

Vedanta Limited

Profit after tax stands at ₹3,308 crore, up 6% q-o-q for Quarter ended 30th June 2023

Mumbai, 21st July 2023: Unaudited consolidated results for the first quarter ended 30th June 2023

Financial Highlights:

- Consolidated quarterly revenue of ₹33,342 crore
- Consolidated quarterly EBITDA of ₹6,975 crore with strong margin* of 24%
- Consolidated profit after tax grew 6% q-o-q to ₹3,308 crore
- Free cash flow (pre capex) of ₹3,098 crore
- Return on capital employed 17%
- Interim dividend of ₹ 18.5/share; 1QFY24 dividend yield at ~7%

Operational Highlights:

Key businesses continue to deliver strong operating performance:

- **Aluminium**
 - Aluminium production increased by 2% y-o-y to 579 kt
 - Aluminium cost of production lower by 27% y-o-y
- **Zinc India**
 - Highest-ever mined metal production in first quarter at 257 kt, up 2% y-o-y
 - Refined metal production at 260 kt; stable y-o-y
 - Saleable silver production was 179 tonnes, up 1% y-o-y
 - Zinc cost of production lower by 6% y-o-y; achieved ~100\$/t cost improvement over last two consecutive quarter.
- **Zinc International**
 - Overall production increased 1% y-o-y and 9% q-o-q to 68kt, primarily driven by BMM
 - Black Mountain Mine production increased by 29% y-o-y to 19 kt driven by operational efficiencies.
 - Overall cost of production down by 19% y-o-y
- **Oil and Gas**
 - Average gross operated production was 134,867 boepd. The natural decline was partially

*Excludes custom smelting at copper business.

offset by infill wells in Mangala, ABH and RDG fields

- **Iron ore**
 - Declared successful bidder for Cudnem mineral block in Goa. Estimated R&R of 8.3 mnt
 - Highest ever Pig Iron production at 213 kt, up 13% y-o-y on account of operational efficiency
 - Karnataka saleable ore production declined by 9% y-o-y to 1.2 million tonnes
- **Steel**
 - Saleable production increased 20% y-o-y to 324 kt on account of higher production capacity post debottlenecking carried out in FY23
- **Facor**
 - FACOR commissioned and stabilised new 33 MVA furnace
 - Ore production lower by 46% y-o-y and up 48% q-o-q in line with statutory mining limits applicable in each quarter
- **Copper India:**
 - Due legal process is being followed to achieve a sustainable restart of the operations

ESG Highlights:

- Signed Renewable Energy (RE) power delivery agreement (PDAs) of 1826 MW across the group as on 30th June 2023
- Expanded definition of diversity beyond gender by including 38 members from the transgender community in workforce
- Workplace gender diversity maintained at 14%
- Water Positivity at 0.62
- HVLT usage at 83%
- 5,500 Nand Ghars (women and childcare centre) operational (FY23: 4,533)
- Quarterly CSR spend of ₹114 crore
- 4.4 million people benefitted from CSR programmes
- Vedanta Aluminium received Environment Product Declaration (EPD) verification for its products

Mr Sunil Duggal, Chief Executive Officer, Vedanta, said “Vedanta is on a transformational journey with significant growth across its businesses and diversification into future enabling, technology focused sectors. We remain committed to maximizing shareholder returns through best-in-class and low-cost operations, skill development and global experience leadership with sustainability at the forefront. We have delivered Rs 6,975 cr in EBITDA this quarter, with an operating margin of 24% and PAT of Rs3,308 cr, marking a 6% increase sequentially. As we continue to move forward, we remain committed to achieving operational excellence and enhancing our competitiveness in the market. We are determined to lead the charge towards a more sustainable and responsible tomorrow.”

Consolidated Financial Performance:

(In ₹ crore, except as stated)

Particulars	1Q		Q4	FY
	FY2024	FY2023	FY2023	FY2023
Net Sales/Income from operations	33,342	38,251	37,225	145,404
Other Operating Income	391	371	705	1,904
EBITDA	6,975	10,741	9,362	35,241
EBITDA Margin¹	24%	32%	29%	28%
Finance cost	2,110	1,206	1,805	6,225
Investment Income	506	583	958	2,851
Exploration cost write off ²	312	62	39	327
Exchange gain/(loss) - (Non-operational)	(203)	(332)	(117)	(492)
Depreciation & Amortization	2,550	2,464	2,765	10,555
Exceptional Items Credit/(Expense)	1,780	-	(1,336)	(217)
Profit Before Tax	4,086	7,260	4,258	20,276
Tax Charge/ (Credit)	778	1,668	1,709	6,044
Tax on Exceptional items/ (Credit)	-	-	(583)	(274)
Profit After Taxes before exceptional items	1,528	5,592	3,885	14,449
Profit After Taxes	3,308	5,592	3,132	14,506
Exchange rate (₹/\$) - Average	82.16	77.06	82.21	80.27
Exchange rate (₹/\$) - Closing	82.07	78.83	82.16	82.16

1. Excludes custom smelting at copper business.
2. Pertains to unsuccessful exploration wells write off at Cairn

▪ Revenue:

- 1QFY24 Revenue is at ₹33,342 crore, compared to ₹38,251 crore in 1QFY23, the change is primarily on account of steep reduction in output commodity prices, partially offset by favourable movement in exchange rate
- 1QFY24 Revenue lower q-o-q, primarily on account of moderation in output commodity prices and lower sales volumes, partially offset by higher premiums

▪ EBITDA and EBITDA Margin:

- 1QFY24 EBITDA is at ₹6,975 crore as against ₹10,741 in 1QFY23 and ₹ 9,362 in 4QFY23, the difference is on account of lower output commodity prices and lower sales, partially offset by moderation of input commodity prices
- EBITDA margin¹ stood at 24% in 1QFY24

▪ Depreciation & Amortization:

- Depreciation & amortisation for 1Q FY24 is at ₹2,550 crore, as against ₹2,464 crore in 1QFY23, mainly on account of capitalisation of assets at VAL and higher amortisation at HZL
- Depreciation & amortisation decreased q-o-q mainly due to decrease in amortization at HZL

▪ Finance Cost:

- 1QFY24 finance cost is at ₹2,110 crore, as compared to ₹1,206 crore in 1QFY23 and ₹1,805 crore in 4QFY23, difference is mainly due to increase in blended cost of borrowings and average borrowings

- **Investment Income:**
 - 1QFY24 Investment Income is at ₹506 crore, as against ₹583 crore in 1QFY23 mainly due to change in investment mix and mark to market movement
 - 1QFY24 Investment Income lower by q-o-q due to change in investment mix, mark to market movement and interest on income tax refund in Q4 FY23
- **Taxes:**
 - 1QFY24 normalized Effective Tax Rate (ETR) excluding exceptional item of ₹1,780 crore is 34%, compared to 23% in 1QFY23 and 31% in 4QFY23. The movement is largely on account of change in profit mix
- **Leverage, liquidity, and credit rating:**
 - Gross debt stood at ₹73,484 crore as on 30th June 2023
 - Net debt was of ₹59,192 crore as on 30th June 2023
 - Cash and cash equivalents position remains strong at ₹ 14,292 crore. The Company follows a Board-approved investment policy and invests in high quality debt instruments with mutual funds, bonds, and fixed deposits with banks.
 - The company has investment grade credit; rated 'AA' with negative outlook by both CRISIL and India Ratings

Key Recognitions:

Vedanta has consistently received various awards & accolades. Few recognitions from 1QFY24 are:

- VAL – J awarded 21st Greentech Best Occupational Health Practices Award by Greentech Foundation
- VAL – L awarded with Excellence Award by Quality Circle Forum of India in Business Excellence Category
- BALCO awarded with National Award for Manufacturing Competitiveness by International Research Institute for Manufacturing (IRIM)
- VAL – J, BALCO, Cairn Oil and Gas, HZL and Sterlite Copper have been certified as Great Place to Work by Great Place to Work Organization for Excellence in Human Resource Management
- Cairn Oil and Gas awarded with International Safety Award by British Safety Council
- Cairn Oil and Gas received Future Ready Organization Award by Economic Times for Technology and Innovation Category
- HZL awarded with 'Energy Efficiency Platinum award by Apex India Green Leaf Foundation for Energy Efficiency

Results Conference Call:

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

Following the announcement, a conference call is scheduled at 8:00 PM (IST) on July 21, 2023, where the senior management will discuss the company's results and performance. The dial-in numbers for the call are as below:

Event	Telephone Number														
Earnings conference call on July 21, 2023, from 8:00 - 9:00 PM (IST)	Universal Dial-In	+91 22 6280 1114 +91 22 7115 8015													
	India National Toll Free	1 800 120 1221													
	International Toll Free*	<table border="0"> <tr><td>Canada</td><td>01180014243444</td></tr> <tr><td>Hong Kong</td><td>800964448</td></tr> <tr><td>Japan</td><td>00531161110</td></tr> <tr><td>Netherlands</td><td>08000229808</td></tr> <tr><td>Singapore</td><td>8001012045</td></tr> <tr><td>UK</td><td>08081011573</td></tr> <tr><td>USA</td><td>18667462133</td></tr> </table>	Canada	01180014243444	Hong Kong	800964448	Japan	00531161110	Netherlands	08000229808	Singapore	8001012045	UK	08081011573	USA
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Singapore	8001012045														
UK	08081011573														
USA	18667462133														
Online Registration Link	Click here - Registration Link														
Call Recording	Will be available on website July 22, 2023 onwards														

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

About Vedanta Limited:

Vedanta Limited (“Vedanta”), a subsidiary of Vedanta Resources Limited, is one of the world’s leading natural resources companies spanning across India, South Africa, Namibia, Liberia, UAE, Korea, Taiwan and Japan with significant operations in Oil & Gas, Zinc, Lead, Silver, Copper, Iron Ore, Steel, Nickel, Aluminium, Power & Glass Substrate and foraying into semiconductors and display glass. For two decades, Vedanta has been contributing significantly to nation building. Governance and sustainable development are at the core of Vedanta’s strategy, with a strong focus on health, safety, and environment. Vedanta has put in place a comprehensive framework to be the ESG leader in the natural resources sector, is committed to reducing carbon emissions to net zero by 2050 or sooner and aims to spend \$5 billion over the next 10 years to accelerate this transition. Giving back is in the DNA of Vedanta, which is focused on enhancing the lives of local communities. Anil Agarwal Foundation, the umbrella entity for Vedanta’s social initiatives, has pledged Rs 5000 crore over the next five years on various social impact programs and its flagship project, Nand Ghar is setting up model anganwadis across India. Vedanta Ltd. has been listed in Dow Jones Sustainability World Index 2022, conferred Golden Peacock Award for excellence in Corporate Governance 2022 and certified as a Great Place to Work 2023. Vedanta Limited is listed on the Bombay Stock Exchange and the National Stock Exchange.

For more information, please visit www.vedantalimited.com

Vedanta Limited

Vedanta, 75, Nehru Road,
Vile Parle (East), Mumbai - 400 099
www.vedantalimited.com

Registered Office:

Regd. Office: 1st Floor, ‘C’ wing, Unit 103,
Corporate Avenue, Atul Projects,
Chakala, Andheri (East),
Mumbai – 400 093

CIN: L13209MH1965PLC291394

Disclaimer

This press release contains “forward-looking statements” – that is, statements related to future, not past, events. In this context, forward-looking statements often address our expected future business and financial performance, and often contain words such as “expects,” “anticipates,” “intends,” “plans,” “believes,” “seeks,” “should” or “will.” Forward-looking statements by their nature address matters that are, to different degrees, uncertain. For us, uncertainties arise from the behaviour of financial and metals markets including the London Metal Exchange, fluctuations in interest and or exchange rates and metal prices; from future integration of acquired businesses; and from numerous other matters of national, regional, and global scale, including those of a political, economic, business, competitive or regulatory nature. These uncertainties may cause our actual future results to be materially different that those expressed in our forward-looking statements. We do not undertake to update our forward-looking statements.

For any Investor enquiries, please contact:

Ms Prerna Halwasiya, Company Secretary and Deputy Head, Investor Relations (vedantaltd.ir@vedanta.co.in)
Ms Swati Chauhan, Deputy Head (Equities), Investor Relation (Equities) (swati.chauhan@vedanta.co.in)

For any media queries, please contact:

Mrs. Ritu Jhingon, Group Director – Communications (Ritu.Jhingon@vedanta.co.in)
Mr. Mukul Chhatwal, Group Head – PR & Media Relations (Mukul.Chhatwal@caimindia.com)