

Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

**Review Report to
The Board of Directors
Vedanta Limited**

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of Vedanta Limited (the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and joint ventures for the quarter ended September 30, 2021 and year to date from April 1, 2021 to September 30, 2021 (the "Statement") attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the entities as mentioned in Annexure I
5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of other auditors referred to in paragraph 7 and 9 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Emphasis of Matter

6. We draw attention to note 4 of the accompanying consolidated financial results which describes the uncertainty arising out of the demands that have been raised on the Group, with respect to government's share of profit oil by the Director General of Hydrocarbons and one of the pre-conditions for the extension of the Production Sharing Contract (PSC) for the Rajasthan oil block is the settlement of these demands. While the Government has granted permission to the Group to continue operations in the block till October 31, 2021 or signing of the PSC addendum, whichever is earlier, the Company, based on external legal advice, believes it is in compliance with the necessary conditions to secure an extension of this PSC and that the demands are untenable and hence no provision is required in respect of these demands. Our conclusion is not modified in respect of this matter.

Other matters

7. The accompanying Statement includes the unaudited interim financial results and other financial information, in respect of:

- 7 subsidiaries, whose unaudited interim financial results include total assets of Rs. 17,611 crores, total revenues of Rs. 2,523 crores and Rs 4,928 crores, total net profit after tax of Rs. 34 crores and Rs 308 crores and total comprehensive income of Rs. 32 crores and Rs. 307 crores, for the quarter ended September 30, 2021 and for the period from April 01, 2021 to September 30, 2021, respectively, and net cash outflows of Rs 15 crores for the period from April 01, 2021 to September 30, 2021 as considered in the Statement which have been reviewed by their respective independent auditors.
- 1 associate and 1 joint venture, whose unaudited interim financial results include Group's share of net profit of Rs. Nil and Group's share of total comprehensive income of Rs. Nil for both the quarter ended September 30, 2021 and for the period from April 01, 2021 to September 30, 2021 as considered in the Statement whose interim financial results, other financial information have been reviewed by their respective independent auditors.

The independent auditor's reports on interim financial results of these entities have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures in respect of these subsidiaries and associates is based solely on the report of such auditors and procedures performed by us as stated in paragraph 3 above.

8. Certain of these subsidiaries and associates are located outside India whose financial results and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial results of such subsidiaries and associates located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Holding Company's management. Our conclusion in so far as it relates to the balances and affairs of such subsidiaries and associates located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and reviewed by us.
9. The accompanying Statement includes unaudited interim financial results and other unaudited financial information in respect of:
- 12 subsidiaries, whose interim financial results and other financial information reflect total assets of Rs. 7,252 crores as at September 30, 2021, total revenues of Rs. 382 crores and Rs. 769 crores, total net profit after tax of Rs. 294 crores and Rs. 335 crores and total comprehensive income of Rs. 294 crores and Rs 335 crores, for the quarter ended September 30, 2021 and for the period from April 01, 2021 to September 30, 2021, respectively, and net cash inflows of Rs. 6 crores for the period from April 01, 2021 to September 30, 2021 as considered in the consolidated financial results;

- 3 associates and 3 joint ventures, whose interim financial results includes the Group's share of net profit of Rs. Nil and Group's share of total comprehensive income of Rs. Nil for both the quarter ended September 30, 2021 and for the period from April 01, 2021 to September 30, 2021.
- 1 unincorporated joint venture not operated by the group; whose financial statements includes the Group's share of total assets of Rs. 105 crores as at September 30, 2021.

The unaudited interim financial results and other unaudited financial information of the these have been approved and furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the affairs of these subsidiaries, joint ventures and joint operations and associates, is based solely on such unaudited interim financial results and other unaudited financial information. According to the information and explanations given to us by the Management, these interim financial results are not material to the Group.

Our conclusion on the Statement in respect of matters stated in para 7, 8 and 9 above is not modified with respect to our reliance on the work done and the reports of the other auditors and the financial results certified by the Management.

For S.R. BATLIBOI & Co. LLP

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

**SUDHIR
MURLIDHAR
SONI**

Digitally signed by SUDHIR
MURLIDHAR SONI
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Date: 2021.10.29 14:44:08 +05'30'

per Sudhir Soni

Partner

Membership No.: 41870

UDIN: 21041870AAAACA3725

Place : Mumbai

Date : October 29, 2021

Annexure 1 to our report dated October 29, 2021 on the consolidated financial results of Vedanta Limited for quarter ended September 30, 2021**List of subsidiaries/associates/ joint ventures****Subsidiaries**

S. No.	Name
1	Bharat Aluminium Company Limited (BALCO)
2	Copper Mines of Tasmania Pty Limited (CMT)
3	Fujairah Gold FZE
4	Hindustan Zinc Limited (HZL)
5	Monte Cello BV (MCBV)
6	Sesa Resources Limited (SRL)
7	Sesa Mining Corporation Limited
8	Thalanga Copper Mines Pty Limited (TCM)
9	MALCO Energy Limited (MEL)
10	Lakomasko B.V.
11	THL Zinc Ventures Limited
12	THL Zinc Limited
13	Sterlite (USA) Inc.
14	Talwandi Sabo Power Limited
15	THL Zinc Namibia Holdings (Pty) Limited (VNHL)
16	Skorpion Zinc (Pty) Limited (SZPL)
17	Namzinc (Pty) Limited (SZ)
18	Skorpion Mining Company (Pty) Limited (NZ)
19	Amica Guesthouse (Pty) Ltd
20	Black Mountain Mining (Pty) Ltd
21	THL Zinc Holding BV
22	Vedanta Lisheen Holdings Limited (VLHL)
23	Vedanta Exploration Ireland Limited
24	Vedanta Lisheen Mining Limited (VLML)
25	Killoran Lisheen Mining Limited
26	Killoran Lisheen Finance Limited
27	Lisheen Milling Limited
28	Vizag General Cargo Berth Private Limited
29	Paradip Multi Cargo Berth Private Limited
30	Sterlite Ports Limited (SPL)
31	Maritime Ventures Private Limited
32	Goa Sea Port Private Limited
33	Bloom Fountain Limited (BFM)
34	Western Cluster Limited
35	Cairn India Holdings Limited
36	Cairn Energy Hydrocarbons Ltd
37	Cairn Energy Gujarat Block 1 Limited
38	CIG Mauritius Holdings Private Limited
39	CIG Mauritius Private Limited
40	Cairn Lanka Private Limited
41	Cairn South Africa Pty Limited
42	Vedanta ESOS Trust
43	Avanstrate (Japan) Inc. (ASI)
44	Avanstrate (Korea) Inc
45	Avanstrate (Taiwan) Inc

S.R. BATLIBOI & CO. LLP

Chartered Accountants

S. No.	Name
46	Electrosteel Steels Limited
47	Lisheen Mine Partnership
48	Ferro Alloy Corporation Limited (FACOR)
49	Facor Power Limited (FPL)
50	Facor Realty and Infrastructure Limited

Associates

S. No.	Name
1	RoshSkor Township (Proprietary) Limited
2	Gaurav Overseas Private Limited
3	Raykal Aluminium Company Private Limited
4	Rampia Coal Mines and Energy Private limited (Struck off by the MCA on April 19, 2021)

Joint Ventures

S. No.	Name
1	Goa Maritime Private Limited
2	Madanpur South Coal Company Limited
3	Rosh Pinah Healthcare (Pty) Ltd
4	Gergarub Exploration and Mining (Pty) Limited



Vedanta Limited
CIN no. L13209MH1965PLC291394

Regd. Office: Vedanta Limited, 1st Floor, 'C' wing, Unit 103, Corporate Avenue, Atul Projects, Chakala, Andheri (East), Mumbai-400093, Maharashtra

STATEMENT OF UNAUDITED CONSOLIDATED RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2021

(₹ in Crore, except as stated)

S. No.	Particulars	Quarter ended			Half year ended		Year ended
		30.09.2021 (Unaudited)	30.06.2021 (Unaudited)	30.09.2020* (Unaudited)	30.09.2021 (Unaudited)	30.09.2020* (Unaudited)	31.03.2021 (Audited)
1	Revenue from operations	30,048	28,105	20,804	58,153	36,491	86,863
2	Other operating income	353	307	303	660	589	1,158
3	Other income	673	739	651	1,412	1,676	3,421
	Total income	31,074	29,151	21,758	60,225	38,756	91,442
4	Expenses						
a)	Cost of materials consumed	8,167	8,207	5,295	16,374	9,766	22,849
b)	Purchases of stock-in-trade	0	88	4	88	17	41
c)	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(200)	(766)	192	(966)	456	792
d)	Power and fuel charges	4,412	3,918	4,004	8,330	6,503	13,674
e)	Employee benefits expense	694	683	596	1,377	1,255	2,861
f)	Finance costs	1,066	1,182	1,312	2,248	2,564	5,210
g)	Depreciation, depletion and amortization expense	2,118	2,124	1,938	4,242	3,671	7,638
h)	Other expenses (Refer note 3)	6,965	6,411	4,485	13,376	8,559	20,486
5	Total expenses	23,222	21,847	17,826	45,069	32,791	73,551
6	Profit before exceptional items and tax	7,852	7,304	3,932	15,156	5,965	17,891
7	Net exceptional (loss)/ gain (Refer note 2)	(46)	(134)	95	(180)	95	(678)
8	Profit before tax	7,806	7,170	4,027	14,976	6,060	17,213
9	Tax expense/ (benefit)						
	On other than exceptional items						
a)	Net current tax expense	1,390	1,413	589	2,803	886	2,066
b)	Net deferred tax expense (Refer note 7)	620	522	1,747	1,142	1,961	268
i)	Deferred tax on intra group profit distribution (including from accumulated profits)	-	-	1,187	-	1,283	869
ii)	Other deferred tax expense/ (benefit)	620	522	560	1,142	678	(601)
	On exceptional items						
c)	Net tax (benefit)/ expense on exceptional items (Refer note 2)	(16)	(47)	33	(63)	33	(154)
	Net tax expense (a+b+c)	1,994	1,888	2,369	3,882	2,880	2,180
10	Profit after tax before share in profit/ (loss) of jointly controlled entities and associates	5,812	5,282	1,658	11,094	3,180	15,033
11	Add: Share in profit/ (loss) of jointly controlled entities and associates	0	1	0	1	0	(1)
12	Profit after share in profit/ (loss) of jointly controlled entities and associates (a)	5,812	5,283	1,658	11,095	3,180	15,032

*Restated, refer Note 6



(₹ in Crore, except as stated)							
S. No.	Particulars	Quarter ended			Half year ended		Year ended
		30.09.2021 (Unaudited)	30.06.2021 (Unaudited)	30.09.2020* (Unaudited)	30.09.2021 (Unaudited)	30.09.2020* (Unaudited)	31.03.2021 (Audited)
13	Other Comprehensive (Loss)/ Income						
i.	(a) Items that will not be reclassified to profit or loss	15	32	34	47	44	62
	(b) Tax (expense)/ benefit on items that will not be reclassified to profit or loss	(2)	0	(6)	(2)	(2)	(11)
ii.	(a) Items that will be reclassified to profit or loss	(220)	371	(188)	151	(181)	187
	(b) Tax (expense)/ benefit on items that will be reclassified to profit or loss	(6)	15	(49)	9	(13)	(35)
	Total Other Comprehensive (Loss)/ Income (b)	(213)	418	(209)	205	(152)	203
14	Total Comprehensive Income (a + b)	5,599	5,701	1,449	11,300	3,028	15,235
15	Profit attributable to:						
a)	Owners of Vedanta Limited	4,615	4,224	838	8,839	1,871	11,602
b)	Non-controlling interests	1,197	1,059	820	2,256	1,309	3,430
16	Other Comprehensive (Loss)/ Income attributable to:						
a)	Owners of Vedanta Limited	(181)	393	(220)	212	(156)	110
b)	Non-controlling interests	(32)	25	11	(7)	4	93
17	Total Comprehensive Income attributable to:						
a)	Owners of Vedanta Limited	4,434	4,617	618	9,051	1,715	11,712
b)	Non-controlling interests	1,165	1,084	831	2,249	1,313	3,523
18	Net Profit after taxes, non-controlling interests and share in profit/ (loss) of jointly controlled entities and associates but before exceptional items	4,644	4,280	806	8,924	1,839	12,151
19	Paid-up equity share capital (Face value of ₹ 1 each)	372	372	372	372	372	372
20	Reserves excluding revaluation reserves as per balance sheet						61,906
21	Earnings per share (₹) (**not annualised)						
	-Basic	12.46 **	11.40 **	2.26 **	23.85 **	5.05 **	31.32
	-Diluted	12.38 **	11.31 **	2.25 **	23.70 **	5.02 **	31.13

*Restated, refer Note 6



(₹ in Crore, except as stated)							
S. No.	Segment information	Quarter ended			Half year ended		Year ended
		30.09.2021 (Unaudited)	30.06.2021 (Unaudited)	30.09.2020* (Unaudited)	30.09.2021 (Unaudited)	30.09.2020* (Unaudited)	31.03.2021 (Audited)
1	Segment Revenue						
a)	Zinc, Lead and Silver						
	(i) Zinc & Lead - India	4,914	5,217	4,249	10,131	7,456	17,550
	(ii) Silver - India	983	1,106	1,242	2,089	1,887	4,382
	Total	5,897	6,323	5,491	12,220	9,343	21,932
b)	Zinc - International	1,044	1,119	632	2,163	1,006	2,729
c)	Oil & Gas	2,892	2,485	1,666	5,377	3,055	7,531
d)	Aluminium	12,119	10,263	6,395	22,382	12,438	28,644
e)	Copper	3,560	3,499	2,904	7,059	4,281	10,890
f)	Iron Ore	1,492	1,576	878	3,068	1,517	4,528
g)	Power	1,276	1,225	1,860	2,501	2,878	5,375
h)	Others	1,832	1,641	1,011	3,473	2,040	5,377
	Total	30,112	28,131	20,837	58,243	36,558	87,006
Less:	Inter Segment Revenue	64	26	33	90	67	143
	Revenue from operations	30,048	28,105	20,804	58,153	36,491	86,863
2	Segment Results [Profit/ (Loss) before tax and interest]						
a)	Zinc, Lead and Silver						
	(i) Zinc & Lead - India	1,727	1,883	1,199	3,610	1,687	5,302
	(ii) Silver - India	878	995	1,080	1,873	1,612	3,851
	Total	2,605	2,878	2,279	5,483	3,299	9,153
b)	Zinc - International	188	271	160	459	184	491
c)	Oil & Gas	923	576	478	1,499	698	1,983
d)	Aluminium	4,142	3,235	1,208	7,377	2,056	5,898
e)	Copper	(88)	(157)	(63)	(245)	(178)	(392)
f)	Iron Ore	532	739	235	1,271	399	1,716
g)	Power	92	179	300	271	530	731
h)	Others	80	151	52	231	(9)	352
	Total	8,474	7,872	4,649	16,346	6,979	19,932
Less:	Finance costs	1,066	1,182	1,312	2,248	2,564	5,210
Add:	Other unallocable income net of expenses	444	614	595	1,058	1,550	3,169
	Profit before exceptional items and tax	7,852	7,304	3,932	15,156	5,965	17,891
Add:	Net exceptional (loss)/ gain (Refer note 2)	(46)	(134)	95	(180)	95	(678)
	Profit before tax	7,806	7,170	4,027	14,976	6,060	17,213
3	Segment assets						
a)	Zinc, Lead and Silver - India	21,481	21,001	21,468	21,481	21,468	21,302
b)	Zinc - International	6,429	6,495	5,289	6,429	5,289	6,065
c)	Oil & Gas	20,926	20,270	16,480	20,926	16,480	18,915
d)	Aluminium	57,499	56,358	54,123	57,499	54,123	54,764
e)	Copper	6,150	6,323	7,048	6,150	7,048	6,273
f)	Iron Ore	3,521	3,302	2,715	3,521	2,715	2,722
g)	Power	17,157	17,526	19,054	17,157	19,054	17,565
h)	Others	8,114	8,163	7,990	8,114	7,990	7,862
i)	Unallocated	46,489	47,215	48,116	46,489	48,116	50,229
	Total	1,87,766	1,86,653	1,82,283	1,87,766	1,82,283	1,85,697

* Restated, refer Note 6



(₹ in Crore, except as stated)

S. No.	Segment information	Quarter ended			Half year ended		Year ended
		30.09.2021 (Unaudited)	30.06.2021 (Unaudited)	30.09.2020* (Unaudited)	30.09.2021 (Unaudited)	30.09.2020* (Unaudited)	31.03.2021 (Audited)
4	Segment liabilities						
a)	Zinc, Lead and Silver - India	5,141	4,951	5,146	5,141	5,146	5,929
b)	Zinc - International	1,211	1,034	857	1,211	857	1,067
c)	Oil & Gas	13,800	12,551	9,987	13,800	9,987	11,178
d)	Aluminium	19,066	18,579	17,472	19,066	17,472	18,565
e)	Copper	4,265	4,103	4,556	4,265	4,556	4,388
f)	Iron Ore	1,912	1,463	1,176	1,912	1,176	1,319
g)	Power	1,976	1,889	2,061	1,976	2,061	2,123
h)	Others	1,896	1,985	1,489	1,896	1,489	2,126
i)	Unallocated	56,584	56,965	67,596	56,584	67,596	61,586
	Total	1,05,851	1,03,520	1,10,340	1,05,851	1,10,340	1,08,281

* Restated, refer Note 6

The main business segments are:

- (a) Zinc, Lead and Silver - India, which consists of mining of ore, manufacturing of zinc and lead ingots and silver, both from own mining and purchased concentrate;
- (b) Zinc - International, which consists of exploration, mining, treatment and production of zinc, lead, copper and associated mineral concentrates for sale;
- (c) Oil & Gas, which consists of exploration, development and production of oil and gas;
- (d) Aluminium, which consist of mining of bauxite and manufacturing of alumina and various aluminium products;
- (e) Copper, which consist of mining of copper concentrate, manufacturing of copper cathode, continuous cast copper rod, anode slime from purchased concentrate and manufacturing of precious metal from anode slime, sulphuric acid and phosphoric acid (Refer note 5);
- (f) Iron ore, which consists of mining of ore and manufacturing of pig iron and metallurgical coke;
- (g) Power, excluding captive power but including power facilities predominantly engaged in generation and sale of commercial power; and
- (h) Other business segment comprises port/berth, glass substrate, steel and ferrous alloys. The assets and liabilities that cannot be allocated between the segments are shown as unallocated assets and liabilities, respectively.

Additional intra segment information of revenues and results for the Zinc, Lead and Silver segment have been provided to enhance understanding of segment business.



Consolidated Balance Sheet		(₹ in Crore)	
Particulars		As at 30.09.2021 (Unaudited)	As at 31.03.2021 (Audited)
A	ASSETS		
	Non-current assets		
	(a) Property, plant and equipment	90,316	89,429
	(b) Capital work-in-progress	13,098	13,880
	(c) Intangible assets	976	1,041
	(d) Exploration intangible assets under development	2,697	2,434
	(e) Financial assets		
	(i) Investments	180	156
	(ii) Trade receivables	3,280	3,158
	(iii) Loans	3,043	5,057
	(iv) Others	2,815	2,532
	(f) Deferred tax assets (net)	5,094	5,860
	(g) Income tax assets (net)	2,763	2,748
	(h) Other non-current assets	3,254	3,210
	Total non-current assets	1,27,516	1,29,505
	Current assets		
	(a) Inventories	11,455	9,923
	(b) Financial assets		
	(i) Investments	17,687	16,504
	(ii) Trade receivables	4,377	3,491
	(iii) Cash and cash equivalents	4,778	4,854
	(iv) Other bank balances	9,196	11,775
	(v) Loans	2,285	2,019
	(vi) Derivatives	104	70
	(vii) Others	5,828	4,245
	(c) Income tax assets (net)	23	7
	(d) Other current assets	4,517	3,304
	Total current assets	60,250	56,192
	Total Assets	1,87,766	1,85,697
B	EQUITY AND LIABILITIES		
	Equity		
	Equity share capital	372	372
	Other equity	64,231	61,906
	Equity attributable to owners of Vedanta Limited	64,603	62,278
	Non-controlling interests	17,312	15,138
	Total Equity	81,915	77,416
	Liabilities		
	Non-current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	37,284	37,962
	(ii) Lease liabilities	162	160
	(iii) Derivatives	57	76
	(iv) Other financial liabilities	1,298	1,285
	(b) Provisions	3,262	3,132
	(c) Deferred tax liabilities (net)	2,562	2,215
	(d) Other non-current liabilities	4,593	4,327
	Total non-current liabilities	49,218	49,157
	Current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	13,757	19,066
	(ii) Lease liabilities	367	481
	(iii) Operational buyers' credit / suppliers' credit	8,603	7,983
	(iv) Trade payables	8,373	7,892
	(v) Derivatives	327	279
	(vi) Other financial liabilities	14,830	12,971
	(b) Provisions	380	353
	(c) Income tax liabilities (net)	1,194	277
	(d) Other current liabilities	8,802	9,822
	Total current liabilities	56,633	59,124
	Total Equity and Liabilities	1,87,766	1,85,697



Vedanta Limited
Consolidated statement of cash flows for the period ended 30 September 2021

(₹ in Crore)

Particulars	Half year ended 30 September 2021 (Unaudited)	Half year ended 30 September 2020 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	14,976	6,060
Adjustments for:		
Depreciation, depletion and amortisation	4,255	3,683
Capital work-in-progress written off/ impairment charge	46	-
Other exceptional items	134	(95)
Provision/ (reversal) for doubtful debts/ advance/ bad debts written off	51	(35)
Exploration costs written off	153	2
Fair value gain on financial assets held at fair value through profit or loss	(162)	(779)
Profit on sale/ discard of property, plant and equipment (net)	(85)	(13)
Foreign exchange loss/ (gain) (net)	126	(15)
Unwinding of discount on decommissioning liability	37	34
Share based payment expense	51	36
Interest and dividend Income	(1,021)	(747)
Interest expense	2,210	2,520
Deferred government grant	(122)	(111)
Changes in assets and liabilities		
Increase in trade and other receivables	(3,951)	(1,183)
(Increase)/ decrease in inventories	(1,541)	1,186
Increase/ (decrease) in trade and other payable	2,090	(4,437)
Cash generated from operations	17,247	6,106
Income taxes paid (net of refund)	(1,884)	(1,050)
Net cash generated from operating activities	15,363	5,056
CASH FLOWS FROM INVESTING ACTIVITIES		
Consideration paid for business acquisition (net of cash and cash equivalents acquired)	-	(45)
Purchases of property, plant and equipment (including intangibles)	(4,547)	(2,909)
Proceeds from sale of property, plant and equipment	172	37
Loans repaid by related parties	1,610	374
Loans given to related parties	-	(4,312)
Short-term deposits made	(8,792)	(12,726)
Proceeds from redemption of short-term deposits	11,478	9,518
Short term investments made	(42,741)	(46,254)
Proceeds from sale of short term investments	41,740	54,409
Interest received	1,379	1,606
Dividends received	1	2
Payment made to site restoration fund	(9)	(23)
Net cash generated/ (used) in investing activities	291	(323)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of short term borrowings (net)	(250)	(6,536)
Proceeds from current borrowings	3,649	5,708
Repayment of current borrowings	(3,706)	(2,282)
Proceeds from long-term borrowings	6,690	12,460
Repayment of long-term borrowings	(12,269)	(5,820)
Interest paid	(2,871)	(2,976)
Payment of dividends to equity holders of the Company	(6,874)	-
Payment of dividends to non-controlling interests	-	(2,446)
Payment of lease liabilities	(110)	(166)
Net cash used in financing activities	(15,741)	(2,058)
Effect of exchange rate changes on cash and cash equivalents	11	25
Net (decrease)/ increase in cash and cash equivalents	(76)	2,700
Cash and cash equivalents at the beginning of the period	4,854	5,117
Cash and cash equivalents at end of the period	4,778	7,817

Notes:

1. The figures in parentheses indicate outflow.

2. The above cash flow has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS) 7 - statement of cash flows



Notes:-

1 The above consolidated results of Vedanta Limited ("the Company") and its subsidiaries ("the Group"), jointly controlled entities, and associates for the quarter and half year ended 30 September 2021 have been reviewed by the Audit and Risk Management Committee at its meeting held on 28 October 2021 and approved by the Board of Directors at its meeting held on 29 October 2021. The statutory auditors have carried out limited review of the same.

2 Net exceptional (loss)/ gain comprise the following:

(₹ in Crore)

Particulars	Quarter ended			Half year ended		Year ended
	30.09.2021 (Unaudited)	30.06.2021 (Unaudited)	30.09.2020 (Unaudited)	30.09.2021 (Unaudited)	30.09.2020 (Unaudited)	31.03.2021 (Audited)
Capital work-in-progress written off in following segments:						
- Aluminium	-	-	-	-	-	(181)
- Others	(46)	-	-	(46)	-	(63)
Provision on advances subject to litigation - primarily in Copper segment ^a	-	-	-	-	-	(213)
Transaction costs paid to the ultimate parent company on structured investment sold in previous year	-	-	-	-	-	(103)
Provision for settlement of dispute regarding environmental clearance - Others segment	-	-	-	-	-	(213)
Revision of Renewable Purchase Obligation pursuant to respective state electricity regulation commission notifications - Aluminium segment	-	-	95	-	95	95
One time settlement of entry tax under amnesty scheme - Zinc, Lead and Silver - India segment	-	(134)	-	(134)	-	-
Net exceptional (loss)/ gain	(46)	(134)	95	(180)	95	(678)
Current tax benefit on above	16	-	-	16	-	-
Net deferred tax benefit/ (expense) on above	-	47	(33)	47	(33)	154
Non-controlling interests on above	1	31	(30)	32	(30)	(25)
Net exceptional (loss)/ gain, net of tax and non-controlling interests	(29)	(56)	32	(85)	32	(549)

a) Represents a provision of ₹ 213 Crore on advances given to Konkola Copper Mines plc (KCM), an overseas company, whose majority shares are ultimately held by Vedanta Resources Limited ("VRL") and on which a liquidation suit has been filed. The outstanding balance as at 30 September 2021 from KCM net of provisions is ₹ 214 Crore (31 March 2021: ₹ 211 Crore).

3 Other expenses include cost of exploration wells written off amounting to ₹ 51 Crore, ₹ 96 Crore and ₹ 147 Crore for the quarter ended 30 September 2021, 30 June 2021 and half year ended 30 September 2021 respectively.

4 The Company operates an oil and gas production facility in Rajasthan under a Production Sharing Contract ("PSC"). The management is of the opinion that the Company is eligible for extension of the PSC for Rajasthan ("RJ") block on same terms w.e.f. 15 May 2020, a matter which was being adjudicated at the Delhi High Court. The Division Bench of the Delhi High Court in March 2021 set aside the single judge order of May 2018 which allowed extension of PSC on same terms and conditions. The Company has appealed this order in the Supreme Court. In parallel, the Government of India ("GoI"), accorded its approval for extension of the PSC, under the Pre-NELP Extension policy as per notification dated 07 April 2017 ("Pre-NELP Policy"), for RJ block by a period of 10 years, w.e.f. 15 May 2020 vide its letter dated 26 October 2018, subject to fulfilment of certain conditions.



One of the conditions for extension relates to notification of certain audit exceptions raised for FY 16-17 as per PSC provisions and provides for payment of amounts, if such audit exceptions result into any creation of liability. In connection with the said audit exceptions, a demand of ₹ 2,702 Crore (US\$ 364 million) has been raised by DGH on 12 May 2020, relating to the share of the Company and its subsidiary. This amount was subsequently revised to ₹ 3,402 Crore (US\$ 458 million) till March 2018 vide DGH letter dated 24 December 2020. The Company has disputed the demand and the other audit exceptions, notified till date, as in the Company's view the audit notings are not in accordance with the PSC and are entirely unsustainable. Further, as per PSC provisions, disputed notings do not prevail and accordingly do not result in creation of any liability. The Company believes it has reasonable grounds to defend itself which are supported by independent legal opinions. In accordance with PSC terms, the Company has also commenced arbitration proceedings. The arbitration tribunal stands constituted and Vedanta also filed its application for interim relief. The interim relief application was heard by the Tribunal on 15 December 2020 wherein it was directed that GOI should not take any coercive action to recover the disputed amount of audit exceptions which is presently in arbitration and that during the arbitration period, GOI should continue to extend the tenure of the Rajasthan Block PSC on terms of current extension. The GOI has challenged the said order before the Delhi High Court which is next listed for hearing on 17 and 18 November 2021. The GOI has also filed application before the Tribunal objecting to its jurisdiction to decide issues arising out of or relating to the PSC extension policy dated 07 April 2017, the Office Memorandum dated 01 February 2013, as amended and audit exceptions notified for FY 2016-18. This application has been dismissed by the Tribunal and all issues related to this matter will be heard together at the same time as the hearing on merits.

Further, on 23 September 2020, the GOI had filed an application for interim relief before Delhi High Court seeking payment of all disputed dues. This matter is also scheduled for hearing on 17 and 18 November 2021. Simultaneously, the Company is also pursuing with the GOI for executing the RJ PSC addendum at the earliest. In view of extenuating circumstances surrounding COVID-19 and pending signing of the PSC addendum for extension after complying with all stipulated conditions, the GOI has been granting permission to the Company to continue Petroleum operations in the RJ block. The latest permission is valid upto 31 October 2021 or signing of the PSC addendum, whichever is earlier. For reasons aforesaid, the Company is not expecting any material liability to devolve on account of these matters or any disruptions in its petroleum operations.

- 5 The Company's application for renewal of Consent to Operate ("CTO") for existing copper smelter at Tuticorin was rejected by the Tamil Nadu Pollution Control Board ("TNPCB") in April 2018. Subsequently, the Government of Tamil Nadu issued directions to close and seal the existing copper smelter plant permanently. The Principal Bench of National Green Tribunal ("NGT") ruled in favour of the Company but its order was set aside by the Supreme Court vide its judgment dated 18 February 2019, on the sole basis of maintainability. Vedanta Limited has filed a writ petition before the Madras High Court challenging various orders passed against the Company. On 18 August 2020, the Madras High Court dismissed the writ petitions filed by the Company, which has been challenged by the Company in the Supreme Court while also seeking interim relief to access the plant for care and maintenance. The Supreme Court Bench did not allow the interim relief. The matter shall now be heard on merits.

The Company was also in the process of expanding its capacities at an adjacent site ('Expansion Project'). The High Court of Madras, in a Public Interest Litigation, held that the application for renewal of the Environmental Clearance ("EC") for the Expansion Project shall be processed after a mandatory public hearing and in the interim, ordered the Company to cease construction and all other activities on the site with immediate effect. In the meanwhile, SIPCOT cancelled the land allotted for the Expansion Project, which was later stayed by the Madras High Court. Further, TNPCB issued an order directing the withdrawal of the Consent to Establish ("CTE") which was valid till 31 March 2023. The Company has also appealed this action before the TNPCB Appellate Authority and the matter is pending for adjudication. As per the Company's assessment, it is in compliance with the applicable regulations and hence it does not expect any material adjustments to these financial results as a consequence of the above actions.

- 6 During the previous year ended 31 March 2021, as part of its cash management activities, the overseas subsidiaries of the Company extended certain loans and guarantee facilities to Vedanta Resources Limited ("VRL") and its subsidiaries (collectively "the VRL group"). Further, during the previous year, certain terms of the facilities were modified which resulted in substantial modification of the instruments. The guarantee was also extinguished. Consequently, the loans were fair valued and the difference in the fair value of the loan and its carrying value was debited to equity as a transaction with the shareholder. During the previous quarter ended 30 June 2021, the VRL group has repaid ₹ 1,610 Crore (US\$ 217 million) of the aforesaid loans, along with interest thereon. In May 2021, the overseas subsidiaries of the Company, executed agreements with TSH to novate ₹ 2,194 Crore (US\$ 300 million) due for repayment in June 2022 to another subsidiary of VRL, which is guaranteed by VRL. This transaction did not have any material impact on the financial results for the current period. As of 30 September 2021, loans having contractual value of ₹ 5,558 Crore (US\$ 749 million) were outstanding from the VRL group. The comparative information for the quarter and half year ended 30 September 2020 reflects adjustments made by the Company in the results for the quarter ended 31 December 2020, whereby it had reduced the equity and carrying value of assets and increasing the liabilities by ₹ 337 Crore (US\$ 46 million), ₹ 281 Crore (US\$ 38 million) and ₹ 56 Crore (US\$ 8 million) respectively and recorded net additional income of ₹ 14 Crore (US\$ 2 million) for the quarter and half year ended 30 September 2020.



- 7 Income taxes
- a) In June 2018, the Company acquired majority stake in ESL Steel Limited ("ESL"), which has since been focusing on operational turnaround. Based on management's estimate of future outlook, financial projections and requirements of Ind AS 12 – Income taxes, ESL recognized deferred tax assets of ₹ 3,184 Crore during the year ended 31 March 2021.
- b) Consequent to the declaration of dividend (including from accumulated profits) by the subsidiaries of the Company, the unabsorbed depreciation as per tax laws and MAT balances have been utilized by the Company leading to a deferred tax charge as disclosed in line 9(b)(i) of the above results.
- 8 On 23 September 2021, the Board of Directors approved the Company's intention to delist its American Depositary Shares ("ADSs") representing its equity shares from the New York Stock Exchange and to terminate its ADS program. The Company also intends to deregister such ADSs and the underlying equity shares from the U.S. Securities Exchange Act of 1934 upon satisfying the relevant criteria, which is expected to be satisfied in due course. This action has no impact on the current listing status or trading of the Company's equity shares on the Indian stock exchanges.
- 9 The Group has considered the possible effects of COVID-19 including on the recoverability of property, plant and equipment, loans and receivables, etc in accordance with the applicable Ind AS. The Group has considered forecast consensus, industry reports, economic indicators and general business conditions to make an assessment of the implications of the pandemic. Based on the assessment, no adjustment is required to these financial results. The impact of the pandemic may be different from that as estimated as at the date of approval of these results and the management continues to closely monitor any material changes to future economic conditions.
- 10 Previous period/year figures have been re-grouped/ rearranged, wherever necessary.

By Order of the Board



Sunil Duggal

Whole- Time Director and
Chief Executive Officer

Dated : 29 October 2021
Place : New Delhi

