STRONGER VEDANTA EMPOWERING GROWTH: PARTICIPATING IN BUILDING USD 5 TRILLION ECONOMY!!

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Vedanta Limited (‘Vedanta’, ‘the Company’) stands as a leading global conglomerate in natural resources, encompassing zinc-lead-silver, iron ore, steel, copper, power, oil, and gas. At the heart of our ethos lies transparency, not merely as a practice, but as our foundational principle. We are dedicated to openly sharing all pertinent information, cultivating trust, accountability, and fostering sustainable growth among stakeholders. Through transparent communication, we nurture trust and accountability, propelling sustainable growth and bolstering stakeholder confidence in our company.

Transparency to us goes beyond mere tax disclosure; it fosters accountability by offering insights and analytics into organizational operations, demonstrating how we generate sustainable financial returns for stakeholders to make informed decisions.

The Tax Transparency Report is a comprehensive document showcasing financial contributions made by the Company to the exchequer in India and globally, revealing its commitment to openness and accountability in taxation practices. It also provides stakeholders with transparent insights into the company’s tax payments, reinforcing trust and credibility in its financial operations.

With transparency as a cornerstone value, we lead the way in tax reporting, managing taxes in an open and straightforward manner. The report underscores our commitment to absolute transparency in disclosing profits and taxes paid.

Vedanta is dedicated to fostering positive change in the communities where we operate, promoting sustainable prosperity and improving the lives of people across different regions. Our Tax Transparency Report serves as a testament to our commitment to responsible tax practices. The contributions outlined are based on cash transactions in FY 2023-24, reflecting the same data used in the audited financial statements of respective companies, albeit with variations in accounting methodologies.

India, under the leadership of a visionary government, is on an expressway of progress. The optimism surrounding the Indian economy is unparalleled, fuelled by robust manufacturing activity, thriving private consumption and commendable strides in infrastructure development. The buoyancy observed in the stock markets and the influx of foreign direct investments solidify India’s rise as a global power and a critical long-term market.

The government’s manufacturing and infrastructure push and aggressive investments in the green economy are catalysing a new era of progress and development for the country. As the economic growth engine gathers steam, the demand for commodities is set to surge. Vedanta is equipped with a unique portfolio, ranging from oil and gas to essential metals, hence strategically positioned to seize the momentum, while aiding the nation’s goal of reaching a USD 30 trillion developed economy by 2047 and achieving self-reliance.

With our efficient operations, strong financial base, and strategic investments, complemented by our focus on sustainability and innovation, we are well-equipped to meet the nation’s changing requirements and generate value for all stakeholders.

India stood out globally as a market characterized by both growth and stability in FY 2023-24. Our team, backed by strong leadership, did a commendable job in capturing the opportunity, despite commodity prices exhibiting mixed performance, influenced by global market dynamics and sector-specific demand trends. We achieved significant success this year through a sharp focus on operational performance, strategic investments and commitment to innovation and sustainability. Our financial report reflects this with revenues reaching INR 141,793 crores and EBITDA at INR 36,455 crores.

Increasing tax collection signals strong economic growth, fueled by higher incomes, increased spending, and improved fiscal management. As one of India’s leading taxpayers, we are proud to release our Ninth Tax Transparency Report, showcasing our annual contribution of INR 54,402 crores, as part of our commitment to transparent and responsible practices in line with the nation’s growth.

As we embark on the next stage of our multi-year growth trajectory, aimed at unleashing value for all stakeholders, I extend my deepest gratitude to all stakeholders for their continuous support as they are the pillars of our success, propelling us towards building a futuristic organisation rooted in India’s progress.

We trust that this report, along with the Integrated Annual Report for FY 2023-24 and the fourth Task Force on Climate-related Financial Disclosures (TCFD) report, present the integrated performance of the Company. These also state the impact of contributions made by us to the society at large in a fair and accurate manner including concise glimpse into our dedication to ESG principles and the constructive influence we aspire to achieve.

ANIL AGARWAL
Chairman, Vedanta Limited
We operate an end-to-end value chain in the natural resources sector.

**ABOUT VEDANTA GROUP**

**VEDANTA AT A GLANCE**

Vedanta Limited, a subsidiary of Vedanta Resources Limited, is the world’s foremost natural resources conglomerate, with strategic assets in India, South Africa and Namibia. Our extensive operations span zinc-lead silver, iron ore, steel, copper, aluminium, power, nickel, and oil and gas, with a market-leading position across most.

Bringing to the fore our global operational scale, cost leadership and operational excellence, we play a pivotal role in facilitating primary materials in a safe, sustainable and cost-effective manner, enabling resource sufficiency worldwide. Vedanta is committed to creating enduring value, prioritising social responsibility, environmental sustainability and business integrity. By integrating these, we ensure that our growth is inclusive, benefiting all stakeholders from local communities to international markets.

As India accelerates towards a rapid growth trajectory brimming with exciting opportunities, Vedanta stands on a stronger footing with enhanced capacities, competencies and a strong purpose. We are poised for greater success and creating enduring value for all stakeholders, affirming our position as ‘A Stronger Vedanta’.

**OPERATING STRUCTURE**

Our diversified structure and wide geographic presence enable efficient operations and serviceability. As of 31 March 2024

**Subsidiaries of Vedanta Limited**

- **Zinc India (Kaz)**
- **Bharat Aluminium (BALCO)**
- **Sesa Iron Ore**
- **Sterlite Copper**
- **Power**
- **Zinc International**
- **Talwandi Sabo Power**
- **ESL Steel Limited**
- **Ferro Alloy Corporation Limited (FACOM)**
- **Mitsubishi**
- **Aluminium (Ghoda Aluminium and power assets)**
- **Cairn Oil & Gas**
- **Athana**

* Skorpion -100% BMM & Gamsberg -74%
** 50% of the share in the RJ Oil & Gas Block is held by a subsidiary of Vedanta Limited

**61.55% Vedanta Resources Limited**

**64.5%**

**51%**

**100%**

**100%**

**100%**

**95.5%**

**99.9%**
BUSINESS OVERVIEW

GLIMPSES OF VEDANTA GROUP

ZINC-LEAD-SILVER
75% MARKET SHARE IN INDIA'S PRIMARY ZINC MARKET
HINDUSTAN ZINC LIMITED (‘HZL’)

Business: Zinc India (HZL), Zinc International

ASSET HIGHLIGHTS
- World’s largest underground zinc-lead mine at Rampura Agucha, India
- 3rd largest silver producer in the world

ALUMINIUM
LARGEST PRIMARY ALUMINIUM PRODUCER IN INDIA

Business: Aluminium smelters at Jharsuguda & Korba (BALCO)
Alumina refinery at Lanjigarh

ASSET HIGHLIGHTS
- 45% market share in India among primary aluminium producers
- Largest aluminium installed capacity in India at 2.3 MTPA

OIL & GAS
OPERATES ~25% OF INDIA’S CRUDE OIL PRODUCTION

Business: Cairn India

ASSET HIGHLIGHTS
- World’s longest continuously heated pipeline from Barmer to Gujarat Coast (~670 kms)
- Largest private sector oil & gas producer in India

POWER
11 GW TOTAL POWER PORTFOLIO. 4.8 GW OF INSTALLED IPP CAPACITY.

Business: Power assets at TSPL (1,980 MW) at Talwandi Sabo - Punjab, Jharsuguda (CPP of 3,015 MW and 600 MW of IPP) - Odisha, Korba (CPP of 1,140 MW and IPP of 600 MW) - Chhattisgarh

ASSET HIGHLIGHTS
- Energy efficient, super critical 1,980 MW power plant at Talwandi Sabo
- Upcoming 1,000 MW Meenakshi (by FY25) and 1,200 MW Athena (by FY26) thermal power plants

IRON ORE
ONE OF THE LARGEST MERCHANT IRON ORE MINERS IN INDIA AND ONE OF THE LARGEST PRODUCERS AND EXPORTERS OF MERCHANT PIG IRON IN INDIA

Business: Iron Ore Business

ASSET HIGHLIGHTS
- Karnataka Iron ore mines with reserves of 75 Mnt and life of 9 years
- Goa Iron ore mines; R&R of 55 Mnt

STEEL
3.5 MTPA DESIGN CAPACITY

Business: ESL Steel

ASSET HIGHLIGHTS
- Highest-ever hot metal production of 1,473 kt
- Highest ever DI pipe production of 212 kt

CHROME
150 KTPA CHARGE CHROME / FERRO CHROME CAPACITY WITH 100 MW POWER PLANT; 290 KTPA CHROME ORE MINING CAPACITY

Business: Ferro Alloys Corporation Limited

ASSET HIGHLIGHTS
- Osthpal mines have 240 KTPA mining capacity
- 45 MVA charge chrome plant of 80 KTPA, 33 MVA charge chrome plant of 65 KTPA

COPPER
ONE OF THE LARGEST COPPER PRODUCTION CAPACITY IN INDIA

Business: Copper India

ASSET HIGHLIGHTS
- Silvassa Refinery Capacity: 216 KTPA
- Tuticorin smelter (Capacity 400 KTPA) and refinery (non-operational)
PRESENCE

STRONGER FOOTPRINT ACROSS STRATEGIC GLOBAL MARKETS

Note: Maps not to scale; Mt. Lyell Mine in Australia has been divested w.e.f. 17th November, 2023.
EMPOWERING PROGRESS: INVESTING IN A BETTER TOMORROW

8-Year Revenue Trend vis-a-vis 8-Year Contribution To Exchequer Trend

- **FY’24**: 1,41,793 crores
  - Revenue: 54,402 crores
- **FY’23**: 1,45,404 crores
  - Revenue: 73,486 crores
- **FY’22**: 1,31,192 crores
  - Revenue: 54,165 crores
- **FY’21**: 86,863 crores
  - Revenue: 34,562 crores
- **FY’20**: 83,545 crores
  - Revenue: 33,270 crores
- **FY’19**: 90,901 crores
  - Revenue: 42,560 crores
- **FY’18**: 92,923 crores
  - Revenue: 33,066 crores
- **FY’17**: 71,721 crores
  - Revenue: 39,452 crores

Revenue (In INR crores)

Contribution to Exchequer (In INR crores)
ECONOMIC RESPONSIBILITY

Vedanta guided by its vision and mission adopts a comprehensive value creation process that leverages on all available resources and relationships while addressing material issues and strategic focus areas. At the core remains ESG, where our purpose ‘Transforming for Good’, supplemented by the more comprehensive ‘Transforming Together’ theme is deeply embedded into this value creation process. The inherent community value empowers our decision-making to drive business success, while contributing to the nation’s growth.

Vedanta recognises the unique nature of the natural resources they deal in and hence believes in mining with a mission and is at the forefront of the industry’s transition towards a purpose driven future. Our operations go beyond extracting resources, aiming to enrich lives and create a sustainable legacy of enduring relationships with our stakeholders, built on trust and concern for their individual and collective well-being through meaningful engagements. At Vedanta, we make synergetic efforts to prioritise the wellbeing through meaningful engagements. At Vedanta, we make synergetic efforts to prioritise the well-being through meaningful engagements. At Vedanta, we make synergetic efforts to prioritise the well-being through meaningful engagements.

Vedanta continued its strong growth momentum and witnessed steady volume performance across all businesses, with aluminium and zinc delivering record performance, despite the challenging environment, in terms of geo-politics, rising energy prices and uncertainty in commodities market.

At workplace, we focus on promoting diversity, equality and inclusivity, while also investing in people development, safety and well-being. We empower them to think independently, creatively and innovatively. We strive to operate responsibly through sustainable use of resources and investing in various environmental goals. This year, we are concentrating on tackling economic inequality, with a big focus on acknowledging diversity and empowerment across society. We are highlighting how inclusion is crucial for promoting gender equality.

Lastly, we are committed to nurturing lasting and enduring relationships with our stakeholders, built on trust and concern for their individual and collective well-being through meaningful engagements. At Vedanta, we make synergetic efforts to prioritise the well-being through meaningful engagements. At Vedanta, we make synergetic efforts to prioritise the well-being through meaningful engagements.

concerns of our stakeholders and we seek to balance the interests & expectations of all stakeholders to align with the overall organisational goals of the Company.

At Vedanta, FY 2023-24 was a year of remarkable progress on the ESG front led by our ‘Transforming for Good’ purpose and we are extremely pleased to apprise that Vedanta has aced the Corporate Sustainability Assessment by S&P Global for 2023 (formally known as DJSI). Guided by the philosophy of giving back, we positively touched more than 17.4 million lives through our CSR programmes, improved diversity, inclusion and governance practices and took major strides in the areas of carbon neutrality, water positivity and a greener business model.

In line with the past trends, we are proud to declare that we have contributed INR 54,402 crores to the public exchequer of the various countries where we operate in FY 2023-24. The total contribution to exchequer is the result of value addition by various business segments across their respective value chain and multiple hierarchies of business cycle.

VALUE CREATION HIGHLIGHTS FY 2023-24

<table>
<thead>
<tr>
<th>Financial Capital</th>
<th>Manufactured Capital</th>
<th>Human Capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>INR 36,455 crores EBITDA</td>
<td>Zinc India 1,079 kt</td>
<td>97,000+ Total Workforce</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Natural Capital</th>
<th>Social and Relationship Capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 Million Trees Planted</td>
<td>6000+ Nand Ghars built</td>
</tr>
</tbody>
</table>

Economic Value Distributed

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Costs (Payments made to our suppliers for the purchase of utilities, goods and services)</td>
<td>98,058</td>
</tr>
<tr>
<td>Payment to Government (Corporate Income Tax and Profit Petroleum)</td>
<td>4,787</td>
</tr>
<tr>
<td>Employee Wages and Benefits (Employee expenses for salary, wages and incentives)</td>
<td>3,300</td>
</tr>
<tr>
<td>Payments to Providers of Funds (Dividend payments and Interest payments)</td>
<td>30,325</td>
</tr>
<tr>
<td>Community Investments Voluntary donations</td>
<td>438</td>
</tr>
</tbody>
</table>

Direct Economic Value Generated: 1,46,180 crores

Direct Economic Value Retained: 9,272 crores

Direct Economic Value Distributed: 1,36,908 crores

All amounts in INR crores
BETTERING LIVES: OUR SOCIETY, OUR RESPONSIBILITY

TRANSFORMING COMMUNITIES

Communities give us the licence to operate and therefore are a top priority in our efforts to strengthen our bonds and gain their trust and support. We continually engage with the surrounding communities to respond to their needs, adapt our actions to the evolving landscape and ensure stringent adoption of globally-recognised human rights principles. Our community engagements, which include our CSR programs, are designed to bring positive change into the lives of the local communities, including scalable socio-economic development.

For nearly two decades, Vedanta has weaved social impact initiatives into the Company’s core ethos that help bring positive change. Vedanta has been making a difference through healthcare, education, skilling, livelihood programs, and providing inclusive development opportunities for the community at large.

Through Vedanta’s social development programs, the company transforms lives of more than 17.4 million people at grassroots level.

Each of our Group companies has aligned its CSR programs to cater to the needs of the communities in the geographic locations where they operate. A CSR Council comprising CSR Heads and executives from all business units is responsible for governance, synergy and cross-learning across Vedanta.

At Vedanta, we treat CSR not merely as a mandate, but as a very core of the existence of our business—a means to share our prosperity and foster the well-being of our society.

Our chairman, Mr. Anil Agarwal has always envisioned a nation in which there are ample opportunities for the youth, women are empowered, children are healthy and the country is progressing rapidly. This vision forms the foundation of our giving back initiatives. We are steadfast in our mission of “Transforming for Good”. We believe together we can create empowered communities, a strong nation and greener plant.

HEALTHCARE
1.70 million people benefited

DRINKING WATER & SANITATION
0.69 million people benefited

COMMUNITY INFRASTRUCTURE
0.52 million people benefited

SPORTS & CULTURE
0.16 million sports persons and culture enthusiasts benefited

LIVELIHOOD
0.11 million people benefited

WOMEN’S EMPOWERMENT
42,575 women benefited

ENVIRONMENTAL PROTECTION & RESTORATION
0.33 million people benefited

CHILDREN’S WELL-BEING & EDUCATION
13.32 million children benefited

Vedanta CSR impact in FY 2023-24
8 focussed-areas one mission - transforming communities
OUR APPROACH TOWARDS TAX AND ‘GUIDING PRINCIPLES’

OUR TAX APPROACH

The Vedanta Group operates in multiple countries worldwide, diligently adhering to local standards and regulations in each jurisdiction. As an integral part of our corporate values, our Company places paramount importance on tax compliance and appropriate payment of taxes. We understand the significance of fulfilling our fiscal obligations not only as a legal requirement but also as a moral responsibility towards the society and economy we operate within. Further, we being a part of the extractive industry are aligned to the principles stated in the Extractive Industries Transparency Initiative document (EITI), primarily relating to the onus of corporation.

Tax compliance is not just a matter of adhering to laws and regulations; it is a reflection of our commitment to integrity, transparency, and accountability. We recognize that paying taxes on time and accurately is essential for fostering trust with stakeholders, including employees, customers, investors, and the broader community. Vedanta’s adoption of tax technology represents a strategic move towards streamlining compliance and improving tax strategies in its global operations. Further, Vedanta recognizes that effective digitization results in tax risk mitigation and hence aims at utilizing the same wherever applicable.

At the heart of our commitment lies a dedication to operating with the highest ethical standards. We strive to maintain meticulous records, follow best practices and engage with tax authorities in an open and cooperative manner. We emphasize integrity and ethical practices in all operations, ensuring that tax optimization never supersedes commercial considerations in entity or transaction structuring.

We continuously review and enhance our internal processes and systems to ensure accuracy and efficiency in tax reporting and payments. We invest in training and development of our employees to ensure they are equipped with the knowledge and skills necessary to navigate complex tax landscapes effectively. Also, regularly updating the systems and personnel on the changes in tax laws is integral to our operational framework, ensuring compliance and adaptability in a dynamic regulatory landscape. Lastly, we also take support from eminent Tax consultants at multiple jurisdictions who advise us on various complex tax matters, ensuring our decisions are well-informed. Before finalizing any tax position, we consult professionals and senior legal counsel to understand alternate viewpoints and interpretations.

In conclusion, our Company’s commitment to tax compliance and timely payments is unwavering. We understand the importance of fulfilling our fiscal responsibilities ethically, transparently, and conscientiously. By upholding these principles, we not only comply with legal requirements but also contribute positively to the welfare and prosperity of the communities we serve.

TAX GUIDING PRINCIPLES

Vedanta has established nine guiding tax principles that govern all our operations and decisions worldwide, ensuring compliance with tax laws and timely adherence to local regulatory requirements in every country. Upholding integrity, transparency, and accountability is fundamental, with tax considerations naturally stemming from commercial decisions driven by sound judgment. Our tax principles are closely aligned with the ‘B-Team Responsible Tax Principles’.

TRUST

To maintain high standards of integrity with respect to tax compliance and reporting.

COMPLIANCE

To observe all applicable laws, rules and regulations in the countries where we operate, including Transfer Pricing and to meet all tax compliance requirements in a timely manner.

TRANSPARENCY

To proactively disclose detailed information about the overall tax contribution of the Group to the governments of the countries where we operate.

ECONOMIC SUBSTANCE

We only undertake transactions which will have results that are consistent with the underlying economic consequences, including tax structures with commercial substances.

PROCESSES & CONTROLS

Ensuring meticulous documentation of transactions and tax positions with diligent professional care and judgment, making decisions at the highest level and backing them with robust evidence.

ENGAGEMENT WITH REGULATORS

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

RISK MANAGEMENT

To identify tax risks in a consistent and formal manner and communicate these where appropriate to the Audit & Risk Management Committee and the Board.

PROACTIVE CONSULTATION

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

PEOPLE PROGRESS

To develop our people, through training, experience and opportunity.
TAX RISK MANAGEMENT FRAMEWORK AND STRATEGY

TAX RISK MANAGEMENT, GOVERNANCE, COMPLIANCE & STRATEGY

TAX RISK MANAGEMENT

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

The Vedanta Group’s multi-layered risk management system and robust governance framework align all the Group companies’ operating controls with the overarching vision and mission and help them deliver on the Vedanta Group’s strategic objectives.

By proactively addressing tax risks, we enhance our financial stability, compliance, and reputation while minimizing our liabilities and disputes.

TAX RISK GOVERNANCE FRAMEWORK

The Vedanta Group maintains internal controls in the form of compliance calendars, internal audit processes by MAS (Management Assurance Services) teams, and authorization matrices under a maker-checker concept. Also, our Code of Business Conduct and Ethics, which applies to all employees, sets out our zero tolerance on corruption and bribery. Vedanta requires its employees, tax advisors, and suppliers of tax services to act with integrity and maintain high ethical standards in all tax activities.

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

Material tax risks or disputes are reported to the Audit & Risk Management Committee (‘Audit Committee’) for its consideration. This review includes assessment of probabilities of different outcomes, including cash flow and reputational impact. The suggestions by the Audit Committee are duly considered by the Tax Councils and thereafter, the Audit Committee updates the Board.

The tax strategy is owned and approved by the company’s Board. It is subject to annual review by the Board whereas an annual compliance report is submitted to the Board & Audit Committee.

APPROACH TO TAX TECHNOLOGIES

Early adopters embrace innovation before it becomes mainstream, paving the way for future trends. Vedanta Group is an early adopter of technology and Vedanta’s adoption of tax technology signifies a strategic shift towards enhancing efficiency and compliance in managing global tax obligations. By leveraging cutting-edge tax technology solutions, Vedanta aims to streamline processes and optimize tax strategies for sustainable growth and competitive advantage.

The Vedanta Group Chief Financial Officer holds the responsibility for tax at the Board level and communicates with and advises the Board on the tax affairs and risks of the Vedanta Group with support from the Vedanta Group’s Corporate tax team. Responsibility for tax governance rests with the tax function, in consultation with the Chief Financial Officer and Financial Controller.

APPROACH TO TAX COMPLIANCES

The tax risk management systems, processes and controls along with the adoption of technology enables the Vedanta Group to fulfill its tax compliance obligations and mitigate associated risks. At the same time, the tax team ensures all new updates and positions, if any are taken into consideration and applied or complied on a real-time basis.

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

VEDANTA’S STAKEHOLDERS
The Vedanta Group’s vision is to become a developer of choice in the areas of our operations and create long-term value for all stakeholders. The stakeholders include local community, employees, shareholder, investors and lenders, civil society, industry and government. From a tax perspective, stakeholders include the tax authorities as well. The Vedanta Group strives to deal with all its stakeholders with integrity and transparency. Here again, our tax principles are our driving force, ensuring we are doing the right thing at every level and every instance. A deviation if any, is never premeditated but accidental.

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

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

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

GRIEVANCE REDRESSAL
Vedanta also has a Stakeholders’ Relationship Committee which cohesively supports the Board in maintaining strong and long-lasting relations with its stakeholders. It also ensures a process for collection of views and concerns of the stakeholders and their redressal.

VEDANTA’S TAX AGILITY FOCUS
We strive to strengthen our systems, processes, group structures, transactions etc. to comply with changing tax laws across the globe. In the current year the Vedanta Group is striving to assess the application and impact of BEPS 2.0 initiatives on all of its Group companies. Vedanta team has systems and standard protocols which would enable it to handle this transition without any disruptions.

VEDANTA GROUP TAX STRATEGY
To ensure that the spirit of accountability, transparency and commitment to sustainable value creation is well understood by all stakeholders, Vedanta has drawn out a detailed Tax Strategy document. The document captures the tax principles and acts as a guiding pillar to all employees of Vedanta Group, so that they are aligned in their decision making in everyday operations that directly or indirectly has tax implication. This ensures that the Vedanta Group adheres to the rules of doing business the right way, always keeping tax in consideration.

Vedanta and its group companies have a simple approach to structuring and addressing relevant tax impacts. They are driven by commercial prudence and substance creation at operational level. In the process, whatever tax impacts or consequences are envisaged are evaluated internally by in-house experts along with external specialists. Tax planning or tax efficiency is never the driving force in either structuring of entities or transactions within the Vedanta Group and hence operations, if any initiated in a low tax jurisdiction are necessarily for substantive commercial and business reasons as opposed to mere tax saving. We are committed not to deliberately structure transactions using entities located in so-called “tax havens” in order to avoid the tax.

Global tax and compliance updates are monitored on a real-time basis. Its implications on operations are analysed at operational level and thereafter presented to the Senior management for way forward. Wherever, expert input is deemed to be essential for larger perspective, the same is obtained before presenting to the leadership team.

In conclusion, Vedanta’s robust tax governance framework, anchored by its guiding tax principles and comprehensive Tax Strategy document, underscores the company's unwavering commitment to integrity, transparency, and compliance. As the company continues to navigate the dynamic tax landscape, its focus on stakeholder engagement, advocacy, and agility remains paramount, reflecting its dedication to sustainable value creation and ethical conduct in all tax-related endeavors.
VEDANTA’S COMMITMENT TO A SUSTAINABLE FUTURE

CHANGING LANDSCAPE OF TAX TRANSPARENCY

Sustainable, inclusive economies depend on fair, effective tax systems, and tax is one of the primary ways in which companies can contribute positively to the societies in which they operate. The B Team Responsible Tax Principles (“the B Team Principles”) acknowledge this and recognize tax is so fundamental to their social impact and license to operate, it is imperative that they demonstrate a responsible approach. Vedanta, as a conscious global operator, finds its established tax principles closely aligned with the tax principles advocated by the B Team, reinforcing its commitment to accountability in financial matters.

Given Vedanta’s significant presence in the extractive industry, the company recognizes the need for heightened commitment to sustainable business practices. Vedanta is deeply conscious of its responsibility towards the environment and society, ensuring that operations minimize negative impacts and adhere to regulatory standards. With a focus on commercial expediency and sustainability, Vedanta endorses the applicable EITI principles, emphasizing transparency, public disclosure, and environmental stewardship.

Embracing change fosters innovation and adaptability, driving growth and success in dynamic environments. In response to the global call for greater accountability in business practices, Vedanta Group draws inspiration and guidance from two prominent initiatives: the B Team and the EITI. The B Team, formed by leading business conglomerates, came together to discuss the role of the private sector in addressing the world’s most pressing problems and advance a plan for better business.

Vedanta’s adherence to the principles advocated by the B Team and the EITI underscores its commitment to responsible corporate citizenship and ethical business conduct. By aligning with these initiatives, Vedanta aims to contribute positively to the global business environment while upholding its values of integrity, accountability, and sustainability. Through transparent financial practices and environmental stewardship, Vedanta seeks to foster trust among stakeholders and promote long-term value creation for both the company and society at large.

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During the FY 2023-24, Vedanta made a substantial contribution of INR 54,402 crores to the exchequer, representing approximately 38% of its consolidated turnover. This contribution encompassed various forms, including corporate income taxes, royalties, profit petroleum, as well as significant indirect revenue contributions through withholding taxes and indirect taxes. In line with this commitment to transparency, the Company is releasing its Ninth Tax Transparency Report with this publication.

The total contribution to the exchequer comprises of the following:

**A. Taxes Borne** primarily include corporate income tax, royalty-related tax payments, production entitlements (such as profit petroleum), and other significant payments made to the government. These may encompass production-based oil cess, stamp duty payments, import/export levies, local municipal taxes, and more.

**B. Indirect Contributions** primarily consist of taxes collected and paid on behalf of our employees and vendors. This category covers withholding taxes, payroll taxes (such as professional taxes), payments of Goods and Services Tax ('GST') on sales, and other social security contributions aimed at funding government social security programs for employees.
### A. TAXES BORNE

**i. Taxes on Income & Capital - INR 2,804 crores**

In accordance with the Income-tax Act of 1961 (‘the Act’), profits earned by companies in India are subject to Income Tax. The majority of Vedanta Group companies have chosen the new regime under section 115BAA of the Act, which carries a statutory tax rate of 22.00%, along with a surcharge of 10.00% on the tax amount, and an additional health and education cess of 4.00% on the total tax including surcharge. This results in an effective statutory tax rate of 25.168%.

However, certain companies within the group continue to operate under the old regime, subject to an effective tax rate of 34.94% or Minimum Alternate Tax (‘MAT’), whichever is greater. The effective MAT rate for Indian companies during the year stood at 17.47%. Any excess amount paid as MAT over the regular income tax during the year is called “Profit Petroleum”, which is shared between the GoI and Contractor Parties as per procedure laid down in PSC. Vedanta being the operator of the Oil & Gas block reports the total profit petroleum.

**ii. Government Royalty & Profit Petroleum - INR 13,638 crores**

**Government Royalties - INR 9,132 crores**

We pay royalties to the state governments of Gujarat, Rajasthan, Andhra Pradesh, Odisha, Chhattisgarh, Assam, Goa and Karnataka in India based on extraction of bauxite, lead-zinc, silver, iron ore, crude oil and natural gas. The most significant of these is the royalty that HZL is required to pay to the state government of Rajasthan, where all of HZL’s mines are located.

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

**Profit Petroleum - INR 4,506 crores**

The Government of India (‘GoI’) is the owner of the hydrocarbons wherein it has assigned the responsibility to the joint operation (Contractor) to explore, develop and produce the hydrocarbons. Contractor is entitled to recover out of petroleum produced, all the costs incurred according to the Production Sharing Contracts (‘PSC’) in exploring, developing and producing the hydrocarbons, which is known as “Cost Petroleum”. Excess of revenue (value of hydrocarbons produced) over and above the cost incurred as above, is called “Profit Petroleum”, which is shared between the GoI and Contractor Parties as per procedure laid down in PSC. Vedanta being the operator of the Oil & Gas blocks reports the total profit petroleum.

**iii. Other Taxes Borne - INR 12,972 crores**

<table>
<thead>
<tr>
<th>Tax Type</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil Cess NCCD</td>
<td>INR 5,629 crores</td>
</tr>
<tr>
<td>Duties in Export and Import</td>
<td>INR 3,019 crores</td>
</tr>
<tr>
<td>Ineligible GST</td>
<td>INR 1,445 crores</td>
</tr>
<tr>
<td>Electricity Duty</td>
<td>INR 1,368 crores</td>
</tr>
<tr>
<td>Statutory Levies</td>
<td>INR 801 crores</td>
</tr>
<tr>
<td>Others</td>
<td>INR 710 crores</td>
</tr>
</tbody>
</table>

### B. INDIRECT CONTRIBUTIONS

**i. Indirect Taxes - INR 17,621 crores**

GST is a supply driven concept and would therefore apply on supply of goods and services. Taxes under GST apply as follows:

- Central Goods and Services Tax and State Goods and Services Tax are simultaneously levied on intra-state supply of goods and services.
- Integrated Goods and Services Tax are levied on imports and inter-state supply of goods and services.

**ii. Withholding Taxes - INR 3,623 crores**

In addition, GST Compensation Cess is also applicable on certain specified goods. The general rate of GST on our output supplies is 18%. However, silver attracts GST at 3%.

This comprises of the following:

- Payroll and employer taxes payable as a result of a company’s capacity as an employer.
- Other taxes collected/deducted.

**iii. Other Indirect Contributions - INR 2,121 crores**

<table>
<thead>
<tr>
<th>Tax Type</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contribution to PF/ESI</td>
<td>INR 154 crores</td>
</tr>
<tr>
<td>Royalty payout through third parties</td>
<td>INR 1,172 crores</td>
</tr>
<tr>
<td>GST Compensation Cess payout to third parties</td>
<td>INR 761 crores</td>
</tr>
<tr>
<td>Others</td>
<td>INR 33 crores</td>
</tr>
</tbody>
</table>
TABLE 2: Other Relevant Indicators

<table>
<thead>
<tr>
<th>Country</th>
<th>List of Entities</th>
<th>Primary Activities</th>
<th>Revenue (INR crores)</th>
<th>Profit Before Tax (INR crores)</th>
<th>No. of Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Africa</td>
<td>Black Mountain-Mining (Pty) Limited</td>
<td>Producer of zinc and lead concentrate at Black Mountain Mining (BMM) and Special High Grade Zinc metal at Skorpion Zinc</td>
<td>3,548</td>
<td>177</td>
<td>999</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>1,41,793</td>
<td>20,363</td>
<td>18,278</td>
</tr>
</tbody>
</table>

Notes:
1. The gross contribution value in this table presents only the state level data, while at India level, the reported numbers in Table 1 include other considerations (e.g., India’s share in global contribution, refunds, etc) as per internal reporting standards.
2. Reference to states referred above is limited to Vedanta’s contribution to the originating state.
A STRONGER, VALUE-ACCRETIVE VEDANTA ENABLED BY INTEGRATED THINKING
I BASIS OF PREPARATION

NOTE 1

Amounts reported in the Table 1 - ‘Global Tax & Other Contributions’ have been subject to external assurance. Assurance Report forms a part of this report. The financial information it contains is consistent with that used to prepare our FY 2023-24 consolidated financial statements and financial statements of Vedanta Group’s listed/ unlisted operating subsidiary companies. In case of joint venture operations, contributions are shown at gross level as made by the Unincorporated Joint Venture (UJV) of which the Company’s subsidiary is the operator irrespective of our percentage interest in the UJV.

NOTE 2

All data is prepared for the year from 01 April 2023 to 31 March 2024. The above contributions have been reported on a cash basis. The base information used to compute the above contributions is the same as that for the audited financial statements of respective companies with inherent differences in the accounting methodology. The social expenditures have not been considered in the contribution to exchequer shown in the above table.

NOTE 3

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

NOTE 4

TAXES BORNE

A) Taxes on Income and Capital

This comprises Corporate Income Tax but does not include Deferred Tax and Penalty, if any. These taxes are provided at amounts paid during the year FY 2023-24 with respect to corporate income tax liability of the same year and of previous years at respective corporate tax rates applicable for those years. Typically, these taxes would be reflected in corporate income tax returns made to governments, and tend to become payable, and are paid (either directly by way of advance tax or self-assessment tax or through credit of withholding tax), either in the year the profits were made or up to one year later, depending on the tax laws of the respective countries as to the timing of payments.

For the purpose of the figures of credit of withholding taxes/TCS, the ledgers provided by the respective divisions/ companies were considered. wherein the credit is booked as and when credit certificates or payments are received from the deductors/collectors

These taxes also include payments made against tax demands (net of refunds received) during the financial year with respect to corporate income tax liability of previous years.

B) Government Royalties and Profit Petroleum

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

C) Other taxes borne

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

INDIRECT REVENUE CONTRIBUTIONS

D) Withholding Taxes

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

E) Indirect Taxes

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

F) Other

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

DIVIDENDS TO GOVERNMENT

This includes dividends paid to government on a regular basis, wherever the government holds shares in any of the Vedanta Group companies and that company has paid dividend during the year.

In the current year, the only payer is the Company’s subsidiary, HZL where GOI holds a 29.54% stake in the subsidiary.

Please refer to Annexure A on types of taxes paid by Vedanta in various countries.
Taxes/Duties/Other Contributions made by Vedanta Group are referred below:

- Corporate Income Tax
- Goods and Services Tax
- Government Royalties
- Octroi/ Entry Tax
- Profit Petroleum
- Provident Fund and Employee State Insurance
- Oil Cess / NCCD
- Land Tax/Property Tax
- Duties on Export and Import
- License Fees
- Other Cess and Surcharges
- Stamp Duty
- Electricity Taxes/Duty
- Municipal Taxes
- Export License Utilization
- Withholding Taxes
- Excise Duties
- Any other taxes inter alia Niryat Kar, Panchhayat Tax, Paryavaran Tax, Upkar Tax, Inhabitant Tax
- Value Added Tax
- Service Tax

INDEPENDENT REASONABLE ASSURANCE REPORT

To Vedanta Limited on Global Tax & Other Contribution

INTRODUCTION

We (‘KPMG Assurance and Consulting Services LLP’ or ‘KPMG’) were engaged by the management of Vedanta Limited (‘VEDL’ or ‘the Company’) to report on ‘Global Tax & Other Contributions’ – Table 1 contained in VEDL’s Tax Transparency Report for the financial year 2023-24 (the said Table 1 hereinafter referred to as ‘Global Tax & Other Contributions’), in the form of an independent reasonable assurance conclusion about whether VEDL’s statement that the Global Tax & Other Contributions is properly prepared, in all material respects, based on ‘Basis of Preparation’ attached to the Tax Transparency Report is fairly stated.

VEDL’S RESPONSIBILITIES

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

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

OUR RESPONSIBILITIES

Our responsibility is to examine the Global Tax & Other Contributions prepared by the Company and to report thereon in the form of an independent reasonable assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000: Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the Global Tax & Other Contributions is properly prepared, in all material respects.

The firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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

The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of Global Tax & Other Contributions.
Contributions whether due to fraud or error. In making those risk assessments, we have considered internal control relevant to the preparation and presentation of Global Tax & Other Contributions in order to design assurance procedures that are appropriate in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the Company’s internal control over the preparation and presentation of Global Tax & Other Contributions. Our engagement also included assessing the appropriateness of Global Tax & Other Contributions, the suitability of the Basis of Preparation used by the Company in preparing the Global Tax & Other Contributions in the circumstances of the engagement, evaluating the appropriateness of the procedures used in the preparation of Global Tax & Other Contributions and the reasonableness of estimates made by the Company and evaluating the overall presentation of the Global Tax & Other Contributions. Reasonable assurance is less than absolute assurance.

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

CONCLUSION

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

RESTRICION OF USE OF OUR REPORT

In accordance with the terms of our engagement, this independent reasonable assurance report on Global Tax & Other Contributions has been prepared for VEDL solely for inclusion in its Tax Transparency Report for the financial year 2023-24 and for no other purpose or in any other context.

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

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

For KPMG Assurance and Consulting Services LLP
Place: Gurgaon
Date: 18th June, 2024

ANNEXURE 1 - ASSURANCE PROCEDURES - GLOBAL TAX & OTHER CONTRIBUTIONS

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