

Rating Rationale

January 19, 2024 | Mumbai

Vedanta Limited

Ratings continues on 'Watch Developing'

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Rating Action

Total Bank Loan Facilities Rated	Rs.56263.5 Crore
Long Term Rating	CRISIL AA-/Watch Developing (Continues on Å Rating Watch with Developing ImplicationsÅ™)
Short Term Rating	CRISIL A1+/Watch Developing (Continues on Å Rating Watch with Developing ImplicationsÅ™)

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Rs.6444 Crore Non Convertible Debentures	CRISIL AA-/Watch Developing (Continues on Å Rating Watch with Developing ImplicationsÅ™)
Rs.3000 Crore Non Convertible Debentures	CRISIL AA-/Watch Developing (Continues on Å Rating Watch with Developing ImplicationsÅ™)
Rs.10000 Crore Commercial Paper	CRISIL A1+/Watch Developing (Continues on Å Rating Watch with Developing ImplicationsÅ™)

Note: None of the Directors on CRISIL Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.

1 crore = 10 million

Refer to Annexure for Details of Instruments & Bank Facilities

Detailed Rationale

CRISIL Ratings has continued its ratings on the bank facilities and debt instruments of Vedanta Limited (Vedanta; part of the Vedanta group) on Å Rating Watch with Developing ImplicationsÅ™.

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The rating reaffirmation follows the recent announcement of the successful completion of the liability management (LM) exercise by Vedanta's parent, Vedanta Resources Ltd (VRL). The completion of the LM exercise is in line with CRISIL Ratings' expectations and will reduce refinancing risk at VRL and the dependence on large dividend payouts from Vedanta over the medium term.

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That said, despite reduction, VRL's annual debt maturities and interest obligation remain meaningful for fiscals 2025 and 2026 and will require refinancing. This is because CRISIL Ratings estimates shortfall in expected dividend payout through operating cash accrual and brand & management fee by Vedanta against VRL's annual debt obligations. However, more than expected dividend distribution impacting liquidity at Vedanta will remain a key rating sensitivity factor.

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CRISIL Ratings has also noted the rating downgrade by S&P Global Ratings on VRL to ÅSD (from ÅCC/Credit Watch Negative) and the subsequent upgrade to ÅCCC+/Stable.

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While the Vedanta management has indicated that the debt holders of VRL do not have any legal recourse to Vedanta or its operational cash flow, CRISIL Ratings has added the debt of VRL for calculating the adjusted debt for Vedanta. This is because the key sources for VRL's debt servicing are either the dividend outflow from Vedanta or refinancing based on the implicit strength of the investments held by VRL, primarily Vedanta. Hence, any delay in debt repayment or completion of refinancing by VRL could have a bearing on the financial flexibility of Vedanta. This was evident from the recent increase in cost of borrowings for Vedanta amid uncertainty regarding the refinancing plan of VRL till last month. However, CRISIL Ratings expects reduced refinancing risk for VRL to support Vedanta's financial flexibility, with improved access and cost of borrowing from the bank and capital market. Prolonged higher cost of borrowing for Vedanta will be a key monitorable going forward.

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The rating watch continues to factor in the corporate announcement by Vedanta that it will demerge its aluminium, oil and gas, power, base metal (zinc international and copper business) and iron and steel businesses into separate standalone listed entities. The company's management proposes to unlock value and simplify the corporate structure. However, the deal will need requisite approvals, including from shareholders and lenders, and could take 3-4 quarters for completion. Also, clarity on allocation of assets and liabilities across entities under the proposed structure, along with group/parent support philosophy for each entity, is yet to emerge. This will be critical for evaluating the credit profiles of the entities, including Vedanta, under the proposed structure and for resolution of the rating watch. CRISIL Ratings will continue to monitor developments regarding the proposed organisational restructuring.

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On November 13, 2023, CRISIL Ratings had downgraded its ratings on Vedanta due to the increased likelihood of Vedanta's consolidated financial leverage (ratio of net debt to earnings before interest, tax, depreciation and amortization [EBITDA]) for the fiscal 2024 remaining higher than the rating thresholds of 2.7 times. This is because successful completion of the company's plans to deleverage the balance-sheet through the inorganic route of asset monetization is expected to fall behind the earlier expected timelines. Further, the rating downgrade also factored in the moderation in liquidity of Vedanta against the future debt servicing for Vedanta's India business as well as for VRL, along with delay in refinancing the upcoming debt maturities of parent, VRL.

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The ratings continue to factor in the expectation that Vedanta's consolidated operating profitability (Ebitda) for fiscal 2024 is expected to be around Rs 34,500 crore^[1] (~Rs 35,250 crore in fiscal 2023). This will be supported by reduced cost pressure and healthy operating rates across key business segments, along with recent gains from the arbitration award in oil & gas business, despite commodity prices remaining modest and slower-than-expected progress on the planned capital expenditure (capex) in the aluminium business.

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Vedanta's consolidated operating profitability in fiscal 2025 is expected to be above Rs 35,000 crore. This is on account of the expected increase in backward integration and volume in the aluminium business after commissioning of ongoing capex, robust operating rates across key businesses, and continued efficiency gains. Timely completion of the ongoing capex and ramp-up of new capacities and the consequent improvement in operating profitability will be a key monitorable.

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The ratings continue to factor in the strong business risk profile of Vedanta, driven by its presence across commodities, cost-efficient operations in the domestic zinc and oil and gas businesses, and improving profitability in the aluminium business. These strengths are partially offset by high debt level, large capex and dividend payouts, and susceptibility to volatility in commodity prices and regulatory risk.

[1] It does not include brand and management fees paid to VRL

Analytical Approach

CRISIL Ratings has combined the business and financial risk profiles of Vedanta and its subsidiaries, collectively known as the Vedanta group, considering their operational and financial linkages. Key subsidiaries include Hindustan Zinc Ltd (HZL, ÅCRISIL AAA/Stable/CRISIL A1+Å™); the group's zinc business in Namibia and South Africa (termed Zinc International); Bharat Aluminium Company Ltd (Balco; ÅCRISIL AA-/CRISIL A1+/Watch with Developing implicationsÅ™); Talwandi Sabo Power Ltd (ÅCRISIL AA-(CE)/CRISIL A1+(CE)/Watch with Developing ImplicationsÅ™); and ESL Steels Ltd (ÅCRISIL AA-/CRISIL A1+/Watch with Developing ImplicationsÅ™).

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CRISIL Ratings has included debt of VRL (estimated around \$5.7 billion [excluding outstanding intercompany loans (ICL) of \$450 million] or Rs 47,500 crore as on September 30, 2023) to calculate the adjusted debt. This is because despite no legal recourse of VRL's debtholders to Vedanta, debt servicing by the parent will depend on the dividend outflow from Vedanta or refinancing, based on the implicit strength of the investments held by VRL, primarily Vedanta.

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Please refer Annexure - List of Entities Consolidated, which captures the list of entities considered and their analytical treatment of consolidation.

Key Rating Drivers & Detailed Description

Strengths:

- **Diversified business risk profile:** The Vedanta group operates across various businesses spanning zinc, lead, silver, aluminium, oil and gas, iron ore, power and steel. The group is among the largest producers in all these segments, thus commanding a strong position in the domestic market. A well-diversified business risk profile cushions the group from commodity-specific risks and cyclicity.
- **Low-cost position of key businesses:** The domestic zinc, lead and silver businesses are supported by low cost of production, large reserves and continued resource addition. Profitability in the oil and gas business is aided by low operating cost and a business model that ensures recovery of capex. Cash flow will be driven by capex-led growth in

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volume over the medium term.

Vedanta has recently won an arbitration award pertaining to the disallowed exploration costs claim, raised by the Directorate General of Hydrocarbons. CRISIL Ratings understands that this has resulted in higher profit-sharing with the Government of India. The management believes that this could be recovered over the next 4-5 quarters and thus, supporting cash accrual.

Higher integration to support profitability in the aluminium business over the medium term: Ebitda per tonne in the aluminium business rose by nearly 23%, to \$397 in the first half of fiscal 2024, from \$322 for the full fiscal 2023. This was driven by a 34% drop in power cost, led by improved materialisation of linkage coal and fall in coal prices. On the contrary, cost of alumina was volatile due to lower domestic bauxite mix and maintenance shutdown of the refinery. CRISIL Ratings understands that the domestic bauxite mix will increase over the next three quarters and materialisation of linkage coal will improve over the medium term, along with sustenance of lower coal prices. Ebitda per tonne is likely improve to \$500-550 for the current fiscal.

Vedanta is undertaking a capex programme for backward integration of its aluminium business. As part of the capex, the alumina refinery capacity will be enhanced to 5 million tonnes per annum (MTPA) in a phased manner over the next three quarters, from the existing 2 MTPA. The group also plans to develop captive coal mines with combined capacity of 34 MTPA and bauxite mine with a capacity of 6 MTPA. Bulk of this capex was to be implemented over the next 3-4 quarters, but has been postponed by the management by one to two quarters recently. Operationalisation of captive coal blocks at Kurloi north and Radhikapur (west) (in the second quarter of the next fiscal) in Odisha and focus on increasing local bauxite and alumina sourcing should enhance cost efficiency over the medium term. The coal block at Ghogharpalli in Odisha is likely to be commissioned during the first quarter of fiscal 2026, which will improve coal security for the aluminium business. This, along with the ongoing expansion in refinery capacity, should enhance operating efficiency by the end of fiscal 2024 and with full effect from fiscal 2025 onwards. Any material delay in structural improvement in the operational integration of the aluminium business, resulting in lower-than-expected growth in profitability, will remain a key monitorable.

Strong volume growth expected with capital allocation towards the zinc, aluminium and iron ore businesses: Increased mined metal capacity in domestic zinc, along with ramp-up of Gamsberg's (South Africa) operations in Zinc International, will support the scale-up in volume. Furthermore, Vedanta is undertaking a brownfield expansion of its aluminium smelter capacity (by 414 kilo tonne per annum [KTPA] in Balco), and also increasing its level of integration by expanding its refinery and increasing the share of value-added products. All these projects are expected to be commissioned in a phased manner over the next 3-4 quarters. In addition, CRISIL Ratings understands that the company will be increasing its iron ore capacities (domestic as well as overseas) over the next 1-2 years, which would further support volume growth. While the company is looking to divest its steel and iron ore business to support deleveraging, CRISIL Ratings understands that no binding sale agreement has been executed and the same will remain a key monitorable.

Weaknesses:

Continued refinancing risk at VRL and reduced liquidity at Vedanta, limiting flexibility of surplus dividend: While the LM exercise has extended most of the debt maturities at VRL, the company still has significant debt maturities (\$900 million per annum) over the next two fiscals. Hence, its dependence on refinancing or higher dividend payout by Vedanta continue to remain high. However, large dividend payouts during fiscal 2023 have resulted in significant reduction in cash balances at Vedanta. This has increased VRL's dependence on timely refinancing of upcoming debt maturities. Based on discussions with the management, CRISIL Ratings understands that the deleveraging through inorganic route of asset monetization is still underway. Furthermore, the management has articulated that normal dividend distribution along with payment of brand fees should be sufficient to address majority of the debt maturities at VRL during fiscal 2025. VRL's demonstrated ability to raise funds by stake sale during the current fiscal and its existing shareholding in Vedanta being significantly higher than 50% (currently at ~64%), and the group's track record of successful refinancing provide some comfort and flexibility to VRL. However, timely refinancing or repayment of debt maturities will be a key monitorable.

High leverage due to large debt (including VRL); though expected to improve over the medium term: Vedanta has had continued high debt levels over the past few fiscals, on account of large debt of its parent. Furthermore, continued assistance through dividend payout to the parent to support the latter's debt servicing has resulted in significant cash outflow to minority shareholders. This, along with moderation in operating profitability in the last fiscal, resulted in net leverage weakening to 3.4 times as of March 2023, from 2.2 times in March 2022. Further, it is expected to remain higher than rating thresholds of 2.7 times in fiscal 2024 due to moderation in operating profitability. Consolidated net leverage may witness improvement over the medium term, with expected improvement in profitability, reduced dividend outflow and continued focus on deleveraging will remain monitorable.

While the company has been incurring capex over the past fiscals (Rs 16,000 crore in fiscal 2023 and expected at Rs 15,000-20,000 crore in fiscals 2024 and 2025), its annual Ebitda has been adequate to support the same. Also, prudent capital allocation has backed increase in annual Ebitda against the levels seen pre-Covid. That said, profitability remains susceptible to volatility in the prices of metals and oil and gas. Any further delay in ramp-up of annual Ebitda against expectations, material acquisition or higher-than-expected cash outflow to support VRL will remain a key monitorable.

CRISIL Ratings has also noted the management's continued focus on deleveraging, including the intent to bring debt at VRL under \$5 billion over the medium term. Debt at VRL has already reduced by nearly \$3 billion since March 2022, resulting in outstanding external debt of around \$5.7 billion (excluding outstanding ICL of \$450 million) as on September 30, 2023. Thus, expected reduction in consolidated gross and net debt (including debt at VRL) should support financial flexibility of both Vedanta and VRL over the medium term, and will be a key monitorable. Any change or delay along these expectations will be a key rating sensitivity factor.

CRISIL Ratings also understands that the proposed capex for the semi-conductor and display production businesses (after calling off the joint venture with Foxconn) will now be executed under Vedanta. However, the management has articulated that the said project is at a nascent stage and there will be no immediate capital outlay towards the same. Progress in the semiconductor business will depend on identification of a new technology partner and various regulatory approvals, including the production linked incentive scheme, which are monitorables. Also, CRISIL Ratings understands that there are no plans by Vedanta to acquire the Konkola Copper Mines Plc (KCM) business of VRL over the medium term. Further developments in this regard will remain a monitorable.

Susceptibility to changes in regulations: The businesses are vulnerable to regulatory risk. The copper smelting plant at Thoothukkudi in Tamil Nadu has been shut since May 2018 following a directive from the Tamil Nadu Pollution Control Board. Suspension of the iron ore mining operations in Goa currently, and in Karnataka in the past, have adversely impacted the iron ore business. Furthermore, the March 2021 order of the Delhi High Court on profit sharing contract (PSC) extension, ruling against the company, will reduce the profit margin for the oil and gas business.

Liquidity: Strong

Liquidity of Vedanta remains healthy: Cash accrual before dividend payout, projected around Rs 25,000 crore in fiscal 2024 and around Rs 26,000 - 28,000 crore in fiscal 2025, will comfortably cover Vedanta's term debt obligation of around Rs 7,000 crore for the last quarter of fiscal 2024 and Rs 11,600 crore for full fiscal 2025. Cash balance of Rs 16,702 crore (net of ICL to VRL) as on September 30, 2023, unutilised bank limit (around Rs 7,000 crore as on October 31, 2023), and flexibility regarding capex, support liquidity at Vedanta. The company is in the process to refinance a significant portion of its principal debt obligation in fiscals 2024 and 2025, based on its track record and strong banking relationships.

Liquidity for VRL witnessed moderation: The parent has an annual interest expense of around Rs 6,700-7,000 crore (\$800-850 million) towards its outstanding debt, and services it mainly via dividends received from Vedanta and partly through management and brand fee, also received from the latter. While VRL has refinanced most of its near-term debt maturities (\$3.2 billion) through LM exercise, it still has significant debt maturities (\$900 million per annum) over the next two fiscals. However, VRL is expected to refinance/ part repay the same in a timely manner. Any delay in expected timelines for required refinancing (of 3-6 months in advance) of future debt servicing will be a key rating sensitivity factor.

Environment, social, and governance (ESG) profile: Vedanta has a dominant position in the metals and mining sector and has diversified its business risk profile with presence across multiple commodities such as zinc, aluminium, oil and gas, and iron ore. However, for the ESG assessment, CRISIL Ratings has evaluated Vedanta's top three business segments (zinc, aluminium, and oil and gas) which, on a combined basis, contribute more than 90% to the consolidated operating profit.

The ESG profile supports the existing credit risk profile of Vedanta. The metal and mining sector has a significant impact on the environment owing to high greenhouse gas (GHG) emissions, waste generation and water consumption. This is because of the energy-intensive manufacturing process and its high dependence on natural resources such as coal. The sector also has a significant social impact because of its large workforce across its operations and value chain partners, and also as its operations affect the local community and involve health hazards.

Key highlights

- Vedanta aims to become carbon neutral by 2050 or sooner as it envisages 20% reduction in GHG emissions intensity by 2025, from the 2012 baseline, and 25% reduction in its absolute carbon emission intensity by 2030. Vedanta has reduced GHG emissions by 57% from fiscal 2021 baseline.
- The company has been improving its water recycling rate and recycled 30.6% of total water consumed in fiscal 2022. It has set a target to achieve net water positivity by 2030. The company recycled 98% of its high-volume, low-toxicity waste in fiscal 2022 (94% in fiscal 2021), and targets zero net waste by 2025.
- The loss time injury frequency rate for Vedanta was 0.42 in fiscal 2023 against 0.46 in the previous fiscal for the permanent employees of the business. The company had more fatalities in the past year as compared to earlier. However, the company targets zero harm and fatalities going forward.
- Gender diversity is 8.01% and the company aims to increase the share of women employees to 20% by 2030.
- The governance structure is characterised by 50% of the board comprising independent directors (none with tenure exceeding 10 years), split in chairman and CEO positions, dedicated investor grievance redressal mechanism and healthy disclosures
- Few regulatory issues, mainly related to environmental concerns, have led to suspension of some businesses (copper business in Tamil Nadu and iron ore mining in Goa due to state-wide ban on mining in Goa) in the past few years. These events have also had social impact due to job losses. These matters are sub judice.

There is growing importance of ESG among investors and lenders. The commitment of Vedanta to ESG principles will play a key role in enhancing stakeholder confidence, given its high share of market borrowing in its overall debt and access to both domestic and foreign capital markets (mainly by VRL).

Rating Sensitivity factors

Upward factors:

- Significant increase in Ebitda owing to ramp-up in volume and continued cost efficiency across businesses, and improving business resilience, on sustained basis
- Structural and sustained improvement in aluminium profitability, with total cost of production of aluminium structurally reducing to below \$1800 per tonne, resulting in Ebitda per tonne higher than \$700-800 on a sustained basis
- Sustained deleveraging with material reduction in consolidated net debt on continued basis, resulting in significantly higher-than-expected reduction in net debt to Ebitda ratio, from the current levels

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Downward factors:

- Lower-than-expected EBITDA because of higher-than-expected cost of production, slower volume ramp-up, or lower realization
- Delay in meaningful correction in financial leverage with net debt to Ebitda ratio sustaining above 3.2 à€” 3.4 times
- Financial stress at VRL leading to reduced financial flexibility at Vedanta
- Any incremental investment or support to VRL or Volcan Investments Ltd resulting in leverage at Vedanta remaining higher than our rating thresholds

About the Company

VRL holds 63.71% stake in Vedanta and has diversified operations across metals, mining, power, and oil and gas segments.

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Capacities	Location
2.3 MTPA aluminium smelters in VDL and Balco	Jharsuguda, Odisha
2.0 MTPA alumina refinery	Lanjigarh, Odisha
1,980-megawatt independent power plant	Talwandi Sabo, Punjab
1.2 MTPA zinc/silver mines and 0.9 MTPA zinc smelters	Rajasthan
5.6 MTPA zinc mines and 290 kilo tonne zinc smelters	South Africa, Namibia
1,194 million barrels of oil equivalent oil and gas reserves	Rajasthan, Gujarat, Maharashtra, Andhra Pradesh, Assam, Tamil Nadu and Tripura
1.5 MTPA long steel rolling in Electrosteel Steel (held 95.5%)	Bokaro, Jharkhand

Key Financial Indicators

Particulars	Unit	FY23	FY22
Operating income	Rs crore	148,790	131,192
Profit after tax (PAT)	Rs crore	14,503	23,710
PAT margin	%	9.7	18.1
Adjusted debt/adjusted networkth	Times	2.92	1.59
Interest coverage	Times	6.1	9.45

Any other information: Not applicable

Note on complexity levels of the rated instrument:

CRISIL Ratings` complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure -À Details of Instrument'À in this Rating Rationale.

CRISIL Ratings will disclose complexity level for all securities -À including those that are yet to be placed -À based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the CRISIL Ratings` complexity levels please visit www.crisilratings.com. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name of the instrument	Date of Allotment	Coupon Rate (%)	Maturity Date	Issue size (Rs. Crore)	Complexity Level	Rating assigned with outlook
INE205A07196	Debentures	25-Feb-2020	9.20%	25-Feb-2030	2000	Simple	CRISIL AA-/Watch Developing
INE205A07212	Debentures	31-Dec-2021	7.68%	31-Dec-2024	1000	Simple	CRISIL AA-/Watch Developing
INE205A07220	Debentures	29-Jun-2022	8.74%	29-Jun-2032	4089	Simple	CRISIL AA-/Watch Developing
INE205A08012	Debentures	16-Dec-2022	3M T-bill	15-Mar-2024	800	Simple	CRISIL AA-/Watch Developing
NA	Debentures%	NA	NA	NA	1555	Simple	CRISIL AA-/Watch Developing
NA	Commercial paper	NA	NA	7-365 days	10000	Simple	CRISIL A1+/Watch Developing
NA	Fund-based facilities^	NA	NA	NA	5,450	NA	CRISIL AA-/Watch Developing
NA	Fund-based facilities	NA	NA	NA	540	NA	CRISIL AA-/Watch Developing
NA	Fund-based facilities**	NA	NA	NA	250	NA	CRISIL AA-/Watch Developing
NA	Non-fund-based limit#	NA	NA	NA	19,990	NA	CRISIL A1+/Watch Developing
NA	Non-fund-based limit	NA	NA	NA	820	NA	CRISIL A1+/Watch Developing
NA	Non-fund-based limit*	NA	NA	NA	500	NA	CRISIL AA-/Watch Developing
NA	Proposed long-term bank loan facility	NA	NA	NA	2682	NA	CRISIL AA-/Watch Developing
NA	Term loan	NA	NA	30-Sep-2026	38	NA	CRISIL AA-/Watch Developing
NA	Term loan	NA	NA	31-Dec-2026	41	NA	CRISIL AA-/Watch Developing
NA	Term loan	14-Dec-2021	NA	30-Sep-2026	67	NA	CRISIL AA-/Watch Developing
NA	Term loan	31-Oct-2020	NA	31-Jan-2025	54	NA	CRISIL AA-/Watch Developing
NA	Term loan	NA	NA	30-Sep-2026	126	NA	CRISIL AA-/Watch Developing
NA	Term loan	27-Jul-2018	NA	30-Sep-2024	143.5	NA	CRISIL AA-/Watch Developing
NA	Term loan	NA	NA	31-Dec-2026	176	NA	CRISIL AA-/Watch Developing
NA	Term loan	NA	NA	30-Sep-2026	189	NA	CRISIL AA-/Watch Developing
NA	Term loan	NA	NA	30-Sep-2026	210	NA	CRISIL AA-/Watch Developing
NA	Term loan	24-Mar-2023	NA	23-Mar-2028	238	NA	CRISIL AA-/Watch Developing
NA	Term loan	30-Nov-2019	NA	31-Mar-2025	350	NA	CRISIL AA-/Watch Developing
NA	Term loan	30-Sep-2018	NA	30-Dec-2028	348	NA	CRISIL AA-/Watch Developing
NA	Term loan	12-Mar-2020	NA	30-Jun-2025	414	NA	CRISIL AA-/Watch Developing
NA	Term loan	NA	NA	31-Dec-2026	440	NA	CRISIL AA-/Watch Developing
NA	Term loan	29-Apr-2022	NA	31-Dec-2026	443	NA	CRISIL AA-/Watch Developing
NA	Term loan	28-Nov-2022	NA	30-Nov-2027	425	NA	CRISIL AA-/Watch Developing
NA	Term loan	15-Feb-2023	NA	31-Dec-2027	490	NA	CRISIL AA-/Watch Developing
NA	Term loan	8-Dec-2022	NA	31-Dec-2029	743	NA	CRISIL AA-/Watch Developing
NA	Term loan	25-Jul-2014	NA	30-Sep-2025	708	NA	CRISIL AA-/Watch Developing
NA	Term loan	18-Jul-2022	NA	30-Jun-2027	910	NA	CRISIL AA-/Watch Developing
NA	Term loan	31-Mar-2022	NA	31-Mar-2028	1000	NA	CRISIL AA-/Watch Developing
NA	Term loan	28-Sep-2021	NA	30-Sep-2026	940	NA	CRISIL AA-/Watch Developing
NA	Term loan	30-Jun-2022	NA	31-Mar-2027	1157	NA	CRISIL AA-/Watch Developing
NA	Term loan	30-Jan-2023	NA	27-Feb-2028	1166	NA	CRISIL AA-/Watch Developing
NA	Term loan	24-Nov-2022	NA	30-Nov-2024	300	NA	CRISIL AA-/Watch Developing
NA	Term loan	30-Aug-2021	NA	30-Sep-2026	410	NA	CRISIL AA-/Watch Developing
NA	Term loan	15-Sep-2021	NA	30-Sep-2026	410	NA	CRISIL AA-/Watch Developing
NA	Term loan	31-Dec-2021	NA	30-Sep-2027	1945	NA	CRISIL AA-/Watch Developing
NA	Term loan	26-Aug-2021	NA	30-Sep-2026	3901	NA	CRISIL AA-/Watch Developing
NA	Term loan	3-Aug-2018	NA	31-Mar-2028	7038	NA	CRISIL AA-/Watch Developing
NA	Term loan	31-Mar-2022	NA	31-Mar-2025	211	NA	CRISIL AA-/Watch Developing

NA	Term Loan	Sep-2023	NA	Sep-2028	1000	NA	CRISIL AA-/Watch Developing
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^ Fund-based limit is completely interchangeable with non-fund-based limit

#Non-fund-based limit of Rs 2,000 crore is interchangeable with fund-based limit

*Capex letter of credit limit is interchangeable with operational non-fund-based limit

% Yet to be placed

**Interchangeable between Fund Based (all categoriesâ€™™, including Intra-day overdraft) and Non-Fund Basedâ€™™

Annexure â€™™ List of entities consolidated

Name of entity	Type of consolidation	Rationale for consolidation
Hindustan Zinc Ltd	Full consolidation	Significant financial and operational linkages
Bharat Aluminium Company Ltd	Full consolidation	Significant financial and operational linkages
MALCO Energy Ltd	Full consolidation	Significant financial and operational linkages
Talwandi Sabo Power Ltd	Full consolidation	Significant financial and operational linkages
Sesa Resources Ltd	Full consolidation	Significant financial and operational linkages
Sesa Mining Corporation Ltd	Full consolidation	Significant financial and operational linkages
Sterlite Ports Ltd	Full consolidation	Significant financial and operational linkages
Maritime Ventures Pvt Ltd	Full consolidation	Significant financial and operational linkages
Goa Sea Port Pvt Ltd	Full consolidation	Significant financial and operational linkages
Vizag General Cargo Berth Pvt Ltd	Full consolidation	Significant financial and operational linkages
Paradip Multi Cargo Berth Pvt Ltd	Full consolidation	Significant financial and operational linkages
Copper Mines of Tasmania Pty Ltd	Full consolidation	Significant financial and operational linkages
Thalanga Copper Mines Pty Ltd	Full consolidation	Significant financial and operational linkages
Monte Cello B V	Full consolidation	Significant financial and operational linkages
Bloom Fountain Ltd	Full consolidation	Significant financial and operational linkages
Twinstar Energy Holding Ltd	Full consolidation	Significant financial and operational linkages
Twinstar Mauritius Holding Ltd	Full consolidation	Significant financial and operational linkages
Western Clusters Ltd	Full consolidation	Significant financial and operational linkages
Sterlite (USA) Inc	Full consolidation	Significant financial and operational linkages
Fujairah Gold FZC	Full consolidation	Significant financial and operational linkages
THL Zinc Ventures Ltd	Full consolidation	Significant financial and operational linkages
THL Zinc Ltd	Full consolidation	Significant financial and operational linkages
THL Zinc Holding B V	Full consolidation	Significant financial and operational linkages
THL Zinc Namibia Holdings (Proprietary) Ltd	Full consolidation	Significant financial and operational linkages
Skorpion Zinc (Proprietary) Ltd	Full consolidation	Significant financial and operational linkages
Skorpion Mining Company (Proprietary) Ltd	Full consolidation	Significant financial and operational linkages
Namzinc (Proprietary) Ltd	Full consolidation	Significant financial and operational linkages
Amica Guesthouse (Proprietary) Ltd	Full consolidation	Significant financial and operational linkages
Rosh Pinah Healthcare (Proprietary) Ltd	Full consolidation	Significant financial and operational linkages
Black Mountain Mining (Proprietary) Ltd	Full consolidation	Significant financial and operational linkages
Vedanta Lisheen Holdings Ltd	Full consolidation	Significant financial and operational linkages
Vedanta Lisheen Mining Ltd	Full consolidation	Significant financial and operational linkages
Killoran Lisheen Mining Ltd	Full consolidation	Significant financial and operational linkages
Killoran Lisheen Finance Ltd	Full consolidation	Significant financial and operational linkages
Lisheen Milling Ltd	Full consolidation	Significant financial and operational linkages
Vedanta Exploration Ireland Ltd	Full consolidation	Significant financial and operational linkages
Lisheen Mine Partnership	Full consolidation	Significant financial and operational linkages
Lakomasko BV	Full consolidation	Significant financial and operational linkages
Cairn India Holdings Ltd	Full consolidation	Significant financial and operational linkages
Cairn Energy Hydrocarbons Ltd	Full consolidation	Significant financial and operational linkages
Cairn Exploration (No. 2) Ltd	Full consolidation	Significant financial and operational linkages
Cairn Energy Gujarat Block 1 Ltd	Full consolidation	Significant financial and operational linkages
Cairn Energy Discovery Ltd	Full consolidation	Significant financial and operational linkages
Cairn Energy India Pty Ltd	Full consolidation	Significant financial and operational linkages
CIG Mauritius Holdings Pvt Ltd	Full consolidation	Significant financial and operational linkages
CIG Mauritius Pvt Ltd	Full consolidation	Significant financial and operational linkages
Cairn Lanka (Pvt) Ltd	Full consolidation	Significant financial and operational linkages
Cairn South Africa Proprietary Ltd	Full consolidation	Significant financial and operational linkages
Avanstrate (Japan) Inc (ASI)	Full consolidation	Significant financial and operational linkages
Avanstrate (Korea) Inc	Full consolidation	Significant financial and operational linkages
Avanstrate (Taiwan) Inc	Full consolidation	Significant financial and operational linkages
Sesa Sterlite Mauritius Holdings Ltd	Full consolidation	Significant financial and operational linkages
ESL Steels Ltd	Full consolidation	Significant financial and operational linkages
RoshSkor Township (Pty) Ltd	Equity method	Proportionate consolidation
Gaurav Overseas Pvt Ltd	Equity method	Proportionate consolidation
Rampia Coal Mines and Energy Pvt Ltd	Equity method	Proportionate consolidation
Madanpur South Coal Company Ltd	Equity method	Proportionate consolidation
Goa Maritime Pvt Ltd	Equity method	Proportionate consolidation

Annexure - Rating History for last 3 Years

Instrument	Type	Current		2024 (History)		2023â€™™		2022â€™™		2021â€™™		Start of 2021
		Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	
Fund Based Facilities	LT	34953.5	CRISIL AA-/Watch Developing	â€™™	--	26-12-23	CRISIL AA-/Watch Developing	30-12-22	CRISIL AA/Stable	25-11-21	CRISIL AA-/Positive	CRISIL A1+ / CRISIL AA-/Stable
	â€™™	â€™™	--	â€™™	--	12-12-23	CRISIL AA-/Watch Developing	30-09-22	CRISIL AA/Stable	27-10-21	CRISIL AA-/Positive	CRISIL AA/Negative
	â€™™	â€™™	--	â€™™	--	17-11-23	CRISIL AA-/Watch Developing	12-08-22	CRISIL AA/Stable	03-05-21	CRISIL AA-/Stable	--
	â€™™	â€™™	--	â€™™	--	13-10-23	CRISIL AA/Watch Negative	29-07-22	CRISIL AA/Stable	08-02-21	CRISIL A1+ / CRISIL AA-/Stable	--
	â€™™	â€™™	--	â€™™	--	04-10-23	CRISIL AA/Watch Negative	06-05-22	CRISIL AA/Stable	â€™™	--	--
	â€™™	â€™™	--	â€™™	--	26-04-23	CRISIL AA/Negative	18-04-22	CRISIL AA/Stable	â€™™	--	--
	â€™™	â€™™	--	â€™™	--	28-03-23	CRISIL AA/Negative	25-02-22	CRISIL AA/Stable	â€™™	--	--
	â€™™	â€™™	--	â€™™	--	â€™™	--	25-01-22	CRISIL AA-/Positive	â€™™	--	--
Non-Fund Based Facilities	ST/LT	21310.0	CRISIL A1+/Watch Developing / CRISIL AA-/Watch Developing	â€™™	--	26-12-23	CRISIL A1+/Watch Developing / CRISIL AA-/Watch Developing	30-12-22	CRISIL A1+ / CRISIL AA/Stable	25-11-21	CRISIL AA-/Positive / CRISIL A1+	CRISIL A1+
	â€™™	â€™™	--	â€™™	--	12-12-23	CRISIL A1+/Watch Developing / CRISIL AA-	30-09-22	CRISIL A1+ / CRISIL	27-10-21	CRISIL AA-/Positive /	--

							/Watch Developing		AA/Stable		CRISIL A1+	
Â	Â	Â	-	Â	-	17-11-23	CRISIL A1+/Watch Developing / CRISIL AA-/Watch Developing	12-08-22	CRISIL A1+ / CRISIL AA/Stable	03-05-21	CRISIL A1+ / CRISIL AA-/Stable	-
Â	Â	Â	-	Â	-	13-10-23	CRISIL A1+ / CRISIL AA/Watch Negative	29-07-22	CRISIL A1+ / CRISIL AA/Stable	08-02-21	CRISIL A1+ / CRISIL AA-/Stable	-
Â	Â	Â	-	Â	-	04-10-23	CRISIL A1+ / CRISIL AA/Watch Negative	06-05-22	CRISIL A1+ / CRISIL AA/Stable	Â	-	-
Â	Â	Â	-	Â	-	26-04-23	CRISIL AA/Negative / CRISIL A1+	18-04-22	CRISIL A1+ / CRISIL AA/Stable	Â	-	-
Â	Â	Â	-	Â	-	28-03-23	CRISIL AA/Negative / CRISIL A1+	25-02-22	CRISIL A1+ / CRISIL AA/Stable	Â	-	-
Â	Â	Â	-	Â	-	Â	-	25-01-22	CRISIL AA-/Positive / CRISIL A1+	Â	-	-
Commercial Paper	ST	10000.0	CRISIL A1+/Watch Developing	Â	-	26-12-23	CRISIL A1+/Watch Developing	30-12-22	CRISIL A1+	25-11-21	CRISIL A1+	CRISIL A1+
Â	Â	Â	-	Â	-	12-12-23	CRISIL A1+/Watch Developing	30-09-22	CRISIL A1+	27-10-21	CRISIL A1+	-
Â	Â	Â	-	Â	-	17-11-23	CRISIL A1+/Watch Developing	12-08-22	CRISIL A1+	03-05-21	CRISIL A1+	-
Â	Â	Â	-	Â	-	13-10-23	CRISIL A1+	29-07-22	CRISIL A1+	08-02-21	CRISIL A1+	-
Â	Â	Â	-	Â	-	04-10-23	CRISIL A1+	06-05-22	CRISIL A1+	Â	-	-
Â	Â	Â	-	Â	-	26-04-23	CRISIL A1+	18-04-22	CRISIL A1+	Â	-	-
Â	Â	Â	-	Â	-	28-03-23	CRISIL A1+	25-02-22	CRISIL A1+	Â	-	-
Â	Â	Â	-	Â	-	Â	-	25-01-22	CRISIL A1+	Â	-	-
Non Convertible Debentures	LT	9444.0	CRISIL AA-/Watch Developing	Â	-	26-12-23	CRISIL AA-/Watch Developing	30-12-22	CRISIL AA/Stable	25-11-21	CRISIL AA-/Positive	Withdrawn
Â	Â	Â	-	Â	-	12-12-23	CRISIL AA-/Watch Developing	30-09-22	CRISIL AA/Stable	27-10-21	CRISIL AA-/Positive	-
Â	Â	Â	-	Â	-	17-11-23	CRISIL AA-/Watch Developing	12-08-22	CRISIL AA/Stable	03-05-21	CRISIL AA-/Stable	-
Â	Â	Â	-	Â	-	13-10-23	CRISIL AA/Watch Negative	29-07-22	CRISIL AA/Stable	08-02-21	CRISIL AA-/Stable	-
Â	Â	Â	-	Â	-	04-10-23	CRISIL AA/Watch Negative	06-05-22	CRISIL AA/Stable	Â	-	-
Â	Â	Â	-	Â	-	26-04-23	CRISIL AA/Negative	18-04-22	CRISIL AA/Stable	Â	-	-
Â	Â	Â	-	Â	-	28-03-23	CRISIL AA/Negative	25-02-22	CRISIL AA/Stable	Â	-	-
Â	Â	Â	-	Â	-	Â	-	25-01-22	CRISIL AA-/Positive	Â	-	-

All amounts are in Rs.Cr.

Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Name of Lender	Rating
Fund-Based Facilities**	250	Citibank N. A.	CRISIL AA-/Watch Developing
Fund-Based Facilities^	250	Emirates NBD Bank PJSC	CRISIL AA-/Watch Developing
Fund-Based Facilities^	1000	State Bank of India	CRISIL AA-/Watch Developing
Fund-Based Facilities^	2000	Bank of Baroda	CRISIL AA-/Watch Developing
Fund-Based Facilities	200	Kotak Mahindra Bank Limited	CRISIL AA-/Watch Developing
Fund-Based Facilities	340	Barclays Bank Plc.	CRISIL AA-/Watch Developing
Fund-Based Facilities^	200	YES Bank Limited	CRISIL AA-/Watch Developing
Fund-Based Facilities^	400	Axis Bank Limited	CRISIL AA-/Watch Developing
Fund-Based Facilities^	200	IDBI Bank Limited	CRISIL AA-/Watch Developing
Fund-Based Facilities^	100	IndusInd Bank Limited	CRISIL AA-/Watch Developing
Fund-Based Facilities^	5	Standard Chartered Bank Limited	CRISIL AA-/Watch Developing
Fund-Based Facilities^	600	ICICI Bank Limited	CRISIL AA-/Watch Developing
Fund-Based Facilities^	95	HDFC Bank Limited	CRISIL AA-/Watch Developing
Fund-Based Facilities^	600	Deutsche Bank	CRISIL AA-/Watch Developing
Non-Fund Based Limit#	3780	ICICI Bank Limited	CRISIL A1+/Watch Developing
Non-Fund Based Limit#	7500	State Bank of India	CRISIL A1+/Watch Developing
Non-Fund Based Limit#	4405	HDFC Bank Limited	CRISIL A1+/Watch Developing
Non-Fund Based Limit#	800	Axis Bank Limited	CRISIL A1+/Watch Developing
Non-Fund Based Limit#	1230	YES Bank Limited	CRISIL A1+/Watch Developing
Non-Fund Based Limit#	1150	IDBI Bank Limited	CRISIL A1+/Watch Developing
Non-Fund Based Limit#	350	DBS Bank Limited	CRISIL A1+/Watch Developing
Non-Fund Based Limit#	475	IDFC FIRST Bank Limited	CRISIL A1+/Watch Developing
Non-Fund Based Limit#	300	IndusInd Bank Limited	CRISIL A1+/Watch Developing
Non-Fund Based Limit	820	MUFG Bank Limited	CRISIL A1+/Watch Developing
Non-Fund Based Limit*	500	IndusInd Bank Limited	CRISIL AA-/Watch Developing
Proposed Long Term Bank Loan Facility	2682	Not Applicable	CRISIL AA-/Watch Developing
Term Loan	41	CSB Bank Limited	CRISIL AA-/Watch Developing
Term Loan	210	UCO Bank	CRISIL AA-/Watch Developing
Term Loan	743	Bank of Maharashtra	CRISIL AA-/Watch Developing
Term Loan	1157	Bank of Baroda	CRISIL AA-/Watch Developing
Term Loan	820	Canara Bank	CRISIL AA-/Watch Developing
Term Loan	440	Bank of Maharashtra	CRISIL AA-/Watch Developing

Term Loan	176	Bajaj Finance Limited	CRISIL AA-/Watch Developing
Term Loan	350	Citibank N. A.	CRISIL AA-/Watch Developing
Term Loan	143.5	Kotak Mahindra Bank Limited	CRISIL AA-/Watch Developing
Term Loan	490	Axis Bank Limited	CRISIL AA-/Watch Developing
Term Loan	54	United Bank Limited	CRISIL AA-/Watch Developing
Term Loan	38	The Karur Vysya Bank Limited	CRISIL AA-/Watch Developing
Term Loan	126	Bandhan Bank Limited	CRISIL AA-/Watch Developing
Term Loan	414	Indian Overseas Bank	CRISIL AA-/Watch Developing
Term Loan	1000	Axis Bank Limited	CRISIL AA-/Watch Developing
Term Loan	67	Axis Bank Limited	CRISIL AA-/Watch Developing
Term Loan	238	IDBI Bank Limited	CRISIL AA-/Watch Developing
Term Loan	1000	UCO Bank	CRISIL AA-/Watch Developing
Term Loan	300	IndusInd Bank Limited	CRISIL AA-/Watch Developing
Term Loan	940	Punjab National Bank	CRISIL AA-/Watch Developing
Term Loan	189	IDFC FIRST Bank Limited	CRISIL AA-/Watch Developing
Term Loan	348	ICICI Bank Limited	CRISIL AA-/Watch Developing
Term Loan	1945	Indian Bank	CRISIL AA-/Watch Developing
Term Loan	708	State Bank of India	CRISIL AA-/Watch Developing
Term Loan	1166	Indian Bank	CRISIL AA-/Watch Developing
Term Loan	7249	Union Bank of India	CRISIL AA-/Watch Developing
Term Loan	3901	Bank of Baroda	CRISIL AA-/Watch Developing
Term Loan	443	Axis Bank Limited	CRISIL AA-/Watch Developing
Term Loan	910	Canara Bank	CRISIL AA-/Watch Developing
Term Loan	425	YES Bank Limited	CRISIL AA-/Watch Developing

^ Fund-based limit is completely interchangeable with non-fund-based limit

#Non-fund-based limit of Rs 2,000 crore is interchangeable with fund-based limit

*Capex letter of credit limit is interchangeable with operational non-fund-based limit

**Interchangeable between Fund Based (all categories^{â€}™, including Intra-day overdraft) and Non-Fund Based^{â€}™

Criteria Details

Links to related criteria

[CRISILs Approach to Financial Ratios](#)

[Rating criteria for manufacturing and service sector companies](#)

[CRISILs Bank Loan Ratings - process, scale and default recognition](#)

[Rating Criteria for Mining Industry](#)

[CRISILs Criteria for rating short term debt](#)

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