

VEDL/Sec./SE/23-24/82

July 21, 2023

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Fort
Mumbai – 400 001

Scrip Code: 959311, 973705, 974022, 974440

Subject: Compliance under Regulation 54 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter ended June 30, 2023

Dear Sir/Ma'am,

In terms of Regulation 54 read with Regulation 56(1)(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and SEBI Circular SEBI/HO/MIRSD/MIRSD_CRADT/CIR/P/2022/6 dated May 19, 2022, please find enclosed herewith the security cover and covenant compliance certificate issued by the statutory auditors of the Company for the quarter ended June 30, 2023.

Request you to please take the above on record.

Thanking you.

Yours faithfully,
For Vedanta Limited

Prerna Halwasiya
Company Secretary and Compliance Officer

Enclosed: As above.

VEDANTA LIMITED

REGISTERED OFFICE: Vedanta Limited, 1st Floor, 'C' wing, Unit 103, Corporate Avenue, Atul Projects, Chakala, Andheri (East), Mumbai – 400093, Maharashtra, India | T +91 22 6643 4500 | F +91 22 6643 4530

CIN: L132O9MH1965PLC291394

Independent Auditor's Report on book values of the assets and compliance with respect to financial covenants as at June 30, 2023 for submission to Debenture Trustee(s)

To
The Board of Directors
Vedanta Limited,
1st Floor, 'C' Wing, Unit 103, Corporate Avenue,
Atul Projects, Chakala, Andheri (East),
Mumbai-400093, Maharashtra

1. This Report is issued in accordance with the terms of the service scope letter agreement dated January 12, 2023 and master engagement agreement dated November 18, 2021, as amended with Vedanta Limited (hereinafter the "Company").
2. We S.R. Batliboi & Co. LLP, Chartered Accountants, are the Statutory Auditors of the Company and have been requested by the Company to examine the accompanying *Statement on book value of assets and compliance status of financial covenants for rated, listed, secured non-convertible debentures* of the Company, *as at June 30, 2023* (hereinafter the "Statement") which has been prepared by the Company from the Board approved unaudited standalone financial results, underlying books of account and other relevant records and documents maintained by the Company as at and for the period ended June 30, 2023 pursuant to the requirements of the SEBI Circular dated May 19, 2022 on Revised format of security cover certificate, monitoring and revision in timelines (hereinafter the "SEBI Circular").
3. This Report is required by the Company for the purpose of submission with Axis Trustee Services Limited (hereinafter the "Debenture Trustee(s)") of the Company to ensure compliance with the SEBI Circular in respect of its rated, listed, secured non-convertible having face value of Rs. 7,089 Crore ('Debentures'). The Company has entered into an agreement with the Debenture Trustee(s) in respect of such Debentures on respective dates as listed in the statement.

Management's Responsibility

4. The preparation of the Statement is the responsibility of the management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
5. The management of the Company is responsible for ensuring that the Company complies with all the relevant requirements of the SEBI circular and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including providing all relevant information to the Debenture Trustee(s).

Auditor's Responsibility

6. It is our responsibility to provide a limited assurance and conclude as to whether the:
 - (a) Book values of assets as included in the Statement are in agreement with the books of account underlying the unaudited standalone financial results of the company as at June 30, 2023.
 - (b) Company is in compliance with financial covenants as mentioned in the Debenture Trust Deeds as on June 30, 2023.

7. We have performed a limited review of the unaudited standalone financial results of the Company for the period ended June 30, 2023, prepared by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and issued an unmodified conclusion dated July 21, 2023. Our review of those financial results was conducted in accordance with the 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 ("ICAI").
8. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI (the "Guidance Note"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
9. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
10. Our scope of work did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial results of the Company taken as a whole. We have not performed an audit, the objective of which would be the expression of an opinion on the financial results, specified elements, accounts or items thereof, for the purpose of this report. Accordingly, we do not express such opinion.
11. A limited assurance engagement includes performing procedures to obtain sufficient appropriate evidence on the applicable criteria, mentioned in paragraph 5 above. The procedures performed vary in nature and timing from, and are less extent than for, a reasonable assurance. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, our procedures included the following in relation to the Statement:
 - a) Obtained the Board approved financial results of the Company for the period ended June 30, 2023.
 - b) Traced the book value of assets with the books of accounts of the company underlying the unaudited standalone financial results.
 - c) Obtained a list of financial covenants applicable to the listed debt securities.
 - d) With respect to compliance with financial covenants included in the Statement, we have performed the following procedures.
 - (i) Obtained and verified the credit rating from CRISIL. [https://www.crisilratings.com/mnt/winshare/Ratings/RatingList/RatingDocs/VedantaLimited_April%2026,%202023_RR_317718.html]
 - (ii) Obtained the bank statements and traced the date of repayment of principal and interest due during the period April 01, 2023 to June 30, 2023.
 - e) Performed necessary inquiries with the management and obtained necessary representations.

Conclusion

12. Based on the procedures performed by us, as referred to in paragraph 10 above and according to the information and explanations received and management representations obtained, nothing has come to our attention that causes us to believe that:
- a) The Book values of assets as included in the Statement are not in agreement with the books of account unaudited standalone financial results of the company as at June 30, 2023.
 - b) Company is not in compliance with financial covenants as mentioned in the Debenture Trust Deeds as on June 30, 2023.

Restriction on Use

13. The Report has been issued at the request of the Company, solely in connection with the purpose mentioned in paragraph 2 above and to be submitted with the accompanying Statement to the Debenture Trustee(s) and is not to be used or referred to for any other person. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come. We have no responsibility to update this Report for events and circumstances occurring after the date of this report.

For **S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Amit Chugh

**AMIT
CHUGH**

Digitally signed by AMIT CHUGH
DN: cn=AMIT CHUGH, c=IN, o=
Personal, email=amit.chugh@srb.
in
Date: 2023.07.21 16:27:57 +05'30

Partner

Membership Number: 505224

UDIN: 23505224BGRURI9276

Place of Signature: Gurugram

Date: July 21, 2023

Annexure 1
Statement showing Asset Cover as per the terms of Debenture Trust Deeds and Compliance with Covenants as per Debenture Trust Deeds by the company as on 30 June 2023

Particulars	Description of asset for which this certificate relate	Exclusive Charge I	Exclusive Charge II	Pari-Passu Charge III	Pari-Passu Charge IV	Pari-Passu Charge V	Assets not offered as Security VI	Debt not backed by any assets offered as security	Eliminated on (amount in negative) VII	(Total C to H)	Related to only those items covered by this certificate						
		Debit for which this certificate being issued	Other Secured DEBT	Debit for which this certificate to be issued	Assets shared by pari passu debt holder (includes debt for which this certificate is issued & other debt with pari-passu charge)	Other assets on which there is pari-Passu charge (excluding items covered in column F)					Market Value for Assets charged on Exclusive Basis	Carrying Book value for exclusive charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DISRA market value is not applicable)	Market Value for Pari passu charge Assets	Carrying value/book value for pari passu charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DISRA market value is not applicable)	Total Value (=K+L+M+N)		
		Book Value	Book Value	Yes/No	Book	Book Value											Relating to Column F
ASSETS																	
Property, Plant and Equipment	All movable & immovable fixed assets located at multiple locations of operation of the company as per books of accounts		1,006	Yes	32,364	3,928	2,960			40,258					40,258	40,258	
Capital Work-in-Progress			249			9,735		585		10,569					10,569	10,569	
Right of Use Assets																	
Goodwill																	
Intangible Assets								3,223		3,223							
Intangible Assets under Development																	
Investments- Non current			9,640					48,844		58,484							
Investments- Current								194		194							
Loans								1,005		1,005							
Inventories								8,049		8,049							
Trade Receivables								2,227		2,227							
Cash and Cash Equivalents								720		720							
Bank Balances other than Cash and Cash Equivalents								465		465							
Others current assets								6,164		6,164							
Others								19,976		19,976							
Total						32,364		32,487		75,588					40,258	40,258	
LIABILITIES																	
Debt securities to which this certificate pertains						7,193				7,193							
Other debt sharing pari-passu charge with above debt						17,170				17,170							
Other Debt: Non-current			1,500					10,387		11,887							
Subordinated debt	Not to be filled							1100**		4,324							
Borrowings										1,800							
Bank																	
Debt Securities										800							
Others																	
Trade payables								5,894		5,894							
Lease Liabilities								95		95							
Provisions								1,512		1,512							
Others								99,550		99,550							
Total			1500	0		24,363		10,387		1,11,284					1,51,334		
Cover on Book Value																	
		Exclusive Security Cover Ratio			Pari-Passu Security Cover Ratio												
						1.33											

** The above debt represents a second ranking fixed charge created on specified movable fixed assets of the company.

Justification to Market Valuation of the assets: The fixed assets covered under this certificate as per borrowing requirement and RBI guidelines needs to be valued every 3 years and the previous valuation was done in Q3 of FY2021 i.e. Oct-Dec 2020 and hence the same is dated. The next valuation exercise is due in Q3 of FY2024 after which the same will be considered and updated in the report. Additionally, there is both appreciation and depreciation of the assets every quarter which is accounted and the book value as per records has been presented.

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CIN: L13209MH1965PLC291394

Sensitivity: Internal (C3)

1) Details of Non-Convertible Debentures (NCD) Outstanding as on 30th June 2023

S No.	ISIN	Private Placement/ Public Issue	Secured/ Unsecured	Sanctioned Amount (₹ in Crores)	Debenture Trust Deed dated
1	INE205A07196	Private Placement	Secured	2,000	February 13, 2020
2	INE205A07212	Private Placement	Secured	1,000	December 29, 2021
3	INE205A07220	Private Placement	Secured	4,089	June 23, 2022
4	INE205A08012	Private Placement	Unsecured	800	December 9, 2022

2) Asset Cover Ratio

S No.	Particulars	As at 30 th June, 2023	Requirement as per Trust Deed	Asset Cover
1	9.20% Non-Convertible Debentures (NCD-1)	201%	>125%	<p>1) All that pieces and parcels of lands or ground admeasuring about 18.920 Acres situate in Brundamal village and Jharsuguda Town Unit No. 5, District Jharsuguda in the State of Odisha as mentioned in Schedule 1 of Trust Deed dated 13th February 2020.</p> <p>2) The whole of the movable Fixed Assets excluding Capital Work in Progress, both present and future, in relation to the Aluminum Division, comprising of 6 MTPA alumina refinery along with 75 MW co-generation captive power plant in Lanjigarh, Odisha; and 1.6 MTPA aluminum smelter plant along with 1215 MW (9*135 MW) power plant and 2400 MW power plant in Jharsuguda, Odisha including its movable plant and machinery, & freehold land at Jharsuguda and other movable fixed assets as mentioned in Schedule 1 of Deed of Hypothecation dated 13th February 2020.</p>
2	7.68% Non-Convertible Debentures (NCD-2)	476%	>100%	<p>The whole of the movable Fixed Assets both present and future, of the Borrower in relation to the Aluminium Division, comprising the following facilities:</p> <p>(i) 1 MTPA alumina refinery alongwith 75 MW co-generation captive power plant in Lanjigarh, Odisha; and</p> <p>(ii) 1.6 MTPA aluminium smelter plant along with 1215 MW (9*135 MW) power plant in Jharsuguda, Odisha.</p> <p>including its movable plant and machinery, capital work in progress, machinery spares, tools and accessories, and other movable fixed assets as mentioned in Schedule 1 of Deed of Hypothecation dated 29th December 2021.</p>
3	8.74% Non-Convertible Debentures (NCD-3)	201%	>125%	<p>1) All that pieces and parcels of lands or ground admeasuring about 18.920 Acres situate in Brundamal village and Jharsuguda Town Unit No. 5, District Jharsuguda in the State of Odisha as mentioned in Schedule 1 of Trust Deed dated 23rd June 2022.</p> <p>2) The whole of the movable Fixed Assets excluding Capital Work in Progress, both present and future, in relation to the Aluminum Division, comprising of 6 MTPA alumina refinery along with 75 MW co-generation captive power plant in Lanjigarh, Odisha; and 1.6 MTPA aluminum smelter plant along with 1215 MW (9*135 MW) power plant and 2400 MW power plant in Jharsuguda, Odisha including its movable plant and machinery, & freehold land at Jharsuguda and other movable fixed assets as mentioned in Schedule 1 of Deed of Hypothecation dated 23rd June 2022.</p>

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Sensitivity: Internal (C3)

S No.	Particulars	As at 30 th June, 2023	Requirement as per Trust Deed	Asset Cover
4	8.79% Non-Convertible Debentures (NCD-4)	NIL	NIL (Unsecured)	NA

ISIN Wise details of Outstanding NCD as on 30th June 2023

S No.	ISIN	Facility	Type of Charge	Sanctioned Amount	Out-standing as on 31 st March 2023	Cover Required	Assets Required
				(₹ in Crores)			
1	INE205A07196	Non-Convertible Debentures	First Pari Passu	2,000	2,000	1.25x	2,500
2	INE205A07212	Non-Convertible Debentures	First Pari Passu	1,000	1,000	1x	1,000
3	INE205A07220	Non-Convertible Debentures	First Pari Passu	4,089	4,089	1.25x	5,111.25
4	INE205A08012	Non-Convertible Debentures	NIL	8,00	8,00	NIL	NIL

Note: With respect to covenants specified in the Debenture Trust Deeds, we hereby confirm that the Company has complied with all applicable covenants including affirmative, informative, and negative covenants, as at June 30, 2023.

For Vedanta Limited

Digitally signed by PRERNA

HALWASIYA

Date: 2023.07.21 15:44:08 +05'30'

Perna Halwasiya
Company Secretary & Compliance Officer

Place: New Delhi

Date: July 21, 2023

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