had challenged the applicability of Pre NELP-Policy to the RJ block. The Division Bench of the Delhi High Court in March 2021 set aside the single judge order of May 2018 which allowed automatic extension of PSC.

Nevertheless, GOI, in their submissions to the Delhi High Court, has not objected to Vedanta obtaining a 10-year extension of Rajasthan PSC. The legal dispute only relates to additional 10% profit petroleum ("PP") rather than Vedanta's right to obtain 10-year extension. In the interim, without prejudice to the Group's rights, the Group has commenced paying the additional 10% profit petroleum claimed from 15 May 2020 to the Government. The Group has also filed an SLP in Supreme Court against above Delhi HC order and revised date for SLP listing is awaited.

In parallel, the Group is in discussion with the Ministry of petroleum and Natural gas ("MoPNG") on execution of the PSC addendum. On the other issue related to DGH audit exceptions, discussions are ongoing to agree on the position that this issue will be dealt with as per ongoing arbitration with GOI as per PSC mechanism.

One of the conditions for extension of PSC relates to notification of certain audit exceptions raised for FY 2016-17 as per PSC provisions and provides for payment of amounts, if such audit exceptions result into any creation of liability. The Group had also clarified that the same should be de-linked as a condition for the extension which had been granted vide letter dated 26 October 2018.

The Directorate General of Hydrocarbons (“DGH”) in May 2018 raised a demand on the Group for the period up to 31 March 2017 for Government’s additional share of Profit oil based on its computation of disallowance of costs incurred in excess of the initially approved Field Development Plan (“FDP”) of the pipeline project for US\$ 202 million and retrospective re-allocation of certain common costs between Development Areas (“DAs”) of RJ block aggregating to US\$ 364 million. The DGH vide its letter dated 12 May 2020, reiterated its demand only with respect to the retrospective re-allocation of certain common costs between DAs of the RJ block of US\$ 364 million towards contractor share for the period up to 31 March 2017. This amount was subsequently revised to US\$ 458 million till March 2018 vide DGH letter dated 24 December 2020.

Further in April 2022, DGH has notified audit exceptions for the period upto 14 May 2020 and included an additional amount of US\$ 259 million for above mentioned matters. Demand of US\$ 202 million previously raised in May 2018 in respect of disallowance of costs incurred in excess of the initially approved FDP of the pipeline project has been removed as the same was approved in September 2021.

The Group believes that it has sufficient as well as reasonable basis pursuant to the PSC provisions and related approvals, supported by legal advice, for having claimed such costs and for allocating common costs between different DAs. In the Group’s opinion, these computations of the aforesaid demand / audit exceptions are not appropriate, and the accounting adjustments sought for issues pertaining to Year 2007 and onwards are based on assumptions that are not in consonance with the approvals already in place. The Group’s view is also supported by independent legal opinion and the Group has been following the process set out in PSC to resolve these aforesaid matters. The Group has also invoked the PSC process for resolution of disputed exceptions and has issued notice for arbitration and an arbitration tribunal (“Tribunal”) stands constituted. Further, on 23 September 2020, the GOI had filed an application for interim relief before Delhi High Court seeking payment of all disputed dues. The matter was heard on 25 September 2020 wherein the Bench has not passed any ex parte orders. The matter is now listed for hearing on 29 August 2022.

Also, on Vedanta’s application under section 17 of the Arbitration and Conciliation Act, 1996, the Tribunal in December 2020 ordered that GOI should not take any action to enforce any of the amounts at issue in this arbitration against the Claimants during the arbitral period. The GOI has challenged the said order before the Delhi High Court under the said Act. This matter is now scheduled for hearing on 11 July 2022.

The Group has also filed application under section 151 of Code of Civil Procedure (“CPC”) read with Section 9 of the Arbitration Act 1996 requesting the Court to direct GOI to extend the PSC for 10 years without insisting upon a payment of disputed dues under audit exceptions which have been already referred to arbitration. On 12 April 2022, basis the application, the Court has issued notice under this application.

In management’s view, the above-mentioned condition on demand raised by the DGH for additional petroleum linked to PSC extension is untenable and has not resulted in creation of any liability and cannot be a ground for non-extension. In addition, all necessary procedures prescribed in the PSC including invocation of arbitration, in respect of the stated audit observation have also been fulfilled. Accordingly, the PSC extension approval granted vide DGH letter dated 26 October 2018 upholds with all conditions addressed and no material liability would devolve upon the Group.

Simultaneously, the Group is also pursuing with the GOI for executing the RJ PSC addendum at the earliest. In view of extenuating circumstances surrounding COVID-19 and pending signing of the PSC addendum for extension after complying with all stipulated conditions, the GOI has been granting interim permission to the Group to continue Petroleum operations in the RJ block. The latest permission is valid up to 14 August 2022 or signing of the PSC addendum, whichever is earlier.

(v) 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 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 \$ 29 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 current year.

(vi) 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(b).

(vii) Oil and Gas reserves

Significant technical and commercial judgements are required to determine the Group'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. Changes in reserves as a result of change in management assumptions could impact the depreciation rates and the carrying value of assets.

(viii) 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
Extension of PSC	granted till 2030 on the expected commercial terms (Refer note 2(c)(l)(iv))
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

Climate change may have various impacts for the Group in medium to long term. These include the risks and opportunities relating to the change in demand for the group's commodities as a result of the transition to a low carbon economy, and physical risks caused by probability of extreme weather events in the areas of the production locations.

The Group is currently developing its detailed assessment of these risks and opportunities posed by climate change, to comprehensively understand and analyze the implications group might have on its operations to make them more sustainable and resilient to physical and transitional risk. The Group has not yet performed a full assessment of the implications for financial reporting purposes although we would anticipate that prices for the majority of the Group's commodities would be higher than existing forecasts in the short and medium term driven by growing investment in infrastructure associated with the transition to a low-carbon economy.

On completion of the assessment, resilience measures will be identified and implemented to minimize the physical damage to the infrastructure and improve Group's capability to handle extreme weather events and ability to deal with varied effects of climate change on demand, production, supply chain, regulations and technological obsolescence.

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

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.

(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.

(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 periods. 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 IFRS.

The determination as to which items should be disclosed separately requires a degree of judgement. The details of special items are set out in note 6.

3. Business Combination and others

a) Ferro Alloys Corporation Limited

During the previous year ended 31 March 2021, the Group acquired control over Ferro Alloys Corporation Limited ("FACOR") under Corporate insolvency resolution process in terms of the Insolvency and Bankruptcy Code, 2016 of India. Based on completion of the closing conditions, the Group concluded the acquisition date as 21 September 2020. The Group holds 100% in FACOR, while FACOR holds 90% equity in its subsidiary, Facor Power Limited (FPL).

FACOR is in the business of producing Ferro Alloys and owns a Ferro Chrome plant with capacity of 72,000 TPA, two operational Chrome mines and 100 MW of Captive Power Plant through FPL. The acquisition complements the Group's existing steel business as the vertical integration of

ferro manufacturing capabilities has the potential to generate significant efficiencies. FACOR has been included in “Others” for segment reporting purposes. The Group had finalised acquisition accounting during the year ended 31 March 2021.

If FACOR had been acquired at the beginning of the comparative period, revenue and profit before taxation of the Group for the year ended 31 March 2021 would have been US\$ 11,752 million and US\$ 1,683 million respectively.

(b) 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 has been appointed. The procedural timetable for the arbitration envisages 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 7 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.

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.

ZCCM had sought leave to appeal to the Supreme Court of South Africa. Leave to appeal was 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 July 7, 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.

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.

At the date of approval of these financial statements, the PL remains in office and the Petition remains stayed.

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 filled 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.

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 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 consolidated income statement.

The Group has total exposure of US\$ 1,887 million (31 March 2021: 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.

i. The profit/ (loss) from discontinued operations

(US\$ million)

	Year ended 31 March 2022	Year ended 31 March 2021
Gain on expiry of guarantee given by the Group to the lenders/creditors ¹	-	69
Fair value change during the year (refer note ii below)	-	22
Total	-	91

¹ During the year ended 31 March 2021, a guarantee given by the Group to the lenders/creditors amounting to US\$ 69 Million expired.

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 2022, basis fair valuation, no further impairment was identified to the existing balances. Therefore, carrying value as at 31 March 22 remain unchanged at US\$ 682 million (31 March 2021: US\$ 682 million).

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 & 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 11.875% (31 March 2021: 12.750%), 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.

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 2022	31 March 2021		
Investments and Loans, receivables and obligations of KCM towards the Group	720	655	Probability of achieving an award or positive settlement outcome in respect of litigation proceedings	<p>A decrease in probability of success would decrease the fair value.</p> <p>A 10% decrease in the probability of success, with no change to any other inputs, would decrease the fair value by US\$ 92 million (31 March 2021: US\$ 83 million).</p> <p>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.</p>
			Potential proportion of the claim value that may expected to be recovered in the event of achieving an award or positive settlement outcome	<p>A decrease in the recovery percentage would decrease the fair value.</p> <p>A 10% decrease in the recovery percentage, with no change to any other inputs, would decrease the fair value by US\$ 149 million (31 March 2021: US\$ 136 million)</p> <p>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.</p>
			Copper price Long term price of US\$ 7,716 / tonne (31 March 2022) and US\$ 6,850 / tonne (31 March 2021)	<p>A decrease in the copper price would decrease the fair value.</p> <p>A 10% reduction in the long-term copper price, with no change to any other inputs, would decrease the fair value by US\$ 128 million (31 March 2021: US\$ 140 million).</p> <p>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).</p>

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
- 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 2022 and 31 March 2021. Items after operating profit are not allocated by segment.

(a) Reportable segments

Year ended 31 March 2022

(US\$ million)

	Zinc- India	Zinc- International	Oil and gas	Iron Ore	Copper- India/ Australia	Aluminium	Power	Other s	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	2,128	1,210	-	19,064
Financial asset investments										20
Deferred tax assets										860
Short-term investments										3,148
Cash and cash equivalents										1,328
Tax assets										368
Others										866
TOTAL ASSETS										25,654
Segment liabilities	664	153	2,118	338	658	2,299	217	352	-	6,799
Borrowings										16,082
Current tax liabilities										122
Deferred tax liabilities										764
Others										352
TOTAL LIABILITIES										24,119
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)	-	-	17	-	7	-	(819)
Exploration costs written off ⁽³⁾	-	-	351	-	-	-	-	-	-	351

Year ended 31 March 2021

(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	2,960	368	1,016	606	1,469	3,856	725	722	-	11,722
Inter-segment sales	-	-	-	5	0	9	-	5	(19)	-
Segment revenue	2,960	368	1,016	611	1,469	3,865	725	727	(19)	11,722
Results										
Segment Results (EBITDA) ⁽¹⁾	1,568	120	438	245	(21)	1,046	190	214	-	3,800
Less: Depreciation and amortisation ⁽²⁾	332	43	287	30	21	230	79	77	-	1,099
Operating profit / (loss) before special items	1,236	77	151	215	(42)	816	111	137	-	2,701
Investment revenue										292
Finance costs										(1,209)
Other gains and (losses) [net]										11
Special items										(112)
Loss before taxation from continuing operations										1,683
Segments assets	2,730	828	2,419	451	825	6,564	2,235	1,064	-	17,116
Financial asset investments										21
Deferred tax assets										1,018
Short-term investments										5,002
Cash and cash equivalents										955
Tax assets										375
Others										834
TOTAL ASSETS										25,321
Segment liabilities	644	146	1,508	173	590	2,142	245	289	-	5,737
Borrowings										16,377
Current tax liabilities										38
Deferred tax liabilities										299
Others										539
TOTAL LIABILITIES										22,990
Other segment information										
Additions to property, plant and equipment, exploration and evaluation assets and intangible assets ⁽⁴⁾	340	51	188	13	8	232	4	82	-	919
Impairment charge ⁽³⁾	-	-	-	-	-	24	-	9	-	33

(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 2021: US\$ 1 Million) not allocated to any segment.

4. Segment information (continued)

(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 2022	Year ended 31 March 2021
India	9,887	7,236
Europe	2,128	429
China	1,299	705
The United States of America	468	157
Turkey	696	56
Mexico	310	126
Malaysia	74	959
Others	2,757	2,054
Total	17,619	11,722

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 2022	As at 31 March 2021
India	13,435	13,083
Namibia	131	121
South Africa	675	607
Taiwan	118	137
Others	59	101
Total	14,418	14,049

Information about major customer

No single customer has accounted for more than 10% of the Group's revenue for the period ended 31 March 2022. Revenue from one customer amounted to US\$ 1,414 Million for the year ended 31 March 2021 arising from sales made in the Aluminium, Zinc and Copper segment. No other customer contributed to more than 10% of revenues.

Disaggregation of revenue

Below table summarises the disaggregated revenue from contracts with customers:

Particulars	(US\$ million)	
	Year ended 31 March 2022	Year ended 31 March 2021
Zinc Metal	3,318	2,245
Lead Metal	569	524
Silver Bars	566	593
Oil	1,380	874
Gas	230	92
Iron ore	316	293
Pig Iron	554	327
Metallurgical coke	55	35
Copper Products	1,918	1,377
Aluminium Products	6,883	3,832
Power	522	493
Steel Products	765	535
Ferro Alloys	111	37
Others	420	287
Revenue from contracts with customers*	17,607	11,544
Revenue from contingent rents	185	204
Losses on provisionally priced contracts under IFRS 9 (refer note 5)	(173)	(26)
Total Revenue	17,619	11,722

*Includes revenues from sale of services aggregating to US\$ 40 million (31 March 2021: US\$ 30 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 2022	Year ended 31 March 2021
Sale of products ^a	17,394	11,488
Sale of services ^a	40	30
Revenue from contingent rents	185	204
Total Revenue	17,619	11,722

- a) Revenue from sale of products and from sale of services for the year ended 31 March 2022 includes revenue from contracts with customers of US\$ 17,607 million (31 March 2021: US\$ 11,544 million) and a net loss on mark-to-market of US\$ 173 million (31 March 2021: US\$ 26 million) on account of gains/ losses relating to sales that were provisionally priced at the beginning of the respective year with the final price settled in the subsequent year, gains/ losses relating to sales fully priced during the respective year, and marked to market gains/ losses relating to sales that were provisionally priced as at the beginning of the respective year.
- 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.

6. Special items

(US\$ million)

	Year ended 31 March 2022			Year ended 31 March 2021		
	Special items	Tax effect of Special items	Special items after tax	Special items	Tax effect of Special items	Special items after tax
One time settlement of entry tax under amnesty scheme ¹	(18)	6	(12)	-	-	-
Revision of Renewable Purchase Obligation (RPO) ⁹	-	-	-	13	(3)	10
Provision for fly ash disposal ²	(38)	11	(27)	-	-	-
Provision for settlement of dispute regarding environmental clearance ³	(1)	0	(1)	(29)	10	(19)
Gross profit special items (a)	(57)	17	(40)	(16)	7	(9)
Impairment reversal of oil & gas properties ⁴	714	(282)	432	-	-	-
Impairment reversal of exploration & evaluation assets ⁴	129	(51)	78	-	-	-
Total impairment reversal / (charge) (net) (b)	843	(333)	510	-	-	-
Write off of Asset under construction, land & capital advances (c) ^{6,7,8}	(27)	8	(19)	(33)	11	(22)
Exploration costs written off ⁵ (d)	(351)	138	(213)	-	-	-
Operating special items (a+b+c+d)	408	(170)	238	(49)	18	(31)
Transaction costs paid to the ultimate parent company on structured investment sold in previous year	-	-	-	(14)	-	(14)
Bargain gain on acquisition of FACOR ¹²	-	-	-	16	-	16
Delisting expenses ¹¹	-	-	-	(65)	-	(65)
Profit/ (Loss) on Discontinued Operations ¹⁰	-	-	-	91	-	91
Total of Special items	408	(170)	238	(21)	18	(3)

1. 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.
2. In December 2021, MoEFCC has 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 has 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.
3. Refer Note 2(c)(l)(v).
4. 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 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 10.6%. The sensitivities around change in crude price and discount rate are not material to the financial statements.

5. During the year, the Group has continued with exploration and appraisal work program in its PSC block RJON-90/1 block and RSC blocks awarded under OALP (Open Acreage Licensing Policy). Based on the outcome of such appraisal activities, an amount of US\$ 351 million unsuccessful exploration costs has been charged off to the consolidated income statement during the year, as these have proven to be either technically or commercially unviable.
6. 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.
c) During the year ended 31 March 2021, the Group has recognised a loss of US\$ 24 Million relating to certain items of capital work-in-progress at the aluminium operations, which are no longer expected to be used.
7. 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. Thereafter, the Group has sent several communications to the authorities requesting a refund of the amount paid. Although several positive deliberations happened, the Group is yet to receive the amount. Accordingly, the deposit has been provided for during the current year.
8. During the year ended 31 March 2021, ESL conducted a detailed physical verification and evaluation of project equipment and material being carried forward as capital-work-in-progress at a carrying value of US\$ 113 Million. An interim provision of US\$ 9 million was recognised for the year ended 31 March 2021, relating to certain items of capital work-in-progress, which are no longer expected to be used. The physical verification exercise is now complete and as a result, additional provision of US\$ 6 million has been recognized during the year ended 31 March 2022.
9. During the year ended 31 March 2021, Vedanta Limited has recomputed its Renewable Power Obligation (RPO) pursuant to Chhattisgarh State Electricity Regulatory Commission (CERC) notification dated 13 July 2020 which clarified that for Captive Power Plants commissioned before 01 April 2016, RPO should be pegged at the RPO obligation percentage rates (both for solar and non-solar) applicable for FY 2015-16. Consequent to the aforesaid notification, Vedanta Limited's obligation towards RPO relating to the period upto 31 March 2020 has been reversed to the extent of US\$ 13 million during previous year.
10. Refer note 3(b).
11. During the year ended 31 March 2021, the Company and its wholly owned subsidiaries, namely, Vedanta Holdings Mauritius Limited and Vedanta Holdings Mauritius II Limited had issued a public announcement with regard to the delisting offer on 29 September 2020 in accordance with the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, as amended (“the Delisting Regulations”). The delisting offer was unsuccessful in terms of the Delisting Regulations as the total number of offer shares validly tendered by the Public Shareholders were less than minimum number of offer shares required. The Company incurred US\$ 65 million expenses with respect to the delisting offer which included finance cost, consultancy and other expenses.
12. Refer Note 3(a).

7. Investment revenue

	<i>(US\$ million)</i>	
	Year ended 31 March 2022	Year ended 31 March 2021
Net gain on financial assets held at fair value through profit or loss (FVTPL)	28	109
Interest Income:		
Interest income- financial assets held at FVTPL	53	63
Interest income- bank deposits at amortised cost	72	77
Interest income- loans and receivables at amortised cost	29	37
Interest income- others	-	11
Dividend Income:		
Dividend income- financial assets held at FVOCI	0	0
Foreign exchange (loss)/ gain (net)	(29)	(5)
Total	153	292

8. Finance costs

	<i>(US\$ million)</i>	
	Year ended 31 March 2022	Year ended 31 March 2021
Interest expense – financial liabilities at amortised cost	1,345	1,170
Other finance costs (including bank charges)	86	70
Total interest cost	1,431	1,240
Unwinding of discount on provisions	10	10
Net interest on defined benefit arrangements	3	3
Special items (note 6)	-	58
Capitalisation of finance costs/borrowing costs	(42)	(44)
Total	1,402	1,267

All borrowing costs are capitalised using rates based on specific borrowings and general borrowings with the interest rate of 7.87% (6.91% for 31 March 2021) per annum for the year ended 31 March 2022.

9. Other gains and (losses), (net)

	<i>(US\$ million)</i>	
	Year ended 31 March 2022	Year ended 31 March 2021
Foreign exchange gain/ (loss) (net)	(18)	55
Change in fair value of financial liabilities measured at fair value	(1)	(1)
Net loss arising on qualifying hedges and non-qualifying hedges	(19)	(43)
Bargain gain on acquisition of FACOR – Special Item (Refer Note 3(a))	-	16
Other gains and losses – Special Item	-	(21)
Total	(38)	6

10. Tax

(a) Tax charge/ (credit) recognised in Consolidated Income Statement (including on special items)

	<i>(US\$ million)</i>	
	Year ended 31 March 2022	Year ended 31 March 2021
Current tax:		
Current tax	1,047	308
Credit in respect of Special items (Refer Note 6)	(78)	-
Total current tax (a)	969	308
Deferred tax:		
Origination of temporary differences	364	8
Charge in respect of deferred tax for earlier years	(11)	-
Credit in respect of Special items (Refer Note 6)	248	(18)
Total deferred tax (b)	601	(10)
Total Income tax expense for the year((a)+(b))	1,570	298
Profit before tax from continuing operations	4,148	1,683
Effective Income tax rate (%)	37.9%	17.7%

Tax expense/ (benefit)

	<i>(US\$ million)</i>	
Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Tax effect on special items	170	(18)
Tax expense – others	1,400	316
Net tax expense	1,570	298

(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.

	<i>(US\$ million)</i>	
	Year ended 31 March 2022	Year ended 31 March 2021
Profit/ (Loss) before tax from continuing operations	4,148	1,683
Indian statutory income tax rate	34.944%	34.944%
Tax at statutory income tax rate	1,450	588
Non-taxable income	(18)	(17)
Tax holidays and similar exemptions	(263)	(104)
Effect of tax rate differences of subsidiaries operating at other tax rates	227	64
Tax on distributable reserve of/ dividend from subsidiary	65	117
Unrecognized tax assets (Net)*	(16)	(420)
Change in deferred tax balances due to change in tax law	(34)	(42)
Capital Gains/ Other income subject to lower tax rate	(4)	(23)
Credit in respect of earlier years	(12)	-
Other permanent differences	175	135
Total	1,570	298

*In June 2018, the Group acquired majority stake in ESL Steel Limited ("ESL"), which has since been focusing on operational turnaround. Based on management's estimate of future outlook, financial projections and requirements of Ind AS 12 – Income taxes, ESL recognized deferred tax assets of US\$ 434 million during the year ended 31 March 2021. During the year ended 31 March 2022, ESL derecognized deferred tax assets on losses expired in the current year amounting to US\$ 16 million.

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').

In the FY 2020-21, an undertaking at Pantnagar, which is part of Hindustan Zinc Limited, was the only unit eligible for deduction at 30% of taxable profit.

The location based exemption: SEZ Operations

In order to boost industrial development and exports, provided certain conditions are met, profits of undertaking located in Special Economic Zone ('SEZ') may benefit from tax holiday. Such tax holiday works to exempt 100% of the profits for the first five years from the commencement of the tax holiday, 50% of profits for five years thereafter and 50% of the profits for further five years provided the amount allowable in respect of deduction is credited to Special Economic Zone Re-Investment Reserve account. However, such undertaking would continue to be subject to the Minimum Alternative tax ('MAT').

The Group has setup SEZ Operations in its aluminium division of Vedanta Limited where such benefit has been drawn.

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.

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\$ 263 million for the year ended 31 March 2022 (31 March 2021: US\$ 104 million).

11. 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.

		<i>(US\$ million)</i>	
	Note	Year ended 31 March 2022	Year ended 31 March 2021
Profit for the year attributable to equity holders of the parent		1,002	323
Special items	6	(408)	112
Other (gains)/losses [net]	9	38	(11)
Tax effect of special items (including taxes classified as special items) and other gains/ (losses) [net]		160	(16)
Non-controlling interest on special items and other gains/ (losses)		52	5
(Gain)/loss on discontinued operations	3(b)	-	(91)
Non-controlling interest on profit after tax from discontinued operations		-	12
Underlying attributable profit for the year		844	334

12. Financial asset investments

Financial asset investments represent investments classified and accounted for at fair value through profit or loss or through other comprehensive income.

Financial Asset Investments

	<i>(US\$ million)</i>	
	As at 31 March 2022	As at 31 March 2021
At 01 April 2021	21	12
Movements in fair value	(1)	9
Exchange difference	0	0
At 31 March 2022	20	21

Financial asset investment represents quoted investments in equity shares 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 2022 and 31 March 2021.

13. Short-term investments

	(US\$ million)	
	As at 31 March 2022	As at 31 March 2021
Bank deposits ^{1,2}	880	1,625
Other investments	2,268	3,377
Total	3,148	5,002

- (1) The above bank deposits include US\$ 109 million (31 March 2021: US\$ 90 million) on lien with banks, US\$ 6 million (31 March 2021: US\$ 37 million) of margin money, US\$ 37 million (31 March 2021: US\$ 33 million) maintained as debt service reserve account.
- (2) Restricted funds of US\$ 3 million (31 March 2021: US\$ 3 million) on lien with Others and US\$ 21 million (31 March 2021: US\$ 63 million) held as interest reserve created against interest payment on loans from banks, US\$ 5 million (31 March 2021: US\$ 6 million) of restricted funds held as collateral in respect of closure costs and US\$ 7 million held as margin money against bank guarantee.

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.

14. Cash and cash equivalents

	(US\$ million)	
	As at 31 March 2022	As at 31 March 2021
Cash and cash equivalents consist of the following		
Cash at bank and in hand	834	376
Short-term deposits ⁽²⁾	432	325
Restricted cash and cash equivalents ⁽¹⁾	62	254
Total	1,328	955

- (1) Restricted cash and cash equivalents include Nil (31 March 2021: US\$ 240 million) and US\$ 62 million (31 March 2021: US\$ 14 million) that are kept in a specified bank account to be utilised solely for the purposes of voluntary open offer and for the payment of dividends to non-controlling shareholders, which are being carried as a current liability respectively.
- (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) Cash and cash equivalents for the purpose of Statement of Cash Flows comprise the following:

	As at 31 March 2022	As at 31 March 2021
Cash and cash equivalents as above	1,328	955
Less: Restricted cash and cash equivalents	(62)	(254)
Total	1,266	701

15(a) Borrowings

	<i>(US\$ million)</i>	
	As at 31 March 2022	As at 31 March 2021
Current borrowings consist of:		
Banks and financial institutions	1,350	547
Total short-term borrowings	1,350	547
Add: Current maturities of long-term borrowings	3,622	3,126
Current borrowings (A)	4,972	3,673
Non-current borrowings consist of:		
Banks and financial institutions	7,932	7,612
Non-convertible bonds	5,677	5,866
Non-convertible debentures	1,050	2,264
Redeemable Preference shares	0	0
Others	73	88
Total long-term borrowings	14,732	15,830
Less: Current maturities of long-term borrowings	(3,622)	(3,126)
Non-current borrowings (B)	11,110	12,704
Total (A+B)	16,082	16,377

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.

15(b). Movement in net debt ⁽¹⁾

	<i>(US\$ million)</i>					
	Cash and cash equivalents	Short term investments and Non-current Bank Deposits	Total cash and short-term investments	Short-term borrowing	Long-term borrowing*	Total Net Debt
				Debt carrying value	Debt carrying value	
At 01 April 2020	692	4,381	5,073	(1,644)	(13,451)	(10,022)
Cash flow from continuing operations ⁽³⁾	(15)	431	416	1,119	(2,337)	(802)
Net debt on acquisition through business combination (note 3(a))	2	10	12	(1)	-	11
Other non-cash changes ⁽²⁾	-	56	56	(1)	88	143
Foreign exchange currency translation differences	22	67	89	(19)	(131)	(61)
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 31 March 2022	1,266	3,130	4,396	(1,350)	(14,732)	(11,686)

* Includes current maturities of long-term borrowings of US\$ 4,972 million as at 31 March 2022 (31 March 2021: US\$ 3,673 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\$ 28 million (31 March 2021: US\$ 195 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.

Other information:

Alternative performance measures

Introduction

Vedanta Group is committed to providing timely and clear information on financial and operational performance to investors, lenders and other external parties, in the form of annual reports, disclosures, RNS feeds and other communications. We regard high standards of disclosure as critical to business success.

Alternative Performance Measure (APM) is an evaluation metric of financial performance, financial position or cash flows that is not defined or specified under International Financial Reporting Standards (IFRS).

The APMs used by the group fall under two categories:

- *Financial APMs: These financial metrics are usually derived from financial statements, prepared in accordance with IFRS. Certain financials metrics cannot be directly derived from the financial statements as they contain additional information such as profit estimates or projections, impact of macro-economic factors and changes in regulatory environment on financial performance.*
- *Non-Financial APMs: These metrics incorporate non – financial information that management believes is useful in assessing the performance of the group.*

APMs are not uniformly defined by all the companies, including those in the Group's industry. APM's should be considered in addition to, and not a substitute for or as superior to, measures of financial performance, financial position or cash flows reported in accordance with IFRS.

Purpose

The Group uses APMs to improve comparability of information between reporting periods and business units, either by adjusting for uncontrollable or one-off factors which impacts upon IFRS measures or, by aggregating measures, to aid the user of the Annual Report in understanding the activity taking place across the Group's portfolio.

APMs are used to provide valuable insight to analysts and investors along with Generally Accepted Accounting Practices (GAAP). We believe these measures assist in providing a holistic view of the company's performance.

Alternative performance measures (APMs) are denoted by \diamond where applicable.

APM terminology*	Closest equivalent IFRS measure	Adjustments to reconcile to primary statements
EBITDA	Operating profit/(loss) before special items	Operating Profit/(Loss) before special items Add: Depreciation & Amortization
EBITDA margin (%)	No direct equivalent	EBITDA divided by Revenue
Adjusted revenue	Revenue	Revenue Less: revenue of custom smelting operations at our Copper India & Zinc India business
Adjusted EBITDA	Operating profit/(loss) before special items	EBITDA Less: EBITDA of custom smelting operations at our Copper India & Zinc India business
Adjusted EBITDA margin	No direct equivalent	Adjusted EBITDA divided by Adjusted Revenue
Underlying profit/(loss)	Attributable Profit/(loss) before special items	Attributable profit/(loss) before special items Less: NCI share in other gains/(losses) (net of tax)

Project Capex	Expenditure on Property, Plant and Equipment (PPE)	Gross Addition to PPE Less: Gross disposals to PPE Add: Accumulated Depreciation on disposals Less: Decommissioning liability Less: Sustaining Capex
Free cash flow	Net cash flow from operating activities	Net Cash flow from operating activities Less: purchases of property, plant and equipment and intangibles less proceeds on disposal of property, plant and equipment Add: Dividend paid and dividend distribution tax paid Add/less: Other non-cash adjustments
Net debt*	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, liquid investments and structured investment, net of the deferred consideration payable for such investments (referred as Financial asset investment net of related liabilities), if any.	No Adjustments
ROCE	No direct Equivalent	Not Applicable

ROCE for FY2022 is calculated based on the working summarized below. The same method is used to calculate the ROCE for all previous years (stated at other places in the report).

Particulars	Period ended 31 March 2022
Operating Profit Before Special Items	5,027
Less: Cash Tax Outflow	829
Operating Profit before special Items less Tax outflow (a)	4,198
Opening Capital Employed (b)	13,062
Closing Capital Employed (c)	13,221
Average Capital Employed (d)= (a+b)/2	13,142
ROCE (a)/(d)	31.9%

Adjusted Revenue, EBITDA & EBITDA Margin for FY 2022 is calculated based on the working summarised below. The same method is used to calculate the adjusted revenue and EBITDA for all previous years (stated at other places in the report).

Particulars	Period ended 31 March 2022
Revenue	17,619
Less: Revenue of Custom smelting operations	2,035
Adjusted Revenue(a)	15,584
EBITDA	6,255
Less: EBITDA of Custom smelting operations	(15)
Adjusted EBITDA(b)	6,270
Adjusted EBITDA Margin (b)/(a)	40%

Glossary and definitions

Adapted Comparator Group

The new comparator group of companies used for the purpose of comparing TSR performance in relation to the LTIP, adopted by the Remuneration Committee on 1 February 2006 and replacing the previous comparator group comprising companies constituting the FTSE Worldwide Mining Index (excluding precious metals)

Adjusted EBITDA

Group EBITDA net of EBITDA from custom smelting operations at Copper India & Zinc India operations.

Adjusted EBITDA margin

EBITDA margin computed on the basis of Adjusted EBITDA and Adjusted Revenue as defined elsewhere

Adjusted Revenue

Group Revenue net of revenue from custom smelting operations at Copper India & Zinc India operations.

Aluminium Business

The aluminium business of the Group, comprising of its fully integrated bauxite mining, alumina refining and aluminium smelting operations in India, and trading through the Bharat Aluminium Company Limited and Jharsuguda Aluminium (a division of Vedanta Limited), in India

Articles of Association

The articles of association of Vedanta Resources Limited

Attributable Profit

Profit for the financial year before dividends attributable to the equity shareholders of Vedanta Resources Limited

BALCO

Bharat Aluminium Company Limited, a company incorporated in India.

BMM

Black Mountain Mining Pty

Board or Vedanta Board

The board of directors of the Company

Board Committees

The committees reporting to the Board: Audit, Remuneration, Nominations, and Sustainability, each with its own terms of reference

Businesses

The Aluminium Business, the Copper Business, the Zinc, lead, silver, Iron ore, Power and Oil & Gas Business together

Boepd

Barrels of oil equivalent per day

Bopd

Barrels of oil per day

Cairn India

Erstwhile Cairn India Limited and its subsidiaries

Capital Employed

Net assets before Net (Debt)/Cash

Capex

Capital expenditure

CEO

Chief executive officer

CFO

Chief Financial Officer

CII

Confederation of Indian Industries

CO2

Carbon dioxide

COP

Cost of production

CMT

Copper Mines of Tasmania Pty Limited, a company incorporated in Australia

Company or Vedanta

Vedanta Resources Limited

Company financial statements

The audited financial statements for the Company for the year ended 30 September 2019 as defined in the Independent Auditors' Report on the individual Company Financial Statements to the members of Vedanta Resources Limited

Copper Business

The copper business of the Group, comprising:

- A copper smelter, two refineries and two copper rod plants in India, trading through Vedanta Limited, a company incorporated in India;
- One copper mine in Australia, trading through Copper Mines of Tasmania Pty Limited, a company incorporated in Australia; and
- An integrated operation in Zambia consisting of three mines, a leaching plant and a smelter, trading through Konkola Copper Mines Limited, a company incorporated in Zambia which is treated as discontinued operations and deconsolidated the same w.e.f 1st June'2019, affiliation with Zambian government is in progress.

Copper India

Copper Division of Vedanta Limited comprising of a copper smelter, two refineries and two copper rod plants in India.

Cents/lb

US cents per pound

CRRRI

Central Road Research Institute

CRISIL

CRISIL Limited (A S&P Subsidiary) is a rating agency incorporated in India

CSR

Corporate social responsibility

CTC

Cost to company, the basic remuneration of executives, which represents an aggregate figure encompassing basic pay, pension contributions and allowances

CY

Calendar year

DDT

Dividend distribution tax

Deferred Shares

Deferred shares of £1.00 each in the Company

DFS

Detailed feasibility study

DGMS

Director General of Mine Safety in the Government of India

Directors

The Directors of the Company

DMF

District Mineral Fund

DMT

Dry metric tonne

Dollar or \$

United States Dollars, the currency of the United States of America

EAC

Expert advisory committee

EBITDA

EBITDA is a non-IFRS measure and represents earnings before special items, depreciation, amortisation, other gains and losses, interest and tax.

EBITDA Margin

EBITDA as a percentage of turnover

Economic Holdings or Economic Interest

The economic holdings/interest are derived by combining the Group's direct and indirect shareholdings in the operating companies. The Group's Economic Holdings/Interest is the basis on which the Attributable Profit and net assets are determined in the consolidated accounts

E&OHSAS

Environment and occupational health and safety assessment standards

E&OHS

Environment and occupational health and safety management system

ESOP

Employee share option plan

ESP

Electrostatic precipitator

Executive Committee

The Executive Committee to whom the Board has delegated operational management. It comprises of the Chief Executive Officer and the senior management of the Group

Executive Directors

The Executive Directors of the Company

Expansion Capital Expenditure

Capital expenditure that increases the Group's operating capacity

Financial Statements or Group financial statements

The consolidated financial statements for the Company and the Group for the year ended 31 March 2019 as defined in the Independent Auditor's Report to the members of Vedanta Resources Limited

Free Cash Flow

Net Cash flow from operating activities Less: purchases of property, plant and equipment and intangibles Add proceeds on disposal of property, plant and equipment Add: Dividend paid and dividend distribution tax paid

Add/less: Other non-cash adjustments

FY

Financial year i.e. April to March.

GAAP, including UK GAAP

Generally Accepted Accounting Principles, the common set of accounting principles, standards and procedures that companies use to compile their financial statements in their respective local territories

GDP

Gross domestic product

Gearing

Net Debt as a percentage of Capital Employed

GJ

Giga joule

Government or Indian Government

The Government of the Republic of India

Gratuity

A defined contribution pension arrangement providing pension benefits consistent with Indian market practices

Group

The Company and its subsidiary undertakings and, where appropriate, its associate undertaking

Gross finance costs

Finance costs before capitalisation of borrowing costs

HIIP

Hydrocarbons initially-in place

HSE

Health, safety and environment

HZL

Hindustan Zinc Limited, a company incorporated in India

IAS

International Accounting Standards

IFRIC

IFRS Interpretations Committee

IFRS

International Financial Reporting Standards

INR

Indian Rupees

Interest cover

EBITDA divided by gross finance costs (including capitalised interest) excluding accretive interest on convertible bonds, unwinding of discount on provisions, interest on defined benefit arrangements less investment revenue

IPP

Independent power plant

Iron Ore Sesa

Iron ore Division of Vedanta Limited, comprising of Iron ore mines in Goa and Karnataka in India.

Jharsuguda Aluminium

Aluminium Division of Vedanta Limited, comprising of an aluminium refining and smelting facilities at Jharsuguda and Lanjigarh in Odisha in India.

KCM or Konkola Copper Mines

Konkola Copper Mines LIMITED, a company incorporated in Zambia

Key Result Areas or KRAs

For the purpose of the remuneration report, specific personal targets set as an incentive to achieve short-term goals for the purpose of awarding bonuses, thereby linking individual performance to corporate performance

KPIs

Key performance indicators

KTPA

Thousand tonnes per annum

Kwh

Kilo-watt hour

KBOEPD

Kilo barrel of oil equivalent per day

LIBOR

London inter bank offered rate

LIC

Life Insurance Corporation

LME

London Metals Exchange

London Stock Exchange

London Stock Exchange Limited

Lost time injury

An accident/injury forcing the employee/contractor to remain away from his/her work beyond the day of the accident

LTIFR

Lost time injury frequency rate: the number of lost time injuries per million man hours worked

LTIP

The Vedanta Resources Long-Term Incentive Plan or Long-Term Incentive Plan

MALCO

The Madras Aluminium Company Limited, a company incorporated in India

Management Assurance Services (MAS)

The function through which the Group's internal audit activities are managed

MAT

Minimum alternative tax

MBA

Mangala, Bhagyam, Aishwarya oil fields in Rajasthan

MIC

Metal in concentrate

MOEF

The Ministry of Environment, Forests and Climate change of the Government of the Republic of India

MMSCFD

Million standard cubic feet per day

MT or Tonnes

Metric tonnes

MU

Million Units

MW

Megawatts of electrical power

NCCBM

National Council of Cement and Building Materials

Net (Debt)/Cash

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, liquid investments and structured

investment, net of the deferred consideration payable for such investments (referred as Financial asset investment net of related liabilities), if any.

NGO

Non-governmental organisation

Non-executive Directors

The Non-Executive Directors of the Company

Oil & Gas business

Oil & Gas division of Vedanta Limited, is involved in the business of exploration, development and production of Oil & Gas.

OALP

Open Acreage licensing Policy

Ordinary Shares

Ordinary shares of 10 US cents each in the Company

ONGC

Oil and Natural Gas Corporation Limited, a company incorporated in India

OPEC

Organisation of the Petroleum Exporting Countries

PBT

Profit before tax

PPE

Property plant and equipment

Provident Fund

A defined contribution pension arrangement providing pension benefits consistent with Indian market practices

PSC

A “production sharing contract” by which the Government of India grants a license to a company or consortium of companies (the ‘Contractor’) to explore for and produce any hydrocarbons found within a specified area and for a specified period, incorporating specified obligations in respect of such activities and a mechanism to ensure an appropriate sharing of the profits arising there from (if any) between the Government and the Contractor.

PSP

The Vedanta Resources Performance Share Plan

Recycled water

Water released during mining or processing and then used in operational activities

Relationship Agreement

The agreement between the Company, Volcan Investments Limited and members of the Agarwal family which had originally been entered into at the time of the Company’s listing in 2003 and was subsequently amended in 2011 and 2014 to regulate the ongoing relationship between them, the principal purpose of which is to ensure that the Group is capable of carrying on business independently of Volcan, the Agarwal family and their associates.

Return on Capital Employed or ROCE

Operating profit before special items net of tax outflow, as a ratio of average capital employed

RO

Reverse osmosis

Senior Management Group

For the purpose of the remuneration report, the key operational and functional heads within the Group

SEWT

Sterlite Employee Welfare Trust, a long-term investment plan for Sterlite senior management

SHGs

Self help groups

SBU

Strategic Business Unit

STL

Sterlite Technologies Limited, a company incorporated in India

Special items

Items which derive from events and transactions that need to be disclosed separately by virtue of their size or nature

Sterling, GBP or £

The currency of the United Kingdom

Superannuation Fund

A defined contribution pension arrangement providing pension benefits consistent with Indian market practices

Sustaining Capital Expenditure

Capital expenditure to maintain the Group's operating capacity

TCM

Thalanga Copper Mines Pty Limited, a company incorporated in Australia

TC/RC

Treatment charge/refining charge being the terms used to set the smelting and refining costs

TGT

Tail gas treatment

TLP

Tail Leaching Plant

TPA

Metric tonnes per annum

TPM

Tonne per month

TSPL

Talwandi Sabo Power Limited, a company incorporated in India

TSR

Total shareholder return, being the movement in the Company's share price plus reinvested dividends

Twin Star

Twin Star Holdings Limited, a company incorporated in Mauritius

Twin Star Holdings Group

Twin Star and its subsidiaries and associated undertaking

US cents

United States cents

Underlying profit/ (loss)

Attributable profit/(loss) before special items Less: NCI share in other gains/(losses) (net of tax)

Vedanta Limited (formerly known as Sesa Sterlite Limited/ Sesa Goa Limited)

Vedanta Limited, a company incorporated in India engaged in the business of Oil & Gas exploration and production, copper smelting, Iron Ore mining, Alumina & Aluminium production and Energy generation.

VFJL

Vedanta Finance (Jersey) Limited, a company incorporated in Jersey

VGCB

Vizag General Cargo Berth Private Limited, a company incorporated in India

Volcan

Volcan Investments Limited, a company incorporated in the Bahamas

VRCL

Vedanta Resources Cyprus Limited, a company incorporated in Cyprus

VRFL

Vedanta Resources Finance Limited, a company incorporated in the United Kingdom

VRHL

Vedanta Resources Holdings Limited, a company incorporated in the United Kingdom

Water Used for Primary Activities

Total new or make-up water entering the operation and used for the operation's primary activities; primary activities are those in which the operation engages to produce its product

WBCSD

World Business Council for Sustainable Development

ZCI

Zambia Copper Investment Limited, a company incorporated in Bermuda

ZCCM

ZCCM Investments Holdings Limited, a company incorporated in Zambia

ZRA

Zambia Revenue Authority

The results will be available in the Investor Relations section of our website www.vedantaresources.com

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About Vedanta Resources

Vedanta Resources Limited (“Vedanta”) is a diversified global natural resources company. The group produces aluminium, copper, zinc, lead, silver, iron ore, oil & gas, and commercial energy. Vedanta has operations in India, Zambia, Namibia and South Africa. With an empowered talent pool globally, Vedanta places strong emphasis on partnering with all its stakeholders based on the core values of trust, sustainability, growth, entrepreneurship, integrity, respect, and care. Good governance and sustainable development are at the core of Vedanta's strategy, with a strong focus on health, safety, and environment, and on enhancing the lives of local communities. The group has a strong focus on achieving best in class ESG practices. The group's CSR philosophy is to eradicate poverty and malnutrition with a focus on development of women & children. For more information on Vedanta Resources, please visit www.vedantaresources.com .

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.

