

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 December 31, 2021 and year to date from April 1, 2021 to December 31, 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 5 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 January 31, 2022 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 revenues of Rs. 2,672 crores and Rs 7,599 crores, total net profit after tax of Rs. 36 crores and Rs 344 crores and total comprehensive income of Rs. 35 crores and Rs. 342 crores, for the quarter ended December 31, 2021 and for the period from April 01, 2021 to December 31, 2021, respectively 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 December 31, 2021 and for the period from April 01, 2021 to December 31, 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 revenues of Rs. 357 crores and Rs. 1,126 crores, total net profit after tax of Rs. 23 crores and Rs. 358 crores and total comprehensive income of Rs. 24 crores and Rs 359 crores, for the quarter ended December 31, 2021 and for the period from April 01, 2021 to December 31, 2021, respectively 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 December 31, 2021 and for the period from April 01, 2021 to December 31, 2021.

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Chartered Accountants

- 1 unincorporated joint venture not operated by the group; whose financial statements includes the Group's share of total assets of Rs. 102 crores as at December 31, 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

per Sudhir Soni

Partner

Membership No.: 41870

UDIN: 22041870AAAAAF6284

Place : Mumbai

Date : January 28, 2022

Annexure 1 to our report dated January 28, 2022 on the consolidated financial results of Vedanta Limited for quarter ended December 31, 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 Lisheen Mining Limited (VLML)
24	Killoran Lisheen Mining Limited
25	Lisheen Milling Limited
26	Vizag General Cargo Berth Private Limited
27	Paradip Multi Cargo Berth Private Limited
28	Sterlite Ports Limited (SPL)
29	Maritime Ventures Private Limited
30	Goa Sea Port Private Limited
31	Bloom Fountain Limited (BFM)
32	Western Cluster Limited
33	Cairn India Holdings Limited
34	Cairn Energy Hydrocarbons Ltd
35	Cairn Energy Gujarat Block 1 Limited
36	CIG Mauritius Holdings Private Limited
37	CIG Mauritius Private Limited
38	Cairn Lanka Private Limited
39	Cairn South Africa Pty Limited**
40	Vedanta ESOS Trust
41	Avanstrate (Japan) Inc. (ASI)
42	Avanstrate (Korea) Inc
43	Avanstrate (Taiwan) Inc
44	Electrosteel Steels Limited
45	Lisheen Mine Partnership

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S. No.	Name
46	Ferro Alloy Corporation Limited (FACOR)
47	Facor Power Limited (FPL)
48	Facor Realty and Infrastructure Limited
49	Hindustan Zinc Alloy Private Limited
50	Desai Cement Company Private Limited (DCCPL)

*** Sterlite (USA) Inc. has been dissolved w.e.f. 20th December 2021**

**** Cairn South Africa (Pty) Ltd has been deregistered effective from 06th April 2021**

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

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 NINE MONTHS ENDED 31 DECEMBER 2021

(₹ in Crore, except as stated)

S. No.	Particulars	Quarter ended			Nine months ended		Year ended
		31.12.2021 (Unaudited)	30.09.2021 (Unaudited)	31.12.2020 (Unaudited)	31.12.2021 (Unaudited)	31.12.2020 (Unaudited)	31.03.2021 (Audited)
1	Revenue from operations	33,697	30,048	22,498	91,850	58,989	86,863
2	Other operating income	400	353	237	1,060	826	1,158
3	Other income	577	673	886	1,989	2,562	3,421
	Total income	34,674	31,074	23,621	94,899	62,377	91,442
4	Expenses						
a)	Cost of materials consumed	9,563	8,167	5,752	25,937	15,518	22,849
b)	Purchases of stock-in-trade	10	0	6	98	23	41
c)	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(440)	(200)	193	(1,406)	649	792
d)	Power and fuel charges	6,501	4,412	3,199	14,831	9,701	13,674
e)	Employee benefits expense	714	694	897	2,091	2,152	2,861
f)	Finance costs	1,216	1,066	1,321	3,464	3,885	5,210
g)	Depreciation, depletion and amortization expense	2,274	2,118	1,912	6,516	5,583	7,638
h)	Other expenses (Refer note 4)	7,007	6,965	4,931	20,383	13,491	20,486
5	Total expenses	26,845	23,222	18,211	71,914	51,002	73,551
6	Profit before exceptional items and tax	7,829	7,852	5,410	22,985	11,375	17,891
7	Net exceptional (loss)/ gain (Refer note 3)	(37)	(46)	-	(217)	95	(678)
8	Profit before tax	7,792	7,806	5,410	22,768	11,470	17,213
9	Tax expense/ (benefit)						
	On other than exceptional items						
a)	Net current tax expense	2,100	1,390	1,147	4,903	2,033	2,066
b)	Net deferred tax expense (Refer note 7)	349	620	39	1,491	2,000	268
i)	Deferred tax on intra group profit distribution (including from accumulated profits)	-	-	(282)	-	1,001	869
ii)	Other deferred tax expense/ (benefit)	349	620	321	1,491	999	(601)
	On exceptional items						
c)	Net tax (benefit)/ expense on exceptional items (Refer note 3)	(11)	(16)	-	(74)	33	(154)
	Net tax expense (a+b+c)	2,438	1,994	1,186	6,320	4,066	2,180
10	Profit after tax before share in profit/ (loss) of jointly controlled entities and associates	5,354	5,812	4,224	16,448	7,404	15,033
11	Add: Share in profit/ (loss) of jointly controlled entities and associates	0	0	0	1	0	(1)
12	Profit after share in profit/ (loss) of jointly controlled entities and associates (a)	5,354	5,812	4,224	16,449	7,404	15,032

(₹ in Crore, except as stated)							
S. No.	Particulars	Quarter ended			Nine months ended		Year ended
		31.12.2021 (Unaudited)	30.09.2021 (Unaudited)	31.12.2020 (Unaudited)	31.12.2021 (Unaudited)	31.12.2020 (Unaudited)	31.03.2021 (Audited)
13	Other Comprehensive (Loss)/ Income						
i.	(a) Items that will not be reclassified to profit or loss	(1)	15	13	46	57	62
	(b) Tax benefit/ (expense) on items that will not be reclassified to profit or loss	(0)	(2)	0	(2)	(2)	(11)
ii.	(a) Items that will be reclassified to profit or loss	(99)	(220)	250	52	69	187
	(b) Tax expense on items that will be reclassified to profit or loss	(32)	(6)	(32)	(23)	(45)	(35)
	Total Other Comprehensive (Loss)/ Income (b)	(132)	(213)	231	73	79	203
14	Total Comprehensive Income (a + b)	5,222	5,599	4,455	16,522	7,483	15,235
15	Profit attributable to:						
a)	Owners of Vedanta Limited	4,164	4,615	3,299	13,003	5,170	11,602
b)	Non-controlling interests	1,190	1,197	925	3,446	2,234	3,430
16	Other Comprehensive (Loss)/ Income attributable to:						
a)	Owners of Vedanta Limited	(114)	(181)	167	98	11	110
b)	Non-controlling interests	(18)	(32)	64	(25)	68	93
17	Total Comprehensive Income attributable to:						
a)	Owners of Vedanta Limited	4,050	4,434	3,466	13,101	5,181	11,712
b)	Non-controlling interests	1,172	1,165	989	3,421	2,302	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	4,189	4,644	3,299	13,113	5,138	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	11.24 **	12.46 **	8.91 **	35.09 **	13.96 **	31.32
	-Diluted	11.17 **	12.38 **	8.86 **	34.88 **	13.89 **	31.13

(₹ in Crore, except as stated)							
S. No.	Segment information	Quarter ended			Nine months ended		Year ended
		31.12.2021 (Unaudited)	30.09.2021 (Unaudited)	31.12.2020 (Unaudited)	31.12.2021 (Unaudited)	31.12.2020 (Unaudited)	31.03.2021 (Audited)
1	Segment Revenue						
a)	Zinc, Lead and Silver						
	(i) Zinc & Lead - India	6,736	4,914	4,745	16,867	12,201	17,550
	(ii) Silver - India	1,081	983	1,145	3,170	3,032	4,382
	Total	7,817	5,897	5,890	20,037	15,233	21,932
b)	Zinc - International	1,079	1,044	823	3,242	1,829	2,729
c)	Oil & Gas	3,113	2,892	1,892	8,490	4,947	7,531
d)	Aluminium	13,024	12,119	7,378	35,406	19,816	28,644
e)	Copper	3,741	3,560	2,664	10,800	6,945	10,890
f)	Iron Ore	1,416	1,492	1,284	4,484	2,801	4,528
g)	Power	1,638	1,276	1,048	4,139	3,926	5,375
h)	Others	1,943	1,832	1,552	5,416	3,592	5,377
	Total	33,771	30,112	22,531	92,014	59,089	87,006
Less:	Inter Segment Revenue	74	64	33	164	100	143
	Revenue from operations	33,697	30,048	22,498	91,850	58,989	86,863
2	Segment Results [Profit/ (Loss) before tax and interest]						
a)	Zinc, Lead and Silver						
	(i) Zinc & Lead - India	2,703	1,727	1,675	6,313	3,362	5,302
	(ii) Silver - India	966	878	1,013	2,839	2,625	3,851
	Total	3,669	2,605	2,688	9,152	5,987	9,153
b)	Zinc - International	272	188	198	731	382	491
c)	Oil & Gas	948	923	545	2,447	1,243	1,983
d)	Aluminium	3,188	4,142	1,582	10,565	3,638	5,898
e)	Copper	(34)	(88)	(82)	(279)	(260)	(392)
f)	Iron Ore	383	532	547	1,654	946	1,716
g)	Power	114	92	194	385	724	731
h)	Others	116	80	170	347	161	352
	Total	8,656	8,474	5,842	25,002	12,821	19,932
Less:	Finance costs	1,216	1,066	1,321	3,464	3,885	5,210
Add:	Other unallocable income net of expenses	389	444	889	1,447	2,439	3,169
	Profit before exceptional items and tax	7,829	7,852	5,410	22,985	11,375	17,891
Add:	Net exceptional (loss)/ gain (Refer note 3)	(37)	(46)	-	(217)	95	(678)
	Profit before tax	7,792	7,806	5,410	22,768	11,470	17,213
3	Segment assets						
a)	Zinc, Lead and Silver - India	21,948	21,481	21,250	21,948	21,250	21,302
b)	Zinc - International	6,259	6,429	6,033	6,259	6,033	6,065
c)	Oil & Gas	21,438	20,926	17,549	21,438	17,549	18,915
d)	Aluminium	59,970	57,499	54,804	59,970	54,804	54,764
e)	Copper	6,196	6,150	7,229	6,196	7,229	6,273
f)	Iron Ore	3,572	3,521	2,851	3,572	2,851	2,722
g)	Power	17,455	17,157	18,213	17,455	18,213	17,565
h)	Others	9,141	8,114	8,004	9,141	8,004	7,862
i)	Unallocated	43,017	46,489	40,714	43,017	40,714	50,229
	Total	1,88,996	1,87,766	1,76,647	1,88,996	1,76,647	1,85,697

(₹ in Crore, except as stated)							
S. No.	Segment information	Quarter ended			Nine months ended		Year ended
		31.12.2021 (Unaudited)	30.09.2021 (Unaudited)	31.12.2020 (Unaudited)	31.12.2021 (Unaudited)	31.12.2020 (Unaudited)	31.03.2021 (Audited)
4	Segment liabilities						
a)	Zinc, Lead and Silver - India	5,736	5,141	4,697	5,736	4,697	5,929
b)	Zinc - International	868	1,211	942	868	942	1,067
c)	Oil & Gas	14,396	13,800	10,527	14,396	10,527	11,178
d)	Aluminium	17,761	19,066	15,587	17,761	15,587	18,565
e)	Copper	4,408	4,265	4,385	4,408	4,385	4,388
f)	Iron Ore	1,852	1,912	1,171	1,852	1,171	1,319
g)	Power	2,147	1,976	1,839	2,147	1,839	2,123
h)	Others	2,369	1,896	1,788	2,369	1,788	2,126
i)	Unallocated	60,010	56,584	66,540	60,010	66,540	61,586
	Total	1,09,547	1,05,851	1,07,476	1,09,547	1,07,476	1,08,281

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 6);
- (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, ferroy alloys and cement. 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.

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 nine months ended 30 December 2021 have been reviewed by the Audit and Risk Management Committee at its meeting held on 27 January 2022 and approved by the Board of Directors at its meeting held on 28 January 2022. The statutory auditors have carried out limited review of the same.

2 The Board of Directors of the Company, through resolution passed by circulation on 11 December 2021, have approved second interim dividend of ₹ 13.50 per equity share, i.e., 1,350% on face value of ₹ 1/- per equity share for the year ended 31 March 2022. With this, the total dividend declared for the year FY 2021-22 currently stands at ₹ 32 per equity share of ₹ 1/- each.

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

(₹ in Crore)

Particulars	Quarter ended			Nine months ended		Year ended
	31.12.2021 (Unaudited)	30.09.2021 (Unaudited)	31.12.2020 (Unaudited)	31.12.2021 (Unaudited)	31.12.2020 (Unaudited)	31.03.2021 (Audited)
Capital work-in-progress written off in following segments:						
- Aluminium	-	-	-	-	-	(181)
- Others	(6)	(46)	-	(52)	-	(63)
- Unallocated	(24)	-	-	(24)	-	-
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	(7)	-	-	(7)	-	(213)
Revision of Renewable Purchase Obligation pursuant to respective state electricity regulation commission notifications - Aluminium segment	-	-	-	-	95	95
One time settlement of entry tax under amnesty scheme - Zinc, Lead and Silver - India segment	-	-	-	(134)	-	-
Net exceptional (loss)/ gain	(37)	(46)	-	(217)	95	(678)
Current tax benefit on above	-	-	-	47	-	-
Net deferred tax benefit/ (expense) on above	11	16	-	27	(33)	154
Non-controlling interests on above	1	1	-	33	(30)	(25)
Net exceptional (loss)/ gain, net of tax and non-controlling interests	(25)	(29)	-	(110)	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 31 December 2021 from KCM net of provisions is ₹ 214 Crore (31 March 2021: ₹ 211 Crore).

4 Other expenses include cost of exploration wells written off amounting to ₹ 68 Crore, ₹ 51 Crore and ₹ 215 Crore for the quarter ended 31 December 2021, 30 September 2021 and nine months ended 31 December 2021 respectively.

5 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 ₹ 2,707 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 ₹ 3,409 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 ("the 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 04 February 2022.

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 04 February 2022. 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 January 2022 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.

- 6 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. Further, Hon'ble Supreme Court held that the case will be listed once physical hearing resumes in Supreme court. Currently the matter is yet to be listed for hearing.

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.

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. During the current quarter, ESL derecognised deferred tax assets on losses expected to expire in the current year amounting to ₹ 122 Crore.

- b) Consequent to the declaration of dividend (including from accumulated profits) by the subsidiaries of the Company, the unabsorbed depreciation as per tax laws has been utilized by the Company leading to a deferred tax charge as disclosed in line 9(b)(i) of the above results.

- 8 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.

- 9 Previous period/year figures have been re-grouped/ rearranged, wherever necessary.

By Order of the Board



Sunil Duggal

Dated : 28 January 2022

Place : New Delhi

**Whole- Time Director and
Chief Executive Officer**