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1 December 2021

Vedanta Resources Limited
Interim results for the six months ended 30 September 2021

Financial highlights

- Record consolidated Revenue for the period, increased by 61% to US$ 7,870 million (H1 FY2021: US$ 4,875 million). This was mainly driven by higher commodity prices, higher volumes at Aluminium, Zinc Business, Oil & Gas, Iron and copper business, partially offset by lower availability and capacity charges at TSPL.
- Record consolidated EBITDA at US$ 2,868 million, up 99% y-o-y (H1 FY2021: US$ 1,440 million)
- Operating Profit before special items at US$ 2.3 billion, ~2.5x y-o-y (H1 FY2021: US$ 0.9) billion) primarily driven by higher commodity price and volumes at Aluminium, cairn and Zinc Business, offset by higher input commodity price, cost of production and depreciation.
- Adjusted EBITDA margin[2] of 42% (H1 FY2021: 34%)
- ROCE at 28.7% in H1 FY2022 (H1 FY2021: 11.9%)
- Profit after tax from continuing operation at US$ 1,093 million (H1 FY2021: US$ 78 million) primarily driven by higher operating profit, partially offset by higher net interest cost.
- The free cash flow (FCF) post-capex for the period was US$ 959 million (H1 FY2021: US $ (146) million). This was driven by strong cash flow from operations.
- In H1 FY2022, gross debt decreased to US$ 15.5 billion (FY2021 US$ 16.4 billion), driven by repayment of borrowing at Vedanta Limited, BALCO, temporary borrowing at Zinc India
- Proactive management of average debt maturity, maintained at c. three years for the entire debt portfolio
- In H1 FY2022, net debt at US$ 11.4 billion (FY2021 US$ 10.7 billion)
- liquidity position with cash and liquid investments of US$ 4.2 billion (FY2021: US$ 5.6 billion)

Business highlights

Zinc India

- Mined metal production at 470kt, up 7% y-o-y
- Refined metal production at 445kt, up 2% y-o-y
- Silver production at 10.1 million ounces, down 2% y-o-y

Zinc International

- Record production at Gamsberg 85kt, up 31% Y-o-Y
- Highest ever monthly excavation of 5.9MT at Gamsberg achieved in July 2021

Oil & Gas

- Average gross operated production of 165 kboepd, up 2% y-o-y. The natural field decline has been offset by increase in volume primarily due to gains realized from ramp up of gas sales, continued impact of polymer injection in Bhagyam & Aishwariya fields and new infill wells brought online in Mangala field.
- Key growth projects update:
  - Infill drilling commenced in Mangala to sustain volumes; 3 wells drilled
  - Infill drilling to commence in Q3FY22 in Tight Oil (ABH), Tight Gas (RDG), Satellite Field (NI) and Offshore (Cambay)
  - **OALP & DSF -** 15 well drilling program ongoing across basins; 6 wells drilled till date.
    - **Rajasthan (KW-2 Updip)**: Extended well test ongoing.
    - **Cambay (Jaya-1)**: Gas and condensate discovery notified. Early production evaluations ongoing.
    - **Hazarigaon (HZ-01):** Extended well testing and monetisation under planning.

Aluminium

- Highest Alumina production from Lanjigarh refinery at 993 kt, up 6% y-o-y
- Highest Aluminium production at 1,118 kt, up 19% y-o-y
- Hot metal production cost stood at US$ 1,588 per tonne, up by 24% y-o-y

Power

- The 600 MW Jharsuguda IPP operated at plant load factor (PLF) of 55% in H1 FY2022
- The 300 MW BALCO IPP operated at a PLF of 60% in H1 FY2022

Iron Ore

- Iron ore sales at 3 million tonnes in H1 FY2022, up 18% y-o-y
- Record pig iron production of 410kt, up 39% y-o-y
- Continuously engaging with State and Central governments for the resumption of mining in Goa.

Steel

- Hot metal production 631 kt, up by 9% y-o-y due to continuous operation whereas the company had disrupted operations due to COVID & nationwide lockdown declared by the government in the previous year.
- Margins at $ 71/t, with strong Q1 FY 2022 margin of $ 115/t.

Copper India

- Due legal process being followed to achieve a sustainable restart of operations

ESG: Transforming for Good

- Commits to Net-Zero Carbon by 2050 or sooner
- Pledges US$5 billion over next 10 years to accelerate transition to Net-Zero
- Renewed focus to be the leading ESG performer in the natural resources sector

ESG Principles Embedded into Business Decision-Making

- **ESG Strategy based on material risks and Group aspirations**
    - ✓ Engagement and discussions with multiple stakeholders including investors, local community stakeholders, regulators, business partners, employees, and contract workers

- **High-ambition programs to De-risk business & realize emerging opportunities**
    - ✓ 9 aims across three thematic areas: Communities, Planet, Workforce
    - ✓ Designed to enhance social license to operate, mitigate/eliminate negative impacts, actively participate in the emerging green economy, and align with global commitments around climate change, environmental stewardship, livelihood, equity and human rights.
    - ✓ Transforming Communities
        - **Aim 1.** Keep community welfare at the core of business decisions.
        - **Aim 2.** Empowering over 2.5 million families with enhanced skillsets
        - **Aim 3.** Uplifting over 100 million women and children through Education, Nutrition, Healthcare and welfare
    - ✓ Transforming the Planet
        - **Aim 4** Net-carbon neutrality by 2050 or sooner.
        - **Aim 5.** Achieving net water positivity by 2030
        - **Aim 6.** Innovating for a greener business model
    - ✓ Transforming the Workplace
        - **Aim 7.** Prioritizing safety and health of all employees
        - **Aim 8.** Promote gender parity, diversity, and inclusivity
        - **Aim 9.** Adhere to global business standards of corporate governance

- **Commitments in Place**
    - ✓ Pledge US$5 billion over 10 years to accelerate transition to net-zero carbon
    - ✓ US$ 0.6 billion (INR 5,000 Crores) pledged towards community and village upliftment in the next 5 years
    - ✓ 4,000 Nand Ghars to be constructed by 2023 + partnership with Bill & Melinda Gates Foundation for improved health & nutrition outcomes

- **Governance in Place**
    - ✓ Board-level ESG Committee
    - ✓ KPIs linked to ESG performance
    - ✓ ESG Academy to train leaders across the organization

Health, Safety & Environment

- We are deeply saddened by the loss of five lives at HZL and ESL. ICAM methodology was employed for fatality investigation by an independent team. The root causes have been identified and sites are ensuring the adherence of 100% actionable, learnings and report closure.

- At present ~95% of Employees (Direct + Indirect) are vaccinated with Dose 1. Dose 2 vaccination will be completed by Nov end (except VZI).
- 2,200 Metric Tons Oxygen supplies from our plants was provided to critical care medical facilities.
- Advanced Life Support (ALS) ambulance service (~1,900 Covid Care Beds across 21 Hospitals) for Community has been started.
- 10 Digital Safety Standards have been launched (at HZL), and same shall be extended Vedanta-wide for improving Safety competency and capability across organisation
- A total of 1.76 Crores scholarship amount was distributed to 3,265 students. Under the initiative of 1 million plantation "Pasumai Thoothukudi", Tamil Nadu. The first 1 lakh plantation is completed.

Consolidated Group results

(US$ million, unless stated)

	Six months to 30 September 2021	**Six months to 30 September 2020**	**% change**	**Year ended 31 March 2021**
Revenue[1]	7,870	4,875	61%	11,722
EBITDA[1]	2,868	1,440	99%	3,800
EBITDA margin[1]	36%	30%	-	32%
Adjusted EBITDA margin [2]	42%	34%	-	37%
Operating profit before special items[1]	2,281	911	-	2,701
Profit/(loss) attributable to equity holders of the parent	374	(195)	-	323
Underlying attributable profit/(loss)[3]	392	(156)	-	334
ROCE %	28.7%	11.9%	-	19.4%

1. Excludes Copper Zambia as its operations have been discontinued & deconsolidated in books w.e.f. 21 May 2019
2. Excludes custom smelting at Copper Business.
3. Previous period figures have been regrouped or re-arranged wherever necessary to conform to current period's presentation except ROCE

STRATEGIC OVERVIEW

Over the last few years, our strategic priorities have remained consistently focussed on delivering growth and long-term value to our stakeholders while upholding operational excellence and sustainable development through our diversified portfolio. They are intricately linked to our material issues, opportunity landscape and risk management protocol, and hence form a key part of our integrated decision-making process.

We continually strive to improve our existing operations and proactively adopt more efficient processes for new operations, to achieve benchmark performance, optimise costs and improve realisations. We are investing in expansion plan in the BALCO smelter from 0.57 Mnt to 1.0 Mnt, which along with the Line-6 ramp-up in Jharsuguda will take our total aluminium capacity to 2.8 Mtpa. We are also ramping up our alumina refinery at Lanjigarh from 2 Mtpa to 5 Mtpa, which will move us towards our vision to be vertically integrated across entire value chain.

Our vision is to become a developer of choice in the areas of our operations and create long-term value for all our stakeholders. We are also committed to achieving our objective of zero harm, zero wastage and discharge. The success of our existing operations and future projects are in part dependent on broad support and a healthy relationship with our respective local communities. Our BU teams proactively engage with communities and stakeholders through a proper and structured engagement plan, with the objective of working with them as partners.

Summary of strategic priorities:

Operational excellence:

We strive for all-round operational excellence to achieve benchmark performance across our business by debottlenecking our assets to enhance production, supported by improved digital and technology solutions. Our efforts are focused on enhancing profitability by optimising our cost and improving realisations through prudent marketing strategies.

Continue focus on world-class ESG performance:

We operate as a responsible business, focusing on achieving 'zero harm, zero wastage and zero discharge', and thus minimising our impact on the environment and society. We promote social inclusion across our operations to promote inclusive growth. We establish management systems and processes in place to ensure our operations create sustainable value for all our stakeholders.

We have recently created an ESG Advisory Board, mentored by experts with many years of deep ESG experience. We have also created a dedicated ESG structure to ensure a sustainable transformation. This includes:

- Constituting of Board-level ESG committee
- Multiple ESG forums at Group and BU level for decision-making AND
- Communities of Practice at the SBU-level to drive implementation

We are also determined to become a net-zero carbon footprint company by 2050 and are taking numerous initiatives to be future ready sustainably. These initiatives include ESG academy, ESG center of excellence, and Vedanta sustainability venture fund to support and harness external innovation.

Optimise capital allocation and maintain a strong balance sheet:

Our focus is on generating strong business cash flows and maintaining stringent capital discipline in investing in profitable high IRR projects. Our aim is to maintain a strong balance sheet through proactive liability management. We also review all investments (organic and inorganic) based on our stringent capital allocation framework, in order to maximise shareholder returns.

Delivering on growth opportunities:

We are focused on growing our operations organically by developing brownfield opportunities in our existing portfolio. Our large, well-diversified, low-cost and long-life asset portfolio offers us attractive expansion opportunities, which are evaluated based on our return criteria for long-term value creation for all stakeholders.

Augment our reserves & resources (R&R) base:

We look at ways to expand our R&R base through targeted and disciplined exploration programmes. Our exploration teams aim to discover mineral and oil deposits in a safe and responsible way, to replenish the resources that support our future ambitions.

FINANCE REVIEW

Executive summary

We continued strong operational performance in H1 FY2022 as supported by the higher commodity prices. The company continues to focus on controllable factors such as cost optimisation, marketing initiatives & volume.

The first half of FY2022 saw a significant increase in EBITDA of 99% (H1 FY2022: US$ 2.9 billion) with a robust adjusted EBITDA margin of 42% (H1 FY2021: US$ 1.4 billion, adjusted EBITDA margin: 34%).

As demonstrated in the consolidated operating profit variance analysis, higher commodity price and volumes at Aluminium, cairn and Zinc Business contributed positively to EBITDA. This was offset by higher input commodity price and cost of production at Aluminium and Steel business.

Regulatory factor & Capex recovery at oil & gases resulted in increase in EBITDA by US$26 million compared to H1 FY21.

The adjusted EBITDA margin for H1 FY2022 was higher at 42% mainly on account of a change in profit mix across businesses.

Gross debt stood at US$ 15.5 billion as on 30 September 2021 (FY2021: US$ 16.4 billion), Net Debt stood at US$ 11.2 billion as on 30 September 2021 (FY2021: US$ 10.7 billion) and liquidity position with cash and liquid investments stood at US$ 4.3 billion as on 30 September 2021 (FY2021: US$ 5.6 billion)

At a Group level, we have been proactively managing our debt maturities by refinancing at Vedanta Resources Limited and the various operating entities and have been able to maintain the average maturity period of c. three years for the entire debt portfolio.

The balance sheet of Vedanta Limited, the Indian-listed subsidiary of Vedanta Resources, continues to remain strong with cash and liquid investments of c.US$ 4.1 billion and net debt to EBITDA ratio at 0.5x (H1 FY2021: 1.2x)

Consolidated operating profit before special items

Operating profit before special items increased by US$ 1.4 billion to US$ 2.3 billion in H1 FY2022. This was primarily driven by higher commodity price and volumes at Aluminium, cairn and Zinc Business, offset by higher input commodity price, cost of production and depreciation.

Consolidated operating profit summary before special items

(US$ million, unless stated)

Consolidated operating profit before special items[1]	H1 FY2022	H1 FY2021	% change	FY2021
Zinc	805	467	73%	1,313
-India	742	441	68%	1,236
-International	62	25	-	77
Oil & Gas	185	33	-	151
Aluminium	1,009	285	-	816
Power	43	77	(44)%	111
Iron Ore	164	46	5%	215
Steel	22	21	89%	80
Copper Business	(29)	(16)	-	(42)
Others	83	(1)	-	57
Total Group operating profit before special items	**2,281**	**911**	**-**	**2,701**

[1]Excludes Copper Zambia as its operations have been discontinued & deconsolidated in books w.e.f. 21 May 2019.

Consolidated operating profit bridge before special items

		(US$ million)
Operating profit before special items for H1 FY2021[1]		**911**
Market and regulatory: US$ 1,626 million		
a)	Prices, premium/discount	1,918
b)	Direct raw material inflation	(275)
c)	Foreign exchange movement	(43)
d)	Capex Recovery	22
e)	Regulatory changes	4
Operational: US$ (191) million		
f)	Volume	52
g)	Cost & Marketing	(243)
Others		(28)
Depreciation and amortisation		(38)
Operating profit before special items for H1 FY2022[1]		**2,281**

1.Excludes Copper Zambia as its operations have been discontinued & deconsolidated in books w.e.f. 21 May 2019.

a) Prices

Commodity price fluctuations have a significant impact on the Group's business. Comparing H1 FY'22 vs H1 FY'21, we saw a positive impact of price on Operating Profit of ~ $ 1,918 million.

Aluminium: Average aluminium LME prices increased to US$2,528 per tonne in H1 FY2022, up 58%, positively impacting Operating Profit by ~$1,060 million.

Zinc: Operating Profit was positively impacted by ~ $398 million because of higher zinc prices by 37%, as compared to H1 FY'21.

Oil & Gas: Oil Realisations for H1 FY2022 was US$71.3 per barrel, up by 96% compared with US$36.5 per barrel during H1 FY2021, positively impacting Operating Profit by ~$203 million.

Iron Ore: Iron ore, Karnataka realisations for H1 FY2022 were up by 88%, positively impacting Operating Profit by ~$145 million.

ESL: Steel realisations were higher in H1 FY2022, positively impacting Operating Profit by $108 million.

b) Direct raw material inflation

Prices of key raw materials such as alumina, thermal coal and carbon increased significantly in H1 FY2022, with negative impact on Operating Profit of ~ $275 million.

c) Foreign exchange fluctuation

Indian Rupee appreciate against the US dollar by ~1% during H1 FY2022. Dollar depreciation is unfavourable to the Group, given the US dollar-linked pricing. This resulted in a negative impact on Operating Profit by ~$43 million.

Key exchange rates against the US dollar:

	Avg. half- year ended 30 September 2021	**Avg. half-year ended 30 September 2020**	**% change**	**As at 30 September 2021**	**As at 30 September 2020**	**As at 31 March 2021**
Indian rupee	73.89	74.85	(1)%	74.21	73.63	73.30
South African rand	14.38	17.44	(18)%	15.11	16.83	14.83

d) Regulatory and Capex Recovery at Oil & Gas

The Operating Profit was positively impacted by Rs. ~$26 million due to higher capex recovery in Oil & Gas & higher RPO at aluminium.

e) Volumes

Higher volumes increased the Operating Profit by $52 Mn, mainly because of these key Group businesses:

Aluminium: Higher Sales at Aluminium (~23%) positively impacted Operating Profit by ~$60 million.

IOB: Sales volumes at iron ore business increased significantly in H1 FY2022 positively impacting Operating Profit by $ 11 million.

Cairn: More oil sales (up 8%) positively impacted the Operating Profit by ~$ 13 million.

HZL: Lower lead sales (6%) & lower silver sales (~ 10%) has negatively impacted the Operating Profit by ~$22 million.

TSPL: Negative impact on Operating Profit of ~$ 24 million due to lower availability and capacity charges.

f) Cost & Marketing

Costs in H1 FY2022 decreased the Operating Profit by ~$326 million, mainly due to higher power cost, higher input commodity consumption. Marketing has impacted the Operating Profit positively by ~$ 83 million mainly due to better premia realisations at Aluminium and Zinc.

Depreciation and amortisation

Depreciation and amortization increased by US$ 38 million against the previous period. This was primarily driven by project capitalization at Aluminium and Oil & Gas business and higher ore production at Zinc business.

Income statement[1]

(US$ million, unless stated)

	H1 FY2022	H1 FY2021	% change	FY 2021
Revenue	7,870	4,875	61%	11,722
EBITDA	2,868	1,440	99%	3,800
EBITDA margin (%)	36%	30%	-	32%
Adjusted EBITDA margin (%)	42%	34%	-	37%
Special items (Impairment reversal/charge - Net)	(24)	13	-	(49)
Depreciation and Amortisation	(567)	(529)	7%	(1,099)
Other Expenses*	(20)	-	-	-
Operating profit	2,257	924	-	2,652
Operating profit without special items	2,281	911	-	2,701
Net interest expense	(582)	(398)	46%	(917)
Interest income-related special items	-	(41)	-	(58)
-Other gains /(losses)	(22)	(11)	100%	6
Profit before taxation	1,653	474	-	1,683
Profit before taxation without special items	1,677	511	-	1,795
Income tax (expense)/credit	(568)	(392)	51%	(316)
Income tax (expense)/credit (special items)	8	(4)	-	18
Effective tax rate (%)	33.9%	83.5%	-	17.7%
Profit for the period from continuing operations	1,093	78	-	1,385
Profit for the period/year from continuing operations before special items	1,109	119	-	1,479
Profit for the year from discontinuing operations[1]	-	-	-	91
Profit for the period /year	1,093	78	-	1,476
Profit for the period /year without special items	1,109	119	-	1,479
Non-controlling interest	719	273	-	1,153
Non-controlling interest without special items	727	267	-	1,176
Attributable profit/(loss)	374	(195)	-	323
Attributable profit/loss without special items	382	(148)	-	303
Underlying attributable profit/(loss) ◊	392	(156)	-	334

** Cost of Exploration wells written off*
1. It excludes Copper Zambia as its operations have been discontinued & deconsolidated in books w.e.f. 21 May 2019. [for more information, refer note set out in notes [3 (b)(iii)] of the financial statement].
2. Previous period figures have been regrouped or re-arranged wherever necessary to conform to current period's presentation

Consolidated revenue

Revenue for the period increased by 61% to US$ 7,870 million (H1 FY2021: US$ 4,875 million). This was mainly driven by higher commodity prices, higher volumes at Aluminium, Zinc Business, Oil & Gas, Iron and copper business, partially offset by lower availability and capacity charges at TSPL.

(US$ million, unless stated)

Consolidated revenue[2]	H1 FY2022	H1 FY2021	Net revenue % change	FY 2021
Zinc	1,947	1,382	41%	3,328
- India	1,654	1,248	33%	2,960
- International	293	134	-	368
Oil & Gas	728	408	78%	1,016
Aluminium	3,023	1,662	82%	3,865
Power	335	385	(13)%	725
Iron Ore	413	203	-	611
Steel	363	251	45%	630
Copper Business	955	572	67%	1,469
Others [1]	106	12	67%	76
Revenue	7,870	4,875	61%	11,722

1. Includes FACOR, port business and eliminations of inter-segment sales.

2. Excludes Copper Zambia as its operations have been discontinued & deconsolidated in books w.e.f. 21 May 2019.

Consolidated EBITDA[1]

The consolidated EBITDA by segment is set out below:

(US$ million, unless stated)

	H1 FY2022	H1 FY2021	% Change	FY 2021	Key drivers	EBITDA margin % H1 FY2022	EBITDA margin % H1 FY2021
Zinc	1,014	640	58%	1,688		52%	46%
-India	919	597	54%	1,568	Higher Zinc, Lead LME and silver prices.	56%	48%
-International	95	44	-	120	Higher volumes & higher Zinc, Lead LME	32%	33%
Oil & Gas	334	175	91%	438	Higher Brent price.	46%	43%
Aluminium	1133	397	-	1,046	Higher volumes & higher Aluminium LME	37%	24%
Power	83	116	(29)%	190		25%	30%
Iron Ore	179	61	-	245	Improved sales volume and Margin in Value-Added Business.	43%	30%
Steel	40	39	3%	117		11%	15%
Copper Business	(19)	(6)	-	(21)		(2)%	(1)%
Others [1]	105	18	-	97			
Total	2,868	1,440	99%	3,800	EBITDA margin	36%	30%
					Adjusted EBITDA margin◊	42%	34%

1. Includes FACOR, port business and elimination of inter-segment sales.
2. Excludes Copper Zambia as its operations have been discontinued & deconsolidated in books w.e.f. 21 May 2019.

EBITDA and EBITDA margin

EBITDA for H1 FY2022 increased to US$ 2,868 million, higher by 99% y-o-y primarily driven by higher commodity price and volumes at Aluminium, cairn and Zinc Business, offset by higher input commodity price and cost of production. (See 'Operating profit variance' for more details.)

The adjusted EBITDA margin was higher at 42% mainly on account of change in profit mix across businesses.

Special items - Continued operations (included interest income related and others)

In H1 FY2022 special items stood at negative US$ 24 million which includes: -

- During the period ended 30 September 2021, HZL has recognised an expense of US$ 18 million relating to amount charged in respect of settlement of entry tax dispute under Amnesty Scheme launched by the Government of Rajasthan.
- ESL Steel Limited conducted a detailed physical verification and evaluation of project equipment and material being carried forward as capital work-in-progress at a carrying value of $US 113 million.

  An interim provision of $US 9 million was recognised for the year ended 31 March 2021, relating to certain items of capital work-in-progress, which are no longer expected to be used.

  The physical verification exercise is now complete and as a result, additional provision of US$ 6 million has been recognized during the period ended 30 September 2021.

Further analysis of special items is set out in notes [5] of the financial statement.

Net interest

Finance costs (excluding special items) were higher by 16 % y-o-y at US$ 670 million in H1 FY2022 (H1 FY2021: US$ 576 million). This was primarily driven by higher blended cost of borrowing and increase in average borrowings. The average borrowing cost increase to 8% in H1 FY2022 from 7.4% in H1 FY2021.

Investment revenue in H1 FY2022 decreased to US$ 88 million (H1 FY2021: US$ 178 million). This was mainly due to mark to mark (MTM) movements on investments partially offset by increase in investments.

The average post-tax return on the Group's investments during the first half was 3.2% (H1 FY2021: 6.7%).

This combination of higher finance costs and lower investment revenues led to an increase of US$ 184 million in net interest expense (excluding special items) during the period.

Other gains/(losses) excluding special items

Other gains/(losses) excluding special items for H1 FY2022 amounted to US$ (22) million, compared to US$ (11) million in H1 FY2021 on account forex loss.

Taxation

The normalized ETR is 34% (excluding tax on exceptional items of US$ 9 million) compared to 48% (excluding tax on undistributed reserves of HZL US$171 million and tax on exceptional items of (US $4) million) which is primarily on account of profit mix of Plc losses in total H1 profit (Plc losses as a percentage of Vedanta consol profit (22%) in H1 FY22 as compared to (61%) in H1 FY 2021).

Attributable profit/(loss)

The attributable profit before special items for the period was US$ 374 million (H1 FY2021: US$ (148) million).

Fund flow post-capex

The free cash flow (FCF) post-capex for the period was US$ 959 million (H1 FY2021: US $ (146) million). This was driven by strong cash flow from operations.

Debt, maturity profile and refinancing

In H1 FY2022, gross debt decreased to US$ 15.5 billion compared with US$ 16.4 billion as at 31 March 2021, driven by repayment of borrowing at Vedanta Limited, BALCO, temporary borrowing at Zinc India.

Our total gross debt of US$ 15.5 billion comprises:

- US$ 15.2 billion as term debt (March 2021: US$ 15.9 billion);
- US$ 0.2 billion of short-term borrowings (March 2021: US$ 0.3 billion);
- US$ 0.1 billion of working capital loans (March 2021: US$ 0.2 billion).

The Group has been proactively managing its debt maturities by refinancing at Vedanta Resources Limited and the various operating entities and has been able to maintain the average maturity period of c. three years for the entire debt portfolio.

The maturity profile of term debt of the Group (totalling US$ 15.2 billion) is summarised below:

Particulars	**As at 30 September 2021**	**As at 30 September 2020**	**FY2022**	**FY2023**	**FY2024**	**FY2025 &** Beyond
Debt at Vedanta Resources Limited	8.7	6.7	0.4	2.4	2.5	3.4
Debt at subsidiaries	6.5	6.2	0.6	1.3	1.1	3.4
Total term debt	**15.2**	**12.9**	**1.1**	**3.7**	**3.6**	**6.8**

Term debt at our subsidiaries was US$ 6.5 billion, with the balance at Vedanta Resources Limited.

Also, during H1 FY2022, net debt increased from US$ 10.7 billion as at 31 March 2021 to US$ 11.4 billion as at 30 September 2021.

Cash and liquid investments stood at US$ 4.2 billion at 30 September 2021 (31 March 2021: US$ 5.6 billion). The portfolio continues to be conservatively invested in debt mutual funds, and in cash and fixed deposits with banks.

Going Concern

The Group has prepared the consolidated financial statements on a going concern basis. The Directors have considered a number of factors in concluding on their going concern assessment.

The Group monitors and manages its funding position and liquidity requirements throughout the year and routinely forecasts its future cash flows and financial position. The key assumptions for these forecasts include production profiles, commodity prices and financing activities.

The last Going concern assessment carried out for the period ended March 31, 2021 was approved by the Board of Directors in June, 2021. The Directors were confident that the Group will be able to ensure production is not materially impacted by the COVID-19 virus, that the Group will be able to roll-over or obtain external financing as required and that prices will remain within their expected range.

Since then, while the other mitigating actions as highlighted in the period ended March 31, 2021 financial statements remain available to the Group, several recent significant developments have had a positive bearing on the liquidity and company's ability to continue as going concern. [For more information, please refer to, Note 1(d) of the Consolidated Financial Statements].

Notwithstanding the factors described above, the Directors have confidence in Group's ability to execute sufficient mitigating actions. Based on these considerations, the Directors have a reasonable expectation that the Group and the Company will meet its commitments as they fall due over the going concern period. Accordingly, the Directors continue to adopt the going concern basis in preparing the Group's consolidated financial statements and Company's standalone financial statements.

Covenants

The Group's financing facilities, including bank loans and bonds, contain covenants requiring the Group to maintain specified financial ratios. The Group has complied with all the covenant requirements till 30 September 2021.

Management notes that the Group has previously obtained covenant waivers, including in response to the appointment of a provisional liquidator at KCM. Additionally, the Group has recently successfully amended the covenants for its listed bonds. The Directors of the Group are confident that they will be able to execute mitigating actions (see below) to ensure that the Group avoids, or secures waivers or relaxations for future period breaches, if any, of its covenants during the going concern period.

Credit rating

In August 2021, Moodys upgraded rating on the senior unsecured bonds from 'Caa1' to 'B3' while affirming Corporate Family Ratings (CFR) at 'B2' and revised the outlook to 'Stable' from "Negative'.

The rating affirmation reflects VRL's improving financial metrics because of firm commodity prices & cost competitive operations, improved liquidity and reduced refinancing risk at holding company VRL.

Moodys recent rating action factors in VRL's significant progress in simplifying complex group structure thus reducing cash leakage and sustainably reduce leverage. S&P long term issuer ratings and ratings on the unsecured bond ratings continues at 'B-' with a stable outlook.

Balance sheet

(US$ million, unless stated)

Balance Sheet	Six months to 30 September 2021	Six months to 30 September 2020	For Year Ended 31 March 2021
Goodwill	12	12	12
Intangible Assets	97	102	99
Property, Plant and Equipment	12,809	12,990	12,968
Exploration and Evaluation Assets	367	287	334
Other Non - Current Assets	3,056	2,827	3,115
Cash and liquid investments	4,317	6,948	5,957
Other Current Assets	3,520	2,647	2,836
Total Assets	**24,179**	**25,812**	**25,321**
Gross Debt	(15,542)	(17,598)	(16,377)
Other Current and Non-Current Liabilities	(6,930)	(6,319)	(6,613)
Net Assets	**1,707**	**1,895**	**2,331**
Shareholders' equity/(deficit)	(3,318)	(3,671)	(3,147)
Non- controlling interests	5,025	5,566	5,478
Total equity	**1,707**	**1,895**	**2,331**

Shareholders' (deficit)/equity was US$ (3,318) million at 30 September 2021 compared with US$ (3,147) million at 31 March 2021, mainly driven by Voluntary Open Offer and dividend paid on ordinary shares, offset by attributable profit.

Non-controlling interests decreased to US$ 5,025 million at 30 September 2021 (from US$ 5,478 million at 31 March 2021).

Property, plant and equipment (PPE)

During H1 FY2022, PPE stood at US$ 12,809 million (March 31, 2021: US$ 12,968 million). The decrease was primarily driven by depreciation charge. This was partially offset by investment of US$ 290 million on expansion projects and US$ 335 million on sustaining capital expenditure during the period and the restatement of rupee-denominated assets caused by rupee appreciation.

Project capex

(US$ million)

Capex in progress	Status	Total capex approved[3]	Cumulative spend up to March 2021[4]	Spent in H1 FY2022[4]	Unspent as at 30 September 2021[5]
Oil & Gas (a)[1]					
Mangala Infill, Liquid handling, Bhagyam & Aishwariya EOR, Tight Oil & Gas etc		2,459	1,028	85	1,346
Aluminium		835	2	2	831
BALCO	Smelter Capacity Expansion Rolled Product Expansion				
Jharsuguda 1.25mtpa smelter	Line 3: Fully capitalised Line 4: Fully Capitalised Line 5: Fully capitalised Line 6: Phase-wise capitalisation	3,216	2,961	39	217
Lanjigarh Refinery (Phase II) – 5mtpa		1,563	927	28	609
Zinc India					
Mine expansion	On going	2,077	1,770	13	293
Others		261	165	2	94
Zinc International					
Gamsberg mining project[2]	Completed Capitalisation	400	390	7	3
Copper India					
Tuticorin smelter 400ktpa	Project under Force Majeure	717	198	-	519
Avanstrate Inc (ASI)					
Furnace Expansion and Cold Repair		74	54	8	12
Capex flexibility					
Metals and Mining					
Skorpion refinery conversion	Currently deferred till Pit 112 extension	156	14	-	142

1 *Capex approved for Cairn represents Net Capex; Gross capex US$ 3.4 billion.*
2 *Capital approved US$ 400 million excludes interest during construction (IDC).*
3 *Based on exchange rate prevailing at the time of approval.*
4 *Based on exchange rate prevailing at the time of incurrence.*
5 *Unspent capex represents the difference between total projected capex and cumulative spend as at 30 September 2021.*

OPERATIONAL REVIEW

ZINC INDIA

Summary

During H1 FY2022, our Zinc India business continued robust performance with ore production from underground mines up by 8% y-o-y. We delivered 445kt of refined metal and 10.1 million ounces silver. Zinc India was ranked 1st in Asia Pacific region for overall ranking in metals & mining sector by Dow Jones Sustainability Index Ranking. HZL is among the few companies in metal and mining sector rated A in Climate change CDP disclosure, while it maintained its FTSE4Good membership for the fifth consecutive year.

Production performance

Production (kt)	H1 FY2022	H1 FY2021	% change	FY 2021
Total mined metal	470	440	7%	972
Refinery metal production	445	439	2%	930
- Refined zinc – integrated	350	338	4%	715
- Refined lead – integrated[1]	95	101	(6)%	214
Production – silver (million ounces)[2]	10.1	10.3	(2)%	22.7

1. Excluding captive consumption of 3,588 tonnes in H1 FY2022 vs. 2,987 tonnes in H1 FY2021
2. Excluding captive consumption of 626 thousand ounces in H1 FY2022 vs. 528 thousand ounces in H1 FY2021

Operations

In H1 FY2022, ore production was up 8% to 7.6 million tonnes led by strong growth in Zawar and Sindesar Khurd (SK) mines partially offset by lower production at Kayad and Rajpura Dariba (RD) mines.
Mined metal production in H1 FY2022 was 470kt, up 7% y-o-y in line with higher ore treatment at Rampura Agucha, Zawar mines & Rajpura Dariba mine and increased recovery, offset by a slight dip in overall mining grades.

Integrated metal production increased marginally by 2% to 445kt in line with Roaster availability. Integrated zinc production was 350kt an increase of 4% y-o-y and integrated lead production stood at 95kt down 6% y-o-y on account of Annual Shutdown at Dariba Lead Smelters.

Integrated silver production was 10.1 million ounces, 2% lower y-o-y, in line with lower lead production.

Prices

	H1 FY2022	H1 FY2021	% change	FY 2021
Average zinc LME cash settlement prices US$/t	2,955	2,154	37%	2,422
Average lead LME cash settlement prices US$/t	2,237	1,776	26%	1,868
Average silver prices US$/ounce	25.5	20.4	25%	22.9

During the half year, rising input commodity prices and logistical challenges have led to supply uncertainties which in turn have led to the rising base metal prices. Zinc prices were up 37% compared to H1 FY 2021 to average $2,955 per tonne during the period. In China, stocks in SHFE bonded warehouses have fallen substantially from 118kT in March to 58kT at the end of H1 FY2022 signalling a sharp recovery in demand and a potential shortage of supply for the largest zinc consuming nation. With LME exchange stocks at low levels of 7.5 days of global consumption and the rising deficit in mine supply, there is a fundamental support for zinc prices.

On similar lines, lead prices rose by 26% in H1 FY2022 y-o-y to average $2,237 per tonne. Fundamentally we see OEM battery consumption, replacement demand and electric bike batteries to remain intact.

Silver prices rallied by 25% during H1 FY2022 y-o-y to average $25.5 per troy ounce. Silver price benefitted from the focused shifting to green energy in India in line with global practices, we foresee a strong pickup in the industrial demand of silver for renewable power projects such as solar cell manufacturing.

Unit costs

	H1 FY2022	H1 FY2021	% change	FY 2021
Unit costs (US$ per tonne)				
- Zinc (including royalty)	1,495	1,259	19%	1,286
- Zinc (excluding royalty)	1,096	965	14%	954

For the six-month period, reported zinc cost of production (COP) before royalty was $1,096, up 14% y-o-y. The COP has been affected by higher coal prices, unplanned shutdown, water purchase and revenue mine development partially offset by higher Sulphuric Acid realizations and better recovery.

Of this figure, government levies amounted to US$ 429 per tonne (H1 FY2021: US$ 329 per tonne), comprised mainly of royalty payments, the Clean Energy Cess, electricity duty and other taxes.

Financial performance

(US$ million, unless stated)

	H1 FY2022	H1 FY2021	% change	FY 2021
Revenue	1,654	1,248	33%	2,960
EBITDA◊	919	597	54%	1,568
EBITDA margin (%)	56%	48%	-	53%
Depreciation and amortisation	177	156	13%	332
Operating profit before special items	742	441	68%	1,236
Share in Group EBITDA (%)	32%	43%	-	41%
Capital expenditure	175	130	35%	281
Sustaining	156	80	96%	225
Growth	19	50	(62)%	56

The revenue for H1 FY2022 stood at US$ 1,654 million, up 33% y-o-y, and EBITDA was US$ 919 million, up 54% y-o-y. The increase in revenue and EBITDA was primarily driven by rise in zinc and lead LME prices as well as higher premiums and silver prices.

Projects

Digitalisation drive across all mines continued during the quarter. Initiatives such as setting up of digital control room with short interval control to Reducing stope cycle time, Online analyser for impurity tracking to maintain higher current efficiencies are underway.

Post integration, the shafts at Rampura Agucha mine and Sindesar Khurd mine are fully operational. Ventilation & cooling systems (chiller units) have been deployed to facilitate the same in a seamless manner. Moreover, increased usage of Advanced Process Control (APC) at both SK and RD Mills for purpose of grinding are used to improve recoveries.

Covid-19 restrictions including stringent visa guidelines for Chinese nationals continued during the quarter which resulted in a delay in the commissioning of the Fumer plant at Chanderiya. All efforts are in place and we expect Fumer commissioning to be completed by end of FY22.

Environmental Authorizations (EA) for expansion of Zawar mines from 4.8 mtpa to 6.5 mtpa is granted.

Outlook

Both mined metal and finished metal production in FY22 is expected to be c.1025-1050 kt each. FY22 saleable silver production is projected at c.720 MT.

Zinc cost of production is expected to remain below $1,075 per MT (from $1,000 per MT earlier) for the fiscal year 2022.

The project capex for the year is expected to be approximately $100 million

ZINC INTERNATIONAL

Summary

During H1 FY2022, Zinc International produced 116kt of metal in concentrate. Gamsberg production increased significantly from 60kt to 85kt and Black Mountain production increased from 28kt to 31kt. Skorpion zinc has remained under Care and Maintenance in H1 FY2022 following geotechnical instabilities in the open pit.

Production performance

	H1 FY2022	H1 FY2021	% Change	FY 2021
Total production (kt)	116	89	31%	203
Production– mined metal (kt)				
Gamsberg	85	60	41%	145
BMM	31	28	12%	58
Refined metal Skorpion*	-	1	-	-

**Skorpion Mine remains under care & maintenance since May'20.*

Operations

During H1 FY2022, total production was at 115kt, higher by 31% y-o-y.

Black Mountain production was up by 12% (31kt vs 28kt) mainly due to higher tonnes treated (839kt vs 682kt). Initiatives like implementation of advanced process control for the plant MillStar and FloatStar, Plant debottlenecking, shift optimisation and procurement of new equipment have been undertaken to meet FY22 targets.

Gamsberg production improved significantly by 41% (85kt vs 60kt) mainly due to crusher throughput improvement to 850tph, mill utilisation of 91% leading to higher tonnes treated (1.99MT vs 1.47MT) and higher recoveries (68.5% vs 64.7%).

At Skorpion Zinc, the pit optimization work is complete. Results indicate that 90kt of metal can be safely extracted with the same mining methods. The business is currently evaluating options to restart mining.

Unit costs

	H1 FY2022	H1 FY2021	% Change	FY 2021
Zinc (US$ per tonne) unit cost	1,358	1,349	1%	1,307

The unit cost of production in H1 FY22 remained largely in line with the previous period. Volume and lower TCRC driven decrease in cost of production was offset by exchange rate appreciation and inflation linked increases on manpower, contractors, energy & water.

Financial Performance

(US$ million, unless stated)

	H1 FY2022	H1 FY2021	% Change	FY 2021
Revenue	293	134	118%	368
EBITDA	95	44	118%	120
EBITDA margin	32%	32%	-	33%
Depreciation	33	19	70%	43
Operating profit before special items	62	25	145%	77
Share in group EBITDA %	3%	3%	-	3%
Capital expenditure	82	15	-	44
Sustaining	82	13	-	44
Growth	0	2	-	-

During the period, revenue increased to US$ 293 million, driven by higher overall production and sales volumes and higher LME in H1 FY2022.

Outlook

In FY2022, we expect production volumes from BMM to be around 70kt to 80kt and Gamsberg to be around 190kt to 210kt with full ramp up by Q4 FY22.The cost of production is expected to be around US$ 1,300 ton

OIL & GAS

The year in summary:

During H1 FY2022, Oil & Gas business delivered gross operated production of 165 kboepd, higher by 2% y-o-y. This was primarily driven by ramp up of gas volumes, commissioning of Aishwariya Barmer Hill facility, impact of polymer injection in Bhagyam and Aishwariya fields, new infill wells brought online in Mangala field and reduced operational downtime enabled to offset the natural field decline.

In OALP blocks, initial phase of seismic acquisition program has been completed in Assam, Cambay, Rajasthan and Offshore GS-GK region. Second phase is ongoing in Rajasthan and Cambay. As part of the 15 well drilling program, 6 wells have been drilled till date across basins. Of these, KW-2 Updip in Rajasthan and Jaya-1 in Cambay have been notified as oil and gas discovery respectively. Additional well drilling and related preparation activities are ongoing in Rajasthan, Cambay and North East.

Occupational Health & Safety

There are four lost time injuries (LTIs) in H1 FY2022. Frequency rate stood at 0.24 per million-man hours (H1 FY2021: 0.29 per million-man hours).

Our focus remains on strengthening our safety philosophy and management systems. We were recognised with awards conferred by external bodies:

- Gold prize in Mining Sector in 9th FICCI Safety Systems Excellence Awards and Conference for Raageshwari Mine
- First prize in 'Overall' category and in 'Safe Operation & Maintenance' category at 34th DGMS, Mines Safety Week, Ajmer Region for Mangala Processing Terminal (MPT) and Raageshwari Gas Terminal (RGT) respectively.
- Radhanpur Terminal of midstream operations successfully completed 11 years of Safe Operation (without any LTI)

Cairn Oil & Gas has taken various initiatives:

- COVID-19 mass vaccination drive for employees, their family members, and Business Partners. 100% of eligible employees of Cairn and Business Partners have completed 1st dose of vaccination and ~45% personnel have been vaccinated for 2nd dose.
- Celebrate 'Sarthi Day' on the auspicious day of Janmashtami, to recognize drivers for following Defensive Driving Practices on Road.
- Two-Wheeler Safety Campaign conducted across Rajasthan asset with 600+ local personnel being briefed about importance of helmet and two-wheeler safety.
- Initiated 'Catch of the Month', an award to Business Partner's Personnel to recognize HSE initiatives to make workplace and work environment safe.
- Digital initiatives: Digitalization of crane inspection data & audit through QR Code, Hazard reporting through Kiosk and Mobile App etc.

Environment

Our Oil & Gas business is committed to protect the environment, minimize resource consumption and drive towards our goal of 'zero discharge'. Highlights for H1 FY2022 are as:

- NABL accreditation (ISO 17025:2017) of Environment Lab at Mangala Processing Terminal, Barmer
- **Reduction in GHG emission**:
  - Commissioning of pipeline from Raag Oil to RGT for gas transportation instead of flaring resulted in ~0.8 mmscfd gas with annual GHG reduction potential of 32,500 tons of CO2e.
  - Diversion of condensate from Bridge plant to RDG resulted into saving of 1 mmscfd gas with annual GHG reduction potential of 27,750 tons of CO2e/annum
- Solar chemical injection pump commissioned at RC platform, Ravva.
- Hydrocarbon recovery by processing of skimmed oil: ~9,860 bbls.
- Planted ~1,800 saplings of various desert species and fruit species across Rajasthan during Van Mahotsav celebration.

Production performance

	Unit	**H1 FY2022**	**H1 FY2021**	**% change**	**FY2021**
Gross operated production	Boepd	165,114	161,929	2%	162,104
Rajasthan	Boepd	140,787	130,128	8%	132,599
Ravva	Boepd	14,471	21,822	(34)%	19,177
Cambay	Boepd	9,856	9,978	(1)%	10,329
Oil	Bopd	139,044	142,459	(2)%	140,353
Gas	Mmscfd	156.4	116.8	33%	130.5
Net production – working interest	Boepd	106,288	100,382	6%	101,706
Oil*	Bopd	89,749	89,281	1%	88,923
Gas	Mmscfd	99.2	66.6	49%	76.7
Gross operated production	Mmboe	30.2	29.6	2%	59.2
Net production – working interest	Mmboe	19.5	18.4	6%	37.1

** Includes net production of 538 boepd in H1 FY2022 and 391 boepd in H1 FY2021 from KG-ONN block, which is operated by ONGC. Cairn holds a 49% stake.*

Operations

Average gross operated production across our assets was 2% higher y-o-y at 165,114 boepd. The company's production from the Rajasthan block was 140,787 boepd, 8% higher y-o-y. The increase was primarily due gains realized from ramp up of gas sales, continued impact of polymer injection in Bhagyam & Aishwariya fields and new infill wells brought online in Mangala field. Production from the offshore assets, was at 24,327 boepd, 24% lower y-o-y, owing to natural field decline.

Production details by block are summarized below.

Rajasthan block

Gross production from the Rajasthan block averaged 140,787 boepd, 8% higher y-o-y. The natural reservoir decline has been offset by ramp-up of gas production, infill wells in Mangala field and impact of polymer injection in Bhagyam and Aishwariya fields.

Gas production from Raageshwari Deep Gas (RDG) averaged 164 million standard cubic feet per day (mmscfd) in H1 FY2022, with gas sales, post captive consumption, at 130 mmscfd.

On 26th October 2018, the Government of India, acting through the Directorate General of Hydrocarbons (DGH), Ministry of Petroleum and Natural Gas, granted its approval for a ten-year extension of the PSC for the Rajasthan block, RJ-ON-90/1, subject to certain conditions, with effect from 15th May 2020. 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. We have filed a Special Leave Petition in Supreme Court against this Delhi High court judgement.

We have served notice of Arbitration on the GoI in respect of the audit demand raised by DGH based on PSC provisions. The Government has accepted it and the arbitration tribunal stands constituted. It is our position that there is no liability arising under the PSC owing to these purported audited exceptions. The audit exceptions do not constitute demand and hence shall be resolved as per the PSC provisions.

The Tribunal had a first procedural hearing on 24th October on which Vedanta also filed its application for interim relief. The interim relief application was heard by the Tribunal on 15th December 2020 wherein it was directed that the 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, the GoI should continue to extend the tenure of the PSC on terms of current extension. The GoI has challenged the said order before the Delhi High court which is now listed on 21 February 2022.

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 7th April 2017, the Office Memorandum dated 1st February 2013, as amended and audit exceptions notified for FY 2016-18. We have filed our objection to this assertion by GoI. Tribunal's Procedural Order dated 23rd September 2021 dismissed the motion and ordered costs in favour of Vedanta. The costs are not payable until the end of the arbitration or further order in the meantime.

Further, on 23rd September 2020 GoI filed an application for interim relief before Delhi High Court seeking payment of all disputed dues. The bench has not been inclined to pass any ex-parte orders and the matter is now listed for hearing on 21 February 2021.

Further to above stated letter from GoI on 26th October 2018, in view of pending non-finalization of the Addendum to PSC, the GoI granted, permission to the Oil & Gas business to continue petroleum operations in Rajasthan block, till the execution of the Addendum to PSC or 31st January 2022, whichever is earlier.

Ravva block

The Ravva block produced at an average rate of 14,471 boepd, lower by 34% y-o-y, owing to natural field decline. Previous year production included impact of infill drilling campaign.

Cambay block

The Cambay block produced at an average rate of 9,856 boepd, lower by 1% y-o-y. This was primarily due to natural field decline partially offset by well interventions and production optimization measures.

Prices

Particulars	H1 FY2022	H1 FY2021	% change	FY2021
Average Brent prices –US$/barrel	71.2	36.1	97%	44.3

Crude oil price averaged US$71.2 per barrel, compared to US$36.1 per barrel in H1 FY2021. The surge in prices was driven by robust oil market fundamentals and accelerating oil market rebalancing. Signs of a recovery in oil demand due to the improving COVID-19 situation, production restraints from OPEC and relatively flat crude oil output in the United States kept global oil consumption above global oil supply.

Early in the year, oil prices came under pressure after lockdown measures and mobility restrictions were extended in European and Asian countries following the fast spread of the third wave of COVID-19 but soon resumed the upward trend bolstered by higher vaccination rates.

The rally was capped at the onset of Q2 on expectations of more crude hitting the market and the rapid spread of the COVID-19 Delta variant. However, oil prices reached nearly seven-year highs on October 5 after gradually increasing towards the end of the half year. Oil destocking due to short-term supply disruptions because of planned and unplanned outages, including Hurricane Ida's impact on crude oil production in the Gulf of Mexico and continued efforts by OPEC to follow their scheduled crude oil production increase of 400,000 barrels per day (b/d) rather than increase production by more, boosted the prices.

Financial performance

($m, unless stated)

Particulars	H1 FY2022	H1 FY2021	% change	FY2021
Revenue	728	408	78%	1,016
EBITDA	334	175	91%	438
EBITDA margin	46%	43%	-	43%
Depreciation and amortisation	129	142	(9)%	287
Operating profit before special items	185	33	-	151
Share in Group EBITDA %	12%	13%	-	12%
Capital expenditure	98	89	10%	233
Sustaining	1	2	(36)%	9
Growth	117	87	11%	224

Revenue for H1 FY2022 was 78% higher y-o-y at $728 million (after profit petroleum and royalty sharing with the Government of India), as a result of the increase in oil prices. EBITDA of H1 FY2022 was at $334 million, higher by 91% y-o-y in line with the higher revenues.

The Rajasthan operating cost was US$8.8 per barrel in H1 FY2022 compared to US$7.2 per barrel in the H1 FY2021, primarily driven by increased interventions and production enhancement initiatives. Previous year cost included impact of lower maintenance activities due to COVID-19.

A. Growth Projects Development

The Oil & Gas business has a robust portfolio of infill development & enhanced oil recovery projects to add volumes in the near term and manage natural field decline. Some of key projects are:

<u>Infill Projects</u>

Mangala

Based on the success of the FM3 infill drilling campaign, opportunities to further accelerate production by drilling 4 horizontal wells in FM3 & FM5 sands has been identified. The project also entails drilling of few deviated wells for FM2/3 sands and conversion of 3 wells to polymer injector.

Till September 30, 2021, 3 wells were drilled of which 2 wells are hooked-up.

Tight Oil (ABH)

Aishwariya Barmer hill stage II drilling program enabled to establish the confidence in reservoir understanding of ABH. Based on the success of it, drilling of 5 additional wells were conceptualized and drilling is expected to commence during third quarter of fiscal year 2022.

Tight Gas (RDG)

In order to realize the full potential of the gas reservoir, an infill drilling campaign of 27 wells has been envisaged. Drilling is expected to commence during third quarter of fiscal year 2022.

NI Infill

The project entails drilling, completion, and hook-up of 3 producer wells in the NI field. The contract for drilling and completion has been awarded Drilling is expected to commence in the second half of the current fiscal year.

Offshore (Cambay)

Infill program in Cambay over the last few years has resulted in incremental recovery. New opportunities have been identified basis integration of advanced seismic characterization, well and production data. Drilling is expected to commence during third quarter of fiscal year 2022.

<u>Discovered Small Field (DSF)</u>

Hazarigaon: Well intervention and testing activities was carried out in Hazarigaon-1 well. Extended well testing and monetisation is under planning.

B. Exploration and Appraisal

Rajasthan - (BLOCK RJ-ON-90/1)

Rajasthan exploration

The Rajasthan portfolio provide access to multiple play types with oil in high permeability reservoirs, tight oil and tight gas.
During second quarter of fiscal year 2022, we completed drilling of Raag-NE, an exploration well for which evaluation is underway. We also performed appraisal activities in Felsic (oil) zone in RDG and monetization is under planning.
We are also evaluating further opportunities to drill low to medium risk and medium to high reward exploration wells to build on the resource portfolio.

Tight oil appraisal

The appraisal program of four fields (Vijaya & Vandana, Mangala Barmer Hill, DP and Shakti) entails the drilling and extended testing of 10 new wells with multi-stage hydraulic fracturing. Till September 30, 2021, 8 wells have been drilled and fracced. Long term testing of these wells is ongoing.

Open Acreage Licensing Policy (OALP)

Under the Open Acreage Licensing Policy (OALP), revenue-sharing contracts have been signed for 51 blocks located primarily in established basins, including some optimally close to existing infrastructure.

Full Tensor Gravity Gradiometry™ (FTG) airborne survey for prioritising area of hydrocarbon prospectivity has been completed in Assam, Cambay, Rajasthan & Kutch region. Initial phase of seismic acquisition program has been completed in Assam, Cambay and Offshore region. Second phase is ongoing in Rajasthan and Cambay.

15 wells exploration (risked resource potential of 122 mmboe) work program spread over Rajasthan, Cambay, and North East with drilling cost of $118 million is under execution. Till September 30, 2021, we have drilled 6 wells (1 in Rajasthan, 3 in Cambay and 2 in North East). Additional drilling and related preparation activities are ongoing in Rajasthan, Cambay, and North East.

KW2-Updip-1 was notified as oil discovery and is under extended testing. Jaya-1 is a gas and condensate discovery, and monetisation is under planning.

Strategic Priorities & Outlook

Vedanta's Oil & Gas business has a robust portfolio mix comprising of exploration prospects spread across basins in India, development projects in the prolific producing blocks and stable operations which generate robust cash flows.

The key priority ahead is to deliver our commitments from our world class resources with 'zero harm, zero waste and zero discharge:

- Infill projects across producing fields to add volume in near term
- Unlock the potential of the exploration portfolio comprising of OALP and PSC blocks
- Continue to operate at a low cost-base and generate free cash flow post-capex

ALUMINIUM

Summary

Our Lanjigarh Alumina Refinery recorded highest half yearly production at 993 kt, up 6% y-o-y driven by asset integrity and operational excellence efforts. The aluminium production also saw record performance in half year with 1,118kt, up 19% y-o-y. The aluminium hot metal cost of production for H1 FY2022 was 24% higher y-o-y, primarily impacted by higher input commodity prices and power cost.

Further, we are focusing on optimising the hot metal cost.

Production performance

Production (kt)	H1 FY2022	H1 FY2021	% change	FY 2021
Alumina – Lanjigarh	993	938	6%	1,841
Total aluminium production	1,118	941	19%	1,969
Jharsuguda I	275	263	5%	533
Jharsuguda II[1]	553	399	38%	867
BALCO I	133	131	1%	265
BALCO II	158	148	7%	304

Alumina refinery: Lanjigarh

At Lanjigarh, production increased to 992,813 tonnes, up 6% y-o-y through plant debottlenecking and improved plant operating parameters. Increasing captive alumina production and local bauxite sourcing are key in our efforts to drive the aluminium costs lower. We continue to work towards the expansion of the refinery, subject to bauxite availability.

Aluminium smelters

Production for H1 FY2022 stood at 1,118,296 tonnes, higher by 19% y-o-y (including trial run).

Jharsuguda I & II smelter

Production from the Jharsuguda I smelter stood at 275,001 tonnes, 5% higher y-o-y and Jharsuguda-II smelter stood at 552,517 tonnes, 38% higher y-o-y.

BALCO I & II smelters

Production from BALCO I & II smelters were higher by 4% y-o-y.

Prices

	H1 FY2022	H1 FY2021	% Change	FY 2021
Average LME cash settlement prices (US$ per tonne)	2,528	1,604	58%	1,805

Average LME prices for aluminium in H1 FY2022 stood at US$ 2,528 per tonne, an increase of 58% y-o-y. LME saw a sharp increase in Q2 FY2022, followed by increased Aluminium Imports by China, majorly to offset low production in Yunnan. China saw significant power shortages in last few months leading to smelter production curtailment. LME is currently showing very healthy trends in the past few months.

[1] *Includes trial run production of 9720 tonnes in H1FY22 and 106 tonnes in H1FY21*

Unit costs

(US$ per tonne)

	H1 FY2022	H1 FY2021	% Change	FY 2021
Alumina cost (ex-Lanjigarh)	270	222	22%	235
Aluminium hot metal production cost	1,588	1,278	24%	1,347
Jharsuguda CoP	1,550	1,239	25%	1,304
BALCO CoP	1,696	1,370	24%	1,450

During H1 FY2022, the cost of production (CoP) of alumina at Lanjigarh refinery was 22% higher y-o-y at US$ 270 per tonne, driven primarily by higher input commodity prices. In H1 FY2022, the total bauxite requirement was met from domestic source (59%) and imports (41%). In comparison, our H1 FY2021, bauxite requirement was met from domestic source (48%) and imports (52%).

The Cost of production (CoP) of hot metal at Jharsuguda in H1 FY2022 was US$ 1,550 per tonne, increased from US$ 1,239 in H1 FY2021. The CoP at BALCO increased to US$ 1,696 per tonne in H1 FY2022 from US$ 1,369 in H1 FY2021. The increase in costs for both smelters were primarily due to higher commodity prices, increased alumina price indices.

Financial performance

(US$ million, unless stated)

	H1 FY2022	H1 FY2021	% Change	FY 2021
Revenue	3,023	1,662	82%	3,865
EBITDA	1,133	397	-	1,046
EBITDA margin	37%	24%	-	27%
Depreciation and amortisation	124	112	57%	230
Operating profit before special items	1,009	285	-	816
Share in group EBITDA (%)	40%	28%	-	28%
Capital expenditure	184	80	-	221
Sustaining	80	54	47%	162
Growth	104	26	-	59

Revenue for H1 FY2022 stood at US$ 3,023 million, higher by 82% y-o-y driven primarily by higher Aluminium LME prices and increased production.

EBITDA was higher at US$ 1,133 million (H1 FY2020: US$ 397 million) driven by increased production and Aluminium LME partially offset by increased cost of production due to headwinds in commodity prices.

Outlook

With the increasing primary aluminium demand, the outlook for FY2022 is strong. The aluminium LME has moved upwards to near-2,800 $/T levels in recent months. Regional ingot and value-added product premiums are rapidly increasing, reflecting a combination of low ordering for 2021 and stronger than expected demand. The global market sees a deficit due to the tightening of power availability for smelters in China.

The input commodity prices across alumina and carbon are moving on a higher side driven by supply disruptions and increased demand. We are looking at ways to continuously optimize our costs, while also increasing the price realisation to improve profitability sustainably.

India's market is expected to have robust growth, supported primarily by growing industrial activity and government focus on infrastructure sector and domestic manufacturing in the country. Several government initiatives (Make in India, Production-linked Incentive for domestic manufacturing, National Infrastructure Pipeline and National Rail Plan) will enhance aluminium demand, going forward.

Vedanta continues to expand its value-added product portfolio in line with evolving market demand, making it poised to grow in the Indian aluminium market.

At our power plants, we are also working towards reducing gross calorific value (GCV) losses in coal as well as improving plant operating parameters which should deliver higher plant load factors (PLFs) and a reduction in non-coal costs. Vedanta is working out a plan to expediate operationalization of Radhikapur West, Jamkhani and Kuraloi A North coal mines.

In FY2022, we expect production at our Lanjigarh refinery of around 1.9 – 2.0 million tonnes, and aluminium production at Jharsuguda and BALCO smelters of around 2.1 – 2.2 million tonnes. We expect the full year aluminium hot metal cost of production to be in the range of US$ 1,675 - 1,775 per tonne.

Strategic priorities

Our focus and priorities will be to:

- Focus on the health & safety of our employees, business partners, customers and community
- Reducing Carbon Footprint
- Deliver alumina and aluminium production through structured asset optimisation framework and expansion programs
- Enhance our raw material security of Coal, bauxite and alumina
- Expedite operationalization of Radhikapur West, Jamkhani and Kuraloi A North coal block
- Zero slippage in raw material and finished goods quality
- Improve our plant operating parameters across locations; and
- Improve realisations by enhancing our value-added product portfolio

POWER

Summary

In H1 FY2022, Talwandi Sabo Power Plant (TSPL) achieved availability of 59%. Further, plant load factors for the Jharsuguda IPP and BALCO IPP saw a slight decline due to planned shutdown and coal crisis.

Production performance

	H1 FY2022	H1 FY2021	% Change	FY2021
Total power sales (MU)	5,621	5,843	(4)%	11,261
- Jharsuguda 600 MW	1,305	1,493	(13)%	2,835
- BALCO 300 MW	608	821	(26)%	1,596
- MALCO[1]	-	-	-	-
- HZL wind power	289	219	32%	351
- TSPL	3,418	3,310	3%	6,479
- TSPL – availability	59%	89%	-	81%

1. Continues to be under care and maintenance since 26 May 2017

Operations

Power sales from TSPL were 3,418 million units, 3% up y-o-y. The power purchase agreement with the Punjab state compensates us based on the availability of the plant. TSPL operated at plant availability factor of 59% in H1 FY2022, low due to couple of technical issues encountered in unit-1 and unit-3. Post which unit-3 came back in operations in July end and unit-1 was taken into overhauling and came back into operations in September.

The Jharsuguda 600MW power plant operated at a lower plant load factor (PLF) of 55% in H1 FY2022 (Q2 FY2022: 63%, Q1 FY2022: 45%, H1 FY2021: 61%).

The BALCO 300MW IPP operated at a PLF of 60% in H1 FY2022 (Q2 FY2022: 49%, Q1 FY2022: 68%, H1 FY2021: 68%) and continues to supply to its customers under long-term power purchase agreements.

Unit sales and costs

	H1 FY2022	H1 FY2021	% Change	FY 2021
Sales realisation ex TSPL (US cent/kWh)[1]	4.3	4.2	2%	4.2
Cost of production ex TSPL (US cent/kWh)[1]	3.0	2.9	5%	3.2
TSPL sales realisation (US cent/kWh)[2]	5.1	4.2	22%	4.0
TSPL cost of production (US cent/kWh)[2]	4.0	2.9	36%	2.8

1 *Power generation excluding TSPL*
2 *TSPL sales realisation and cost of production is considered above based on availability declared during the respective period*

Average power sales prices, excluding TSPL, increased by 2% y-o-y. Power generation cost was at US cents 3.0 per kWh, up 5% y-o-y.

TSPL's average sales price was higher at US cents 5.1 per kWh in H1 FY2022 compared to US cents 4.2 per kWh in H1 FY2021, higher by 22% y-o-y. Power generation cost at TSPL was higher at US cents 4.0 per kWh in H1 FY2022 compared with US cents 2.9 per kWh in the previous year.

Financial performance

(US$ million, unless stated)

	H1 FY2022	H1 FY2021	% change	FY 2021
Revenue	335	385	(13)%	725
EBITDA	83	116	(29)%	190
EBITDA margin	25%	30%	-	26%
Depreciation and amortisation	39	39	-	79
Operating profit before special items	43	77	(44)%	111
Share in group EBITDA%	3%	8%	-	5%
Capital expenditure	6	4	-	s3
Sustaining	5	2	-	3
Growth	2	2	-	-

**Excluding one-offs*

EBITDA for the period flat y-o-y at US$ 83 million lower 29% y-oy.

Outlook

We will remain focused on maintaining highest levels of plant availability at TSPL and achieving higher plant load factors at our BALCO 300 MW IPP and Jharsuguda 600MW IPP.

IRON ORE

Summary

Operations in Goa continue to be suspended in H1 FY2022. We continuously engage with State & Central Government with the support of people adversely impacted by the Supreme Court's State-wide ban for resumption of mining in Goa.

Production performance

	H1 FY2022	H1 FY2021	% Change	FY 2021
Production (dmt)				
Saleable ore	2.8	2.4	14%	5.0
Goa	-	-	-	-
Karnataka	2.8	2.4	14%	5.0
Pig iron (kt)	410	295	39%	596
Sales (dmt)				
- Iron ore	3.0	2.5	18%	6.5
- Goa	0.5	0.7	(36)%	2.1
- Karnataka	2.5	1.8	40%	4.4
- Pig iron (kt)	404	291	39%	609

Operations

At Goa, there were no operations pursuant to the Supreme Court judgment dated 07 February 2018, directing mining operations in Goa to cease with effect from 16 March 2018. We continue to engage with the Government with the aim of resuming mining there.

At Karnataka, production was 2.8 million tonnes in H1 FY2022, sales stood at 2.5 million tonnes, up by 40% y-o-y majorly due to COVID 19 impact in last year.

During the half-year, pig iron production was 39% higher y-o-y at 410,000 tonnes through enhanced efficiency of furnace operations post relining.

Commercial production in recently acquired Gujarat Sesa Coke plant has commenced. We expect full ramp up by early Q4 FY2022.

Prices

The pig iron margin increased from US$ 65 per tonne in H1 FY2021 to US$ 154 per tonne in H1 FY2022, due to market dynamics resulting in better realization.

Financial performance

(US$ million, unless stated)

	H1 FY2022	H1 FY2021	% Change	FY 2021
Revenue	413	203	-	611
EBITDA	179	61	-	245
EBITDA margin	43%	30%	-	40%
Depreciation	16	15	8%	30
Operating (loss) before special items	164	46	-	215
Share in group EBITDA %	6%	4%	-	6%
Capital expenditure	(1)	2	-	14
Sustaining	(1)	4	-	6
Growth	0	(2)	-	7

In H1 FY 2022, Revenue was at US$ 413 million, up y-o-y mainly due to higher sales volumes at Karnataka and value added business. Iron ore Karnataka sales have increased by 40% y-o-y.

In H1 FY2022, EBITDA was US$ 179 million compared with US$ 61 million in H1 FY2021. This was mainly due to improved sales volume and margin at Value added Business and higher sales volume from Karnataka.

Outlook

The Company continues to explore all legal avenues to secure the reinstatement of mining operations in Goa and increase our footprints in Iron Ore by continuing to participate in auctions across the country including Karnataka & Jharkhand

STEEL

Summary

In H1 FY2022, the hot metal production was 631 kt, up by 9% y-o-y. Production was in similar levels in both the quarters with 314 Kt in Q1 FY22 and 317 Kt in Q2 FY 22. In Q1 FY22 production was hampered by instabilities and hanging issues in the furnace. In August month shutdown was taken to improve operational efficiencies. In H1 FY2022, the deliveries were 566 Kt, down by 2% y-o-y. With the domestic demand picking up & steel price scenario looking good, the company is confident of a strong performance in H2 FY 2022.

Production performance

Particulars	H1 FY2022	H1 FY2021	% Change	FY 2021
Production (Kt)	582	528	10%	1,187
Pig iron	90	110	(19)%	189
Billet	84	135	(38)%	165
TMT bar	155	95	62%	338
Wire rod	183	140	31%	361
Ductile iron pipes	72	47	51%	135

Operations

ESL achieved 582,000 tonnes of saleable production during H1 FY2022, up by 10% y-o-y. Capital shutdown was taken in the month of August, improving the productivity of blast furnaces in September 2021.

The priority remains to enhance production of value-added products (VAPs) i.e. TMT bar, wire rods and DI Pipe. During H1 FY2022, VAP production was 409 KT compared to 283 KT last year. VAP for Q2 FY 2022 were largely impacted due to higher billet exports and hence mills and DIP production were comparatively lower to Q1 FY22.

ESL's consent to operate the greenfield integrated steel plant at Bokaro was not renewed by the JSPCB following its expiry in December 2017. A writ petition was filed by ESL before the Jharkhand High Court against the orders issued by the JSPCB of rejecting ESL's application for the renewal of its consent to operate. The MoEF issued an order on 20 September, 2018 revoking the environment clearance of ESL which was also challenged before the Jharkhand High Court in a separate writ petition. The Jharkhand High Court granted a stay against orders on MoEF and JSPCB and allowed the plant operations to continue till the next date of hearing and also allowed ESL to apply for statutory clearance without prejudice to its rights and contentions. Pursuant to this order ESL has applied for forest diversion proposal on 4 October, 2018 without prejudice to its rights and contentions. On 16 September, 2020, the Jharkhand High Court passed an order that the plant operations were to continue only until 23 September, 2020 (the "September 2020 Jharkhand High Court Order"). ESL filed a special leave petition before the Supreme Court of India and in an urgent hearing on 22 September, 2020, the Supreme Court of India granted ESL a stay of the September 2020 Jharkhand High Court Order and granted ESL permission to continue operating the plant until further orders from the Supreme Court of India.

The Forest Advisory Committee (FAC) of MoEF granted the Stage 1 clearance and on an application made for EC by the Company MoEF has approved the related Terms of Reference (TOR) on August 25, 2020. Draft Environmental Impact Assessment (EIA)/Environment Management Plan (EMP) was submitted to JSPCB on November 05, 2020 and on conclusion of Public hearing by JSPCB, Final EIA/EMP report was uploaded on Parivesh Portal of MoEF on January 11, 2021 for consideration by Expert Advisory Committee (EAC). The proposal submitted by ESL after completing the public consultation process has been accepted by EAC in its 41st meeting held on July 30, 2021 and EAC has considered favourably and decided for issuance of EC to ESL subject to environmental safeguards to be taken by the company. Consequent to this, the company is required to deposit a bank guarantee equivalent to the amount of remediation plan and Natural and Community Resource Augmentation Plan i.e. Rs. 17,532 lakhs to JPSCB prior to grant of EC. Provision required in this respect has been made.

Meanwhile, MoEF vide it's letter dated August 25, 2021 has rejected for the time being the above proposal for granting of EC pending resolution of the matters in another such cases lying before certain high courts whereby SOPs issued for the purpose have been stayed and matters are pending for final decision. SLP filed on September 25, 2021 before Hon'ble Supreme Court of India against the said decision of MoEF has been accepted and the matter is pending before the said Court.

Prices

(US$ per tonne)

	H1 FY2022	H1 FY2021	% change	FY2021
Pig iron	506	341	48%	382
Billet	614	331	85%	336
TMT	640	464	38%	539
Wire rod	670	462	45%	537
DI pipe	569	556	2%	544
Average sales realisation	615	416	48%	488

Average sales realisation increased 48% y-o-y from US$ 416 to US$ 615 per tonne in H1 FY2022. This was majorly due to increase in Market prices, VAP mix of company and increase in prices of input commodities. Prices of iron & steel are influenced by several macro-economic factors. These include government spend on infrastructure, emphasis on development projects, demand supply forces, the Purchasing Managers' Index (PMI) in India and production and inventory levels across the globe, especially China.

Unit costs

	H1 FY2022	H1 FY2021	% change	FY2021
Steel (US$ per tonne)	545	349	56%	393

The cost of production stood at US$ 545 per tonne in H2 FY2021, increased by 56%. This was an outcome of strong increase in prices of Iron ore fines, Pellets and Iron ore lumps. There was a steep increase in index prices (Platt) of Coking coal which impacted coke prices. Due to internal issues in Sinter, the Company consumed more Pellets and usage of Purchase coke also increased in Q2 FY2022 due to issues in Coke oven. Shutdown has taken place in the month of Aug'21 to improve the operational efficiencies.

Financial performance

(US$ million, unless stated)

	H1 FY2022	H1 FY2021	% change	FY 2021
Revenue	363	251	45%	630
EBITDA	40	39	3%	117
EBITDA margin	11%	15%	-	19%
Depreciation and amortisation	18	17	7%	37
Operating profit before special items	22	22	-	80
Share in group EBITDA%	1%	3%	-	3%
Capital expenditure	21	1	-	(21)
Sustaining	6	7	(12)%	14
Growth	15	(6)	-	(36)

Revenue for the period H1FY2022, stood at US$ 363 million, higher by 45% y-o-y. This is mainly driven by higher NSR.

EBITDA for the period stood at US$ 40 million in H1 FY22 against US$ 39 million in H1 FY21. The EBITDA was in similar lines compared to last year. There was increase in sales realisation by 58% (615 $/t vs 412 $/t) which was largely offset by increase in cost of production by 56% (545$/t vs 349$/t) and sales volume for the period marginally decreased compared to last year (566Kt vs 575 Kt).

Outlook

Hot metal production is expected to be 1.4mtpa in FY2022.

COPPER BUSINESS

Summary

The copper smelter at Tuticorin was under shutdown for H1 FY2022. We continue to engage with the Government, local communities and other relevant stakeholders to enable the restart of operations at Tuticorin.

Production performance

	H1 FY2022	H1 FY2021	% Change	FY 2021
Production (Kt)				
- India – cathode	58	41	41%	101

Operations

The Company's application for renewal of Consent to Operate (CTO) for existing copper smelter was rejected by Tamil Nadu Pollution Control Board (TNPCB) in April 2018. Subsequently the Government of Tamil Nadu order dated 28 May 2018 issued directions to seal the existing copper smelter plant permanently. The Company has appealed before the National Green Tribunal (NGT). NGT in its order dated 15 December 2018 has set aside the impugned orders and directed the TNPCB to pass fresh orders for renewal of consent and authorization to handle hazardous substances, subject to appropriate conditions for protection of environment in accordance with law. The State of Tamil Nadu and TNPCB approached Supreme Court in Civil Appeals on 02 January 2019 challenging the judgment of NGT dated 15 December 2018 and the previously passed judgment of NGT dated 08 August 2013. The Supreme Court its judgment dated 18 February 2019 set aside the judgments of NGT dated 15 December 2018 and 08 August 2013 on the basis of maintainability alone.

The company had filed Writ Petitions before Madras High Court challenging the various orders passed against the company in 2018 and 2013. On August 18, 2020, the Madras High Court delivered the judgment wherein it dismissed all the Writ Petitions filed by the Company. The Company approached the Supreme Court and challenged the said High Court order by way of a Special Leave Petition (SLP) to Appeal and also sought interim relief in terms of access to the plant for purposes of care & maintenance of the Plant.

The Matter was then listed on 2nd December 2020 before Supreme Court. After having heard both the sides concluded that at this stage the interim relief in terms of trial run could not be allowed. Further, considering the voluminous nature of documents and pleadings, the matter shall be finally heard on merits. The case to be be listed once physical hearing resumes in Supreme court. Presently the matter was shown in computer generated list for 25th October 2021, but it did not come up in actual list.

Furthermore, 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.

Ministry of Environment and Forests (MoEF) has delisted the expansion project since the matter is sub judice. However, in the meanwhile, State Industries Promotion Corporation of Tamil Nadu (SIPCOT) cancelled the land allotted for the proposed Expansion Project and TNPCB issued order directing the withdrawal of the Consent to Establish (CTE) which was valid till 31 March 2023.

The Company has approached Madras High Court by way of writ petition challenging the cancellation of lease deeds by SIPCOT pursuant to which an interim stay has been granted in favor of the Company. The Company has also filed Appeals before the TNPCB Appellate Authority challenging withdrawal of CTE by the TNPCB, the matter is pending for adjudication.

In the interim, we continue with our engagement with the local communities and stakeholders through various outreach and CSR.

Our Silvassa refinery and wire rod plant continues to operate. This enables us to cater to our domestic market.

Our copper mine in Australia has remained under extended care and maintenance since 2013. However, we continue to evaluate various options for its profitable restart, given current favourable government support.

Financial performance

(US$ million, unless stated)

	H1 FY2022	H1 FY2021	% change	FY 2021
Revenue	955	572	67%	1,469
EBITDA◊	(19)	(6)	-	(21)
EBITDA margin	(2)%	(1)%	-	(1)%
Depreciation and amortisation	10	10	(4)%	21
Operating profit before special items	(29)	(16)	(89)%	(42)
Share in Group EBITDA %	(1)%	0%	-	(1)%
Capital expenditure	(3)	2	-	7
Sustaining	0	2	-	2
Growth	(2)	0	-	5

During H1 FY2022, revenue stood at US$ 955 million and EBITDA was US$ (19) million.

Outlook

On restart of Tuticorin operations, we expect production to remain at around 100,000 tonnes per quarter.

PORT BUSINESS

Vizag General Cargo Berth (VGCB)

During H1FY2022, VGCB operations showed a increase of 52% in discharge and decreases 13% in dispatch compared to H1 FY2021. This was mainly driven by nationwide lockdown due to COVID-19 & lower imports in the region in H1 FY2021 and decrease in dispatch due to lower imports in the region in Q2 FY2022.

SUSTAINABILITY

Vedanta has been on sustainability journey for over a decade. Our business is now moving towards incorporating the larger ESG vision into its key business practices and we are proposing major changes at board level to ensure commitment from the highest level. Evaluating the risks and mitigative actions are core responsibilities of the risk committee.

The concept of Sustainability is embedded with our core business operations viz. power generation, Oil & Gas, Metals and Mining. Vedanta, as a responsible corporate citizen, has been taking up sustainability and CSR interventions since its inception, much before mandated by the regulatory authorities and now the Companies Act, 2013

With a vision of Zero harm, zero waste and zero discharge, we are committed to not only being the lowest cost producer but to do so in the most sustainable manner. To achieve our vision, we have established a robust sustainability framework, we have aligned our practices to international guidelines, employed best in class technology and we are constantly challenging ourselves to get ahead**.**

Purpose-led ESG: Transforming For Good

Over the last decade Vedanta has been working steadily to improve its performance on various sustainability and ESG metrics. This journey has seen us move to the 89th percentile (last year: 86th percentile) in the Dow Jones Sustainability Index.

Over the last few months, we have been working very hard to develop a comprehensive strategy on ESG. We have also created an ESG Advisory Board with experts who have many years of deep ESG experience. We have also created a dedicated ESG structure to ensure this transformation sticks and is sustainable. This includes:

- Re-Constituting of the Board-level ESG committee
- Multiple ESG forums at Group and BU level for discussion and decision-making AND
- Communities of Practice at the SBU-level to drive implementation of ESG projects

We are also building 'World-class enablers' to help move the needle. These include:

- An ESG Academy to train our leaders. This is a global first.
- We are discussing the creation of an ESG Venture Fund to harness external innovation
- We are discussing diversification opportunities through a "green business" build program AND
- Creating an ESG Center of Excellence for regular monitoring and continuous improvement

The culmination of all these efforts is the development of our NEW ESG Strategy.

This strategy brings front-and-centre the purpose-driven approach that Vedanta has always aspired to follow. Staying close to our roots, we have taken our organizational tagline "Transforming Elements" and modified it to "Transforming for Good".

It is the purpose statement for the entire organization – ensuring that ESG is henceforth embedded in the way we do business. Supporting our purpose are three pillars:

1. Transforming Communities
2. Transforming the Planet
3. Transforming the Workplace

These pillars are further indicative of Vedanta's steadfast commitment to become a best-in-class company AND AT THE SAME TIME ensure that our communities and the larger society also benefits as a result of our existence.

These pillars are supported by nine aims that will serve as guideposts and milestones in our journey. These aims have specific, quantifiable targets that will help us track our progress.

- Aims 1, 2, and 3 under Transforming Communities commit us to:
  - Keep community welfare at the core of business decisions
  - Empowering over 2.5 million families with enhanced skillsets
  - Uplifting over 100 million women and children through Education, Nutrition, Healthcare and welfare
- Aims 4, 5, and 6 under Transforming the Planet commit us to:
  - **Net-carbon neutrality by 2050 or sooner**
  - **Achieving net water positivity by 2030** – HZL has already become 2.41 times water positive; now focus is on the rest of the business does so too
  - **Innovating for a greener business model**: This encompasses our previous ambitions of zero waste, zero discharge and embraces additional concepts such as circular economy, green business diversification, etc
- Aims 7, 8, 9 under Transforming the workplace commit us to:
  - **Prioritizing safety and health of all employees:** This is our commitment to zero harm and zero fatalities
  - **Promote gender parity, diversity and inclusivity** AND
  - **Adhere to global business standards of corporate governance**: This includes ensuring our senior leadership have KPIs that incorporate ESG performance, participation of the Board in ESG discussions, etc

Climate Change is a real threat to humanity. Every year we see an increasing number of natural disasters wipe-out and destroy the lives of thousands of people. Vedanta is making 10 commitments to stop our impact on the climate. There are:

1. We will be Net Zero Carbon by 2050 or sooner
2. We will use 2.5 GW of Round-The-Clock RE and reduce absolute emissions by 25% by 2030 from 2021 baseline
3. We are pledging US$ 5b over the next 10 years to accelerate transition to Net-Zero – this is a big and significant commitment!
4. There will be no addition to coal-based thermal power *and* ***we will use coal-based power only till end of life of our power plant's***
5. We will decarbonize 100% of our Light Motor Vehicle (LMV) fleet by 2030 and 75% of our mining fleet by 2035
6. We will accelerate adoption of hydrogen as fuel and seek to diversify into H_2 fuel or related businesses
7. We will account for the Scope 3 emissions of our businesses by 2025 – these are emissions that lie outside our boundary – with our business partners, logistics providers, business travel, etc
8. We are committing to work with our supply chain and will work with our long-term, tier 1 suppliers to submit their GHG reduction strategies by 2025 and align with our commitments by 2030
9. We will disclose our performance in alignment with requirements of the Taskforce on Climate Related Financial Disclosures (TCFD)
10. We will help communities adapt to the impacts of climate change through our social impact/CSR programs

These are bold commitments that will transform the company, unlock many business opportunities, and prevent the planet from warming to catastrophic levels.

SAFETY & HEALTH

We are deeply saddened by the loss of five lives at HZL and ESL. ICAM methodology was employed for fatality investigation by an independent team. The root causes have been identified and sites are ensuring the adherence of 100% actionable, learnings and report closure. To ensure that all employees go back home safe, following programmes are already initiated.

Critical Risk Management Program across Vedanta sites. With the help of global experts, this program is designed to identify critical risk areas in our operations. Management plans will be developed once risk identification is complete.

- We have identified top 11 Critical Risks across our businesses & assigned the ownership of risks to our Business CEOs for driving uniform practices across Vedanta. Further, an external consultant will help us in capacity building of our Risk Owners & Risk Champions.

Cross Business Audit Program has been launched across Vedanta with the aim to improve Horizontal deployment of learnings and promote exchange of best practices across Vedanta.

Safety Culture development at Al & Power, ESL and Cairn to enhance safety culture and transform their respective sites. This program is conducted by DuPont Sustainable Solutions (DSS).

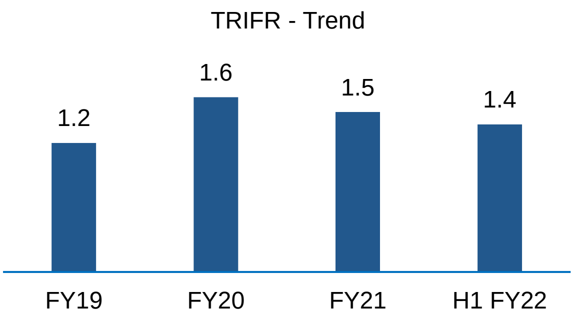
Safety Community - Monthly forum started with intent to improve networking between all our safety officers across Vedanta.

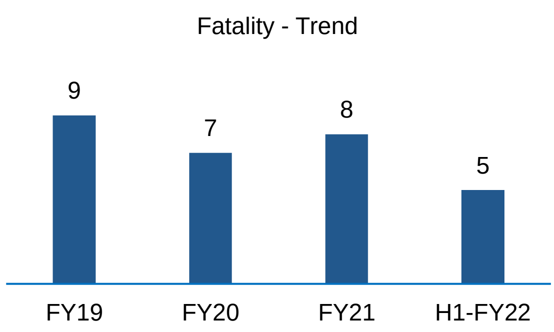
SMRITI initiative to ensure that we do not repeat any incidents across sites by ensuring on-ground implementation of past learnings.

Digital and Innovation in Safety

- Camera based surveillance to enable data driven decisions through AI by working with Start-ups like "Detect technologies" and "Guard-hat".
- 10 Digital Safety Standards have been launched (at HZL), and same shall be extended Vedanta-wide for improving Safety competency and capability across organisation
- Connected workforce for ensuring the safety of our lone workers is under evaluations at HZL, which will help improve safety on ground.
- Over 70% employees have completed our CHESS module and we are launching the same in Hindi for our business partners with aim to ensure that HSES practices are part of everyone's workday.

<u>Safety Statistics across Vedanta :-</u>





Health Community Forum A Group-wide forum is initiated to facilitate discussions and learning among our health professionals with the aim to bring the best practices of health care delivery across BUs.

Health Initiatives being driven across BUs are as follows :

- V – Care: At Jharsuguda, three Wellness centres are being developed inside factory premises.
- Mental Wellness Initiatives at Iron Ore Business: Designed to spread awareness and break the stigma around mental health for Employees and Family members.

Covid Management Vaccination Drive At present ~95% of Employees (Direct + Indirect) are vaccinated with Dose 1. Dose 2 vaccination will be completed by Nov end (except VZI).

2,200 Metric Tons Oxygen supplies from our plants was provided to critical care medical facilities.

Advanced Life Support (ALS) ambulance service (~1,900 Covid Care Beds across 21 Hospitals) for Community has been started.

ESG (Environment, Social & Governance)

We have engaged McKinsey to help Vedanta in its ESG transformation journey. We have also:

- On-boarded ESG advisors to assist the Board and senior management
- Revamped our ESG Vision and targets
- Conducted workshops with our BU teams to define A-class ESG projects that will improve our ESG performance.
- Defined a uniform management structure across all levels of the organization

Net Zero Roadmap - As an organization, we have started on the path to decarbonize our business by 2050. This includes risk assessment, developing science-based targets, carbon pricing, and revamping our energy mix. We will be announcing our commitment to net zero carbon emissions by 2050 or sooner in Q3.

Social Performance: We have initiated a pilot at Lanjigarh and the Rampura-Dariba Complex of Hindustan Zinc to reorganize the social performance framework on site. Key actions - formation of cross functional social performance team have been completed. Additionally, we have appointed a Director for Social Performance to drive the program uniformly across the Group.

Environment

Innovation & Technology Upgradation We believe in a circular economy and continue our efforts on recycling/reuse our high-volume-low-toxicity waste by adopting technologies that eliminate & minimize some of the waste streams.

- Our partnership with Runaya to process aluminium dross is a success story that helps to build a solid roadmap to the future of Zero Waste/waste to wealth.

Water Management We aim to achieve a water stewardship model to optimize water resources.

- RO ZLD to strengthen zero discharge at HZL-DZS

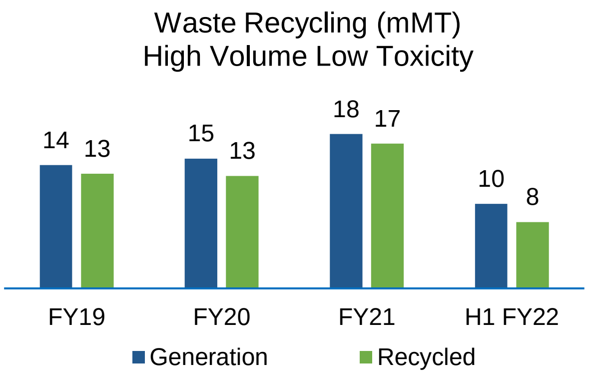
- Commissioning of a Zero liquid discharge plant at Jharsuguda Unit
- Commissioning of ETP Phase-3 at Cairn - MPT for handling water produced. Recycling the water through re-injecting in the reservoir for maintaining the void replacement ratio

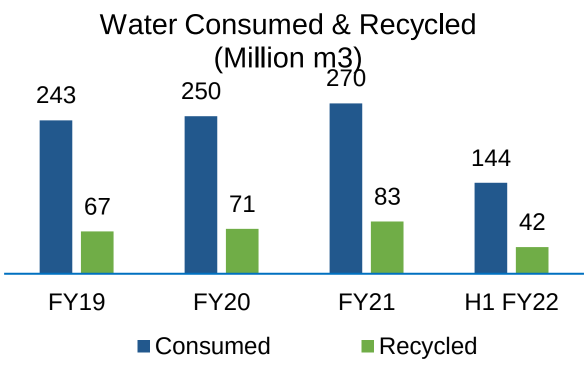
Biodiversity / Planation Until the end of Q2, ~ 4.3 Lakh plant trees/saplings were planted across the business units. Miyawaki Method of Afforestation is being adapted in Zinc and AL&P Business.

Tailing Dams Assessment and Digitalization We engaged with Third-Party Experts (ATC Williams) to undertake independent review of our tailings facility to strengthen our practices on the ground w.r.t new standards released by ICMM and implement best practices across the facilities. The Tailing facility performance is continuously being reviewed at the business group exco level.

All the tailing facilities at HZL & Zinc International are monitored through satellite (through Interferometric Synthetic Aperture Radar (InSAR) Technology)

Environmental Risk Assessment: We have on-boarded a specialist for reviewing our environmental practices to strengthen on-ground implementation. This initiative supports all facilities that optimize resource use and help in adopting industry's best practices.





Key Awards / Recognition

- ET-Futurescape Award : Top Ranking in Metals & Mining Company (8th Ranking Overall)
- ESG India Leadership Award 2021
  - VEDL : Winner in Waste Management
  - HZL : Winner in Overall Environment Category
  - HZL : Winner in Greenhouse Gas Emissions Reduction Category
- Zinc Business
  - Yard Project and Innovative Project (RDM-Biodiversity Park) in renowned CII National Award for Environmental Best Practices 2021.
  - HZL - All the three CPPs win triple Gold at SEEM Energy Management Awards 2021

- HZL - Kayad mines received safe mines "National Safety Award" from DGMS .
- HZL - PMP received best in class National safety excellence award

- Aluminium & Power Business
  - VAL-J - Best Water Efficient Plant (Power Plant).
  - VAL-J - SEEM National Energy Management Gold Award for Smelter- I, II & CPP
  - BALCO - Excellent Energy Efficient unit by CII National Awards for Excellence in Energy Management -2021
  - BALCO - Winner- International Green Apple Award in Environment Category 2021
  - TSPL - Single Use Plastic Free Certification form CII

- Oil & Gas Business
  - Cairn COVID-19 Community Interventions Recognition from District Administration - Barmer
  - Cairn Oil & Gas won "The Best Rural Health Initiative Award' under the Gold Category at 5th CSR Health Impact Awards organized by Integrated Health & Wellbeing Council
  - NABL accreditation (ISO 17025:2017) of Environment Lab at Carin-MPT with accreditation scope of 139 parameters
  - Carin - Ravva asset won "Gold Award" from Quality Circle Forum of India on Quality Concepts theme - Involving people through quality concepts to make India a global leader.
- Iron and Steel Business
  - Vizag General Cargo Berth Private Limited - Apex India Green Leaf Award 2020 for Environment Excellence
  - Vizag General Cargo Berth Private Limited - Greentech Effective Safety Culture Award 2021

ZINC INDIA - HZL

HZL's LTIFR was 0.77 compared to 0.78 in the previous year. With deep sorrow, we report the fall of ground incident on 28th June at Agucha mines leading to loss of 2 lives of our colleagues. We are focusing on learning to prevent recurrence, critical risk management and safety standards implementation.

<u>Key Actions taken across mines to prevent recurrence</u>

- Developed formal protocols for -
  - Quality control of face drilling and charging
  - Assessment of face profile, acceptable deviation limits and specific actions in case of deviations.

    - Face support to protect charging crew
    - Updated Face drilling SOP to include requirement for mechanical loose scaling before and after face drilling
- Developed timebound roadmap for transition to 100% mechanized charging
- Plan for elimination of manual face charging by multiskilling operators
- Capability building for mining mates and revision in face inspection log-book to include checks related to correction blast & protective wire mesh where needed.

Safety Management

- HZL established fire & emergency rescue and training centre in UG mine at Agucha. India's first emergency escape route staircase type developed at RDM underground mines.
- Second party EHS audit completed across HZL, Legal audit completed for smelters.
- Qualitative and Quantitative Exposure Assessment for industrial hygiene completed for all units and exposure mitigation plan developed.

The business delivered steady performance in resources conservation and recycling. During the reporting period the water recycling rate was at 41%.

We have **established our Sustainability goals 2025** leading to step changes in the company's approach towards following –

- Reducing GHG emissions
- Remaining water positive
- Waste utilisation
- Maintaining safety and diversity at workplaces
- Enriching communities
- Enhancing biodiversity.

As a COP-26 Business Leader, HZL has always been actively working towards tackling the repercussions of climate change. We have committed to reach Net Zero emission by 2050, in line with business ambition for 1.5 degrees Celsius campaign led by the Science-Based Targets initiative (SBTi).

We intend to convert all our mining equipment to battery-operated Electric Vehicles (EVs) and we are committed to invest $1 billion over the next five years to turn our mining operations environment-friendly. We have signed an MoU with Normet Group to introduce battery-powered service equipment and utility vehicles in underground mining.

Our climate change risk assessment is aligned with TCFD guidelines and we have published our first TCFD report during this year.

Water stewardship – In alignment with achieving the 5-time water positive status, We extended the Udaipur Sewage Treatment Plants capacity to 60 MLD and created 8.5 MCM Rainwater Harvesting potential structures at nearby villages of RAM.

We launched Zinc Eco-buddies plantation portal on World Environment Day to enhance biodiversity throughout the life cycle. Also, Miyawaki Method of Afforestation pilot project completed at DZS.

The first quarter of the year has experienced the unexpected pandemic COVID 19. In view of COVID 19 we have implemented extensive protocols in response to COVID-19 to safeguard our employees, their families and to support business continuity.

Key efforts taken for Employees and Communities during the Covid-19 pandemic:

- The company has supported the local authorities with over ~225 MT of liquid oxygen
- New field hospital in Dariba with capacity of 100 beds for Covid patients. The Covid Care hospital having 80 normal ward beds, 20 ICU beds with air conditioning facility and medical assistance.
- Support provided by Hindustan Zinc to the district administration in setting up the 350-bed hospital in DAV school premises.
- Hindustan Zinc handed over 500 Oxygen Concentrators to Hon'ble Chief Minister of Rajasthan in fight against COVID
- Insulated Vaccine van with chiller unit handed over to CMHO Udaipur
- The company has extended support to the Local Health Administrations, by disinfecting villages by spraying & fumigating with sodium hypochlorite solution and providing medical gears like masks, sanitizers & Personal Protective Equipment (PPEs) to local communities.
- The company has introduced the Group Corona Kavach Policy that covers more than 25000 contract workforces in Rajasthan and Pantnagar in Uttarakhand. This cashless policy covers all corona related diagnostic charges including pre-hospitalization and post-hospitalization expenses.
- There is also a dedicated 24×7 Covid Care Apollo helpline number to provide any kind of healthcare support and assistance for all employees and their dependents.

ZINC INTERNATIONAL – BMM, GAMESBERG

VZI reported 7 LTI accidents during H1 and LTIFR – 2.3.

Skorpion Zinc mine remains in care and maintenance.

We have launched "STOP" safety campaign to promote Health and Safety environment and to empower our employees to deal with workplace hazards. We are actively participating in learning from incident to adopt proactive approach to mitigate against recurrence. Search and rescue efforts continue at Gamsberg.

There is a strong focused approach towards VSAP and CAPA risk prioritization to ensure action implementation. Housekeeping remains key to improving workplace environmental conditions particularly for Gamsberg Mine.

Employee exposure to airborne particulates such as lead dust and silica remain key priority focus areas and VZI is committed to continually review and improve on the mitigation controls in place.

Four blood lead withdrawals were recorded during H1 period at Black Mountain. One blood lead withdrawal during H1 from Gamsberg concentrator plant. Static and personal dust monitoring is being done to produce baseline levels for different occupations and to evaluate effectiveness of engineering controls.

2 environmental level 3 incidents were recorded during Q2. One at Gamsberg and another at BMM to dirty water pipelines failing and spilling into the environment. BMM is investigating renewable energy partnerships with local wind and solar electricity generators. A water pinch point study is also in the final stages of completion at both sites, to identify water optimisation opportunities.

The reverse Osmosis plant was installed and BMM is currently experiencing issues regarding the RO plant and water qualities and have engaged with service provider to engage with manufacturers to address water quality issues. SANBI PO and SLA in place to commence with quarterly training, seed collections, herbariums sampling to increase seed harvest and donation to Millennium seedbank.

The Covid-19 Mitigation & Management programme continue to run in order at the workplace and community through involvement and participation of all stakeholders (Regulatory bodies, Unions, Employees, district and regional local government authorities). As part of the programme, the COVID-19 Procedures & Monitoring system have been fully embedded in normal operational activities. A workplace COVID-19 vaccination programme has also been launched during H1 whereby vaccinations are administered at the workplace for all employees (including business partner employees). This have been extended to dependents and community. A second phase of the programme will run during H2. Our target is to achieve more than 80% by year end.

OIL & GAS – CAIRN INDIA

There are Four Lost Time Injuries (LTIs) with 0.24 of Lost Time Injury Frequency (LTIF) in H1 FY’22 as compare to 4 LTIs and 0.29 LTIF in H1 FY’21. Cairn Oil & Gas has taken various initiatives:

- Conducted Offsite Mock Drill on scenario ‘Leakage from 24” Crude Pipeline in collaboration with District Authority and under the command of District Magistrate and Superintendent of Police, Barmer.
- Through our Internal Experts, we initiated online sessions on Learning from Disasters on monthly basis.
- Celebrated ‘Sarthi Day’ on the auspicious day of Janmasthami, to recognize Drivers for following Defensive Driving Practices on Road.
- Two-Wheeler Safety Campaign conducted across Rajasthan asset. 600+ local personnel were briefed about importance of helmet and two-wheeler safety
- Initiated ‘Catch of the Month, an award to Business Partner’s Personnel for recognizing his/her HSE initiatives to make workplace and work environment safe.

- Initiated following digital initiatives
  - Digitalization of Crane Inspection Data and audit through QR Code
  - Digital HSE Workshop with Business Partners
  - Automated update to BU wise daily HSE Dashboard to CEO and Launched Hazard Reporting through Kiosk and Mobile App

Highlights for H1 FY22 are as:

- Commissioning of pipeline from Raag oil to RGT for transportation of gas to terminal instead of flaring resulted in reduction in GHG emission: Approx. 0.8 mmscfd gas with annual GHG reduction potential of 32,500 tons of CO_2e.
- Reduction in bridge plant flaring by diversion of condensate from Bridge plant to RDG and also by optimization of Bridge plant which resulted into saving of 1 mmscfd gas with annual GHG reduction potential of 27,750 tons of CO_2e/annum.
- Commissioned solar driven chemical injection pump at RC platform, Ravva.
- Hydrocarbon recovery by processing of skimmed oil: ~ 9,860 bbls in FY'22 till Sept'21.
- Drilling and oily waste sent to cement industries for co-processing: 2,440 MT.
- Participation in Ghar Ghar Aushadhi Yojana program with State Forest Department
- Approx. 1,800 saplings of various desert species and fruit species were planted across rajasthan during Van Mahotsav celebration in July 2021
- Commissioning of Gas Engine Generator (1.1 MW) at NI-02, MPT for gas utilization for power generation and avoiding flaring. GHG Reduction Potential of 2,500 tons of CO_2e/annum.
- In-house surface set up for availability of hot water to meet the heating requirement for PE activities, leading to saving ~ 3,200 ltr diesel /day and associated GHG emission of 2,200 tons of CO_2e/annum.

COVID-19 Mass Vaccination drive is taken up for employees, their family members, and Business Partners. 100% of eligible employees of Cairn and Business Partners have completed 1st Dose of Vaccination. 45%+ personnel have been vaccinated for 2nd Dose

POWER BUSINESS : TSPL

The Businesses performance on sustainability aspects in the FY 21-22 H1:

- Zero fatal incident
- Four Loss Time Injury as per Vedanta Management Standard MS11
- LTIFR of FY22 H1 is 1.3 & in FY21 H1 it was 1.9
- TRIFR of FY22 H1 is 1.9 & in FY21 H1 it was 2.9
- Near miss incident reporting in FY22 H1 is 292 and in FY21 H1 it was 442
- HSE Training Manhours in FY22 H1 is 29, 267 man-hours and in FY21 H1 it was 11,475 man-hours
- Saving of 617,444 m^3 of water and 24,268 GJ of energy
- Generation of 7,222 units from 30 KWH Solar Rooftop panel
- Reduction in carbon footprint of 2,332 MT of CO_2
- Tree Sampling Planted : 13,50F0
- Ash Utilisation : 116%

Continued focused on culture of care by Visible Felt Leadership with management at plants spending more time on the shopfloor to pre-empt and address safety issues, CEO Safety Townhall, Mass Toolbox drive, Leadership tour, Visual display of safety messages. TSPL Continue its VSAP implementation program. We initiated program of Fatality Elimination & Loss Time Injury Reduction to improve safety performance.

TSPL has Replaced its Basic Life Support Ambulance with Advanced Life Support Ambulance.

Further we have Opted for performance improvement and rpm reduction project to reduce its GHG emission reduction. Few projects include CW pump rpm reduction, Improved HPT performance, DM water consumption reduction. TSPL has targeted to achieve specific water consumption of 1.96 m^3/MWh w.r.t last year 1.98 m^3/MWh. We have opted for projects like:

- Operation of ZDS through CEMB water when COC < 5
- Interconnection of SAC A Sodium Analyser with SAC B Sodium Analyser
- Reduction in Start Stop frequency of DM Plant. To start at 5 m level instead of 6m.
- To fulfil AHP & CHP water requirement by providing water to CHP&AHP from CEMB

Non-Toxic high quantity waste (ASH)- TSPL has taken many initiaties to increase ash sales for FY22. The initiatives are:

- Increasing DFA sales by tying up with cement manufacturers.
- Increasing pond ash utilization distribution (7.2 lakh ton) in H1 of FY22.

IOB BUSINESS

There were 3 LTIs recorded during H1 (April’21 to Sept’21 - LTIFR – 0.43) in IOB business (IOG,IOK,VAB,VGCB & Sesa Coke). To improve Man-machine segregation and Vehicle and Driving standards, VAB & Sesa coke are developing additional roads and footpaths across the work sites. To eliminate the risk due to reversing by trucks a survey was conducted by a cross-functional team and plan is chalked out for effective implementation of the findings.

Campaigns like Take 5, Line of Fire, Safety Pledge, etc. during the daily PEP talks were conducted during the period to improve behaviour-based safety at shop-floor level. Safety induction training through Safety Kiosk started since July’21 at our Karnataka facility. Webinar training on Electrical safety & Lightening protection measures by Odisha state disaster management authority was conducted at IOK. Implementation of CAPA from fatalities like Balco ID fan incident, drowning incident at Cairn and lightning strike incident at VAL-J are in progress across business.

Capacity building of Crane operators and Riggers through OEM at IOK and competent agency at VAB was conducted. MBRD training imparted to grid owners by in-house competent trainers to develop VFL and Safety interaction skills of site leaders. As a major learning of our last year LTI at IOG related to Truck tyre inflation, we have implemented a standard tyre inflation system, which will protect the person who can be in line of fire during the activity. At VGCB, Wagon tarpaulin covering from fixed platform has been implemented as an engineering control to prevent falling from height.

External safety audit was conducted at Sesa Coke, Vazare and recommendations were implemented as per Maharashtra State Rules. A third-party VSAP review and awareness session was facilitated for IOK business for handholding and awareness of the IFC & ICMM guidelines and Vedanta Sustainability Framework requirements.

For Water Month, conservation and reduction in water use were promoted. Carbon Footprint training was conducted through CII wherein 20 employees from several functions were covered.

Overall study for green belt development conducted by competent agency at Sesa Coke. Around 8,500 sapling planted during monsoon season including 7,500 by Miyawaki technology. We have Installed, three real time Digital display Boards at VAB gates and also new CAAQMS unit at VAB. Construction of new settling pond of 700 m^3 pumping arrangement for utilising harvested rainwater.

<u>Other initiatives at IOK</u>

- We have completed the construction of 130m retaining wall below dump D4 to provide additional stability to the dump and completed de-silting activity of around 60,000 m^3 in five nearby village ponds to rejuvenate and increase the water retention capacity of the ponds.
- Five check dams and settling ponds situated near mining lease were also taken up for de-silting to avoid silt to enter natural streams.
- We have constructed 1 settling pond of 16mx4mx4m and 2 check dams. This has also resulted in rainwater harvesting in an area, which is drought-prone. Around eight Ha of the finalized dump at D-4 has been stabilized by using coir mat and successfully vegetated by growing native grasses.
- We have also completed the plantation of 45075 native saplings on Dumps, Forest areas, Roadside and Government Schools.

ESL

We are deeply saddened by the loss of three lives at our steel business during H1 FY2022. In order to address the risks which are currently prevailing at site

- We have formulated 30 day and 60 day plans with various cultural changing initiatives in consultation with DuPont Sustainability Solutions.
- Leadership drive in engaging people participation across all levels including business partners

We have reported six Lost Time Injuries in H1 FY2022. Our LTIFR is 0.63 There is an increase of 89% in near miss reporting and 186% in safety observation reporting in H1 FY2022 as compared to H1 FY'20.

mQuiz portal has been implemented for better tracking of safety indicators. Weekly Safety Call by Dy. COO has been initiated to discuss and review the safety performance of all the functions both on leading and lagging indicators. Daily permit audits and JSA audits are being done by safety team across the site to check the Permit to work system compliances at shopfloor at Best performers in safety are being rewarded every month. Surakshavahan (Mobile Safety Van) concept has been implemented which is a mobile based safety training system for business partner employees working in the shopfloors to spread awareness on various safety topics using audio visuals in both English and Hindi languages.

In ESL we are committed for extensive air monitoring for which 17 additional Opacity meters and 5 new gas analysers are installed for continuous monitoring of pollutants from process stacks such as particulate matter, NO_2, SO_2, CO, the data of which is transferred continuously to PCB servers. ESL has installed HFTR (High Frequency rectifier transformer) in Sinter process stack to reduce the emission beyond compliance. Fog guns are installed in the coal handling area of power plant to mitigate fugitive dust emission due to handling of thermal coal in this area. Off gas system in steel melting shop has also been modified.

ETP treated water is 100 % utilized in different processes of the Steel Industry, which results in less water withdrawal. Solid waste being generated in Steel Industry is utilized in different other sectors and hence are considered as co-products. Blast Furnace and Fly Ash is 100% and 80 % of LD slag is also utilized after metal recovery.

Biodiversity risk assessment and robust management plan is prepared for maintaining an industry ecology balance. 26,442 saplings have been planted in the period of April to September 2021.

We have Installed BPRT and TRT to reduce the carbon footprint and utilize waste heat of the gases.

FACOR

Currently, the LTIFR is at 0.41. We have had one LTI in July after which all the CAPA recommendations for the incident were compiled accordingly. After the Fatality at ESL, inspection was done at lift of Furnace floor here by Safety team and the OEM as well.

To achieve a zero-incident workplace Visible Felt leadership (VFL) is launched to engage in interactions with the workers on ground level. Recently we have merged VFL with Gemba Walk which is conducted by our leaders with a focus on implementation of 5S inside the premise. Cardinal and Golden safety rules were also implemented which are to be strictly followed inside the premise.

Along with this, we have been celebrating safety theme of the Month under which we keep one of the VSS as theme of the month and spread awareness on that theme through various training programs, quizzes, initiatives such as setting up PPE Stalls, Audits, mock drills, Safety Mannequins were set up for PPE Awareness, Internal Conveyor audit conducted for all the conveyors etc. VSS Champions were identified for all the standards and were trained by our safety officers as well as third party. VSAP champions were identified for all the VSAP Modules and were trained by a 3rd party. Safety booklets with all the Safety standards mentioned were also distributed among employees.

To comply with the regulations, Online data transmission to SPCB server was attended by service engineer. HD IP Camera was installed at FPL, Bag filter was installed for briquetting plant at CCP, Digital water flow meter with telemetric system was installed at Ostapal and Kalarangiatta mines, Hazardous waste disposal agreement done for both the mines by 3rd Party. maintenance of ETP was carried out, construction work for surface run-off water was initiated at FPL. A joint inspection was conducted by CPCB and SPCB at Mines to observe the water discharge facility at Mines. The observations were satisfactory.

Several plantation activities were carried out at Mines. Plantations were done at waste dump areas as well. Carbon Forum was constituted at BU level and two capacity building sessions were conducted by PWC on Climate Change for the employees regarding awareness on Climate change.

In September, ESG Theme of the Month - "Water" was celebrated. An internal water audit was done and major projects undertaken under Water Theme were Surface Run off Water Treatment, Rain water treatment and WASH Initiative. Work is under progress for all these major projects. Quiz and Awareness campaigns were arranged to spread sensitivity regarding Water usage. Under WASH initiative, team was formed to execute all the WASH related initiatives.

An audit was conducted by M/s ERM and Corporate in August under which 55 non-compliance were identified. By the end of September, 31 out of those were closed. The other 24 non-compliances are under progress.

In July, we appointed a full-time doctor for our Occupational Health Centres. Periodical Medical Examinations at CCP and FPL for employees and business partners. First Aid box audit was carried out at all units and health inspections were conducted at CCP canteen and Ostapal Dispensary. Awareness campaigns were conducted regarding HIV/AIDS, First Aid treatment training to employees.

STERLITE COPPER – SILVASSA, TUTICORIN AND FUJAIRAH

Silvassa

During the period, LTIFR and TRIFR of Silvassa operations are 0.00 and 2.98 respectively. This year we continued the campaign, 'Drive to Zero Harm, Zero Waste and Zero Discharge' to impart safety awareness and training.

In our continuous efforts to achieve zero harm, Silvassa operations has scored 75% in the working at height module, which is highest amongst the group. E-learning courses for safety performance standard launched for all employees. A total of 898 man-hours of training was imparted to the employees on Crane Safety, working at height, electrical safety, and safety work permits.

Industrial hygiene survey and ergonomics survey was carried out along with workplace monitoring and for heat stress, Noise and dust exposure.

In environment, a compost machine is introduced for the treatment of solid waste inside the plant. The compost generated is used as manure for the plantation on-site. Under the drive for carbon reduction, the use of furnace oil is eliminated and PNG fuel is introduced for the boiler and furnace operations. Also, replacement of sodium vapour lamps with LED lamps and replacement of AC units with energy efficient AC Units resulted in reduction of 1000 MT of CO eq.

Fujairah

In Fujairah, a total of 32 HSE training programs are conducted for employees and business partners and imparted 550 man hours of training. Few of the key systems include

- Automated External Defibrillator procured for cardiac related first aid measures
- Periodical mock drills are conducted once in six months.
- Quarterly inspection by Fujairah Civil Defence Authorities for Fire and LPG systems.
- Monthly inspection of Fire Alarms and Smoke detectors.

Two business partners are identified and recognised for their contribution in Behaviour Based Safety and for demonstrating best safety performance on-site.

Under the drive for energy conservation and efficiency, audit was carried out to identify the opportunities for the reduction of carbon emissions. Conversion of LPG/CNG to PNG fuel usage pipeline Project was initiated, which will significantly reduce the risk of LPG & CNG tanker transportation and associated risk of fuel unloading.

Tuticorin

Sterlite Copper was able to supply medical oxygen to the tune of 2,190.9 MT of Liquid Oxygen and 7,833 m^3 of gaseous oxygen of medical grade as on 31st July'21. The medical oxygen supplied is estimated' on an average to have saved 14,000 lives.

On behalf of 'VEDANTA CARES', three Government Hospitals, three Primary Health Centres and seven Urban Health Centres received support in the form of medical infrastructure worth INR 2 crores to ensure access to all sections of the community.

A total of 1.76 Crores scholarship amount was distributed to 3,265 students. Under the initiative of 1 million plantation "Pasumai Thoothukudi", The first 1 lakh plantation is completed. The communities from 20 surrounding core villages, coastal communities, SHG groups, customer & supplier associations have submitted their representations to District Collector, Tamil Nadu State Government for reopening of the plant citing the impact on their livelihood and socio-economic impact.

ALUMINIUM BUSINESS : BALCO, VAL-JHARSUGUDA & VAL-LANJIGARH

We got DuPont Sustainable Solutions onboarded to improve its safety culture at Aluminium sites. The engagement with DuPont has been termed as project "SANKALP". DuPont's new approaches to managing safety will assist us to build a robust safety culture.

Leading safety efforts workshops have been conducted for senior management by DuPont to improve the safety competency of our line managers and leadership team. Increase in visibly felt leadership by engaging senior management in dedicated safety walk downs and safety interactions. Senior leaders made accountable and responsible for safety performance and outcomes.

BALCO

Lowest ever LTIFR of 0.19 in H1.
BALCO was able to recycle 11.60% volume of water and ensured proper disposal of 7,303 MT of waste from secured landfills. BALCO planted 17,000 saplings in mines and 15,000 saplings in and around BALCO plant premises. We received permission from CECB Korba for filling 90,000 MT ash in the low-lying area of Village Naktikhar. An MOU was signed with SECL for disposing of ash in Manikpur OCM. CTO renewal obtained for Kawardha Bauxite mines which is valid up to 30.09.22. We successfully delivered EC presentation before EAC for the proposed expansion project.

CII GreenCo Rating system initiated across BALCO. Balco topped PAT-II scheme in Indian Aluminium Sector. Hired professionals for enhancing safety competence of employees and BP workers. Competent Rescue team partnered and deployed at site for round the clock site safety during critical activity.

Third party industrial hygiene Survey conducted across BALCO to identify the health status of our stakeholders. Covid Vaccination drives were conducted too.

Jharsuguda

LTIFR for Jharsuguda site is 0.48.

Personal Safety Action Plan (PSAP) PSAP is framed for more than 75 senior leaders, who will be executing their plan rigorously on weekly basis and same will be reviewed by CEO/COO regularly. Focus area of PSAP are Visible Felt Leadership (VFL), Safety Alert CAPA Verification, Incident CAPA verification, Critical Task assessment and HSE review.

Suraksha Samvad a unique program started in Jharsuguda which is anchored by Dy CEO/COO., Virtual communication meet for shop floor employees including operators, technicians, workers etc. This program lays emphasis on culture of care & learning from past incidents.

Suraksha Jagruti Five lifesaving Behaviour Based Safety Awareness program for the workers of Business Partners. This helps us to change the behaviour of our employees from reactive to proactive.

Safety Digitalization & Innovation

- Installation of Conveyor interlocking along with the guards as an Engineering control. Interlocking grid is laid in Zig Zag format at conveyors. When conveyor guard is removed by opening grid connector, the conveyor stopped it sends signal to control panel for further processing.
- Installation of spotlight in Technological Vehicle – This is helping in Maintaining safe distance between Man- Machine and Avoid line of fire around the vehicles
- Installation of Reverse camera in LTTV & Forklift - Monitoring during reversing of vehicle in shop floor
- Development QR Code Based Inspection of Fire extinguishers. It will help for quick identification of schedule as well as data analysis.

Emergency Preparedness First time Onsite Emergency mock drill conducted through virtual platform & witnessed by the Deputy & Assistant Directors of Factories & Boilers, Odisha.

Health V-Care program - A health & wellness initiative launched for Jharsuguda by Dy CEO, wellness centre inaugurated at Smelter-2 Potline and “10000 steps a day” is the 1st initiative of V-care program started.

Lanjigarh

LTIFR - 0.33 injuries per million manhour worked

- Increased visible felt leadership by engaging senior management in dedicated safety walk downs and safety interactions.
- Senior leaders made accountable and responsible for safety performance and outcomes.
- Reward & recognition policy for BP Employees focusing on Heavy Vehicle Safety

- Introduction of "Suraksha Haat" a new safety sharing and engaging program with all business partner employees.

Health

- Proactive Testing: 7,117 Covid Antigen tests was conducted till Sep. 100 bedded COVID care centre at Lanjigarh with 25 oxygen support bed and 75 without oxygen support bed installed.
- Covid Vaccination Utsav: 12,261 beneficiaries were vaccinated. Covid screening of 2,524 employees and associate partner employees was done before entry to plant.

***Environment*:**

- Currently Lanjigarh has had no major Environmental Incidents and the emission parameters are maintained with the statutory norms with continuous online transmission to SPCB and CPCB.
- Last H1, the site has achieved lowest ever Specific Energy Consumption till YTD i.e. 7.15 GJ/T and the site has reduced 20% of GHG Emission intensity with reference to 2011-12 baseline.
- VLL site has met 46% of water requirement from the wastewater and recycled the entire generation of wastewater
- Also, VLL has planted 5,700 of sapling in H1.
- VLL has taken initiative to make rainwater harvesting ponds in the nearby villages and constructing rainwater recharging structures in VLL Township to recharge 1 lakh m^3 of rainwater
- During H1, the site has also signed Agreement with the municipality for disposal of solid wastes from plant and township premises. Continuous trainings and awareness sessions are carried out to the employees and business partners for strengthening of the Waste Management System on shopfloor

RISK AND UNCERTAINTIES SECTION

Vedanta is one of the world's foremost natural resources conglomerates, with primary interests in zinc-lead-silver, iron ore, steel, copper, aluminium, power, oil and gas. Vedanta operates across the value chain, undertaking exploration, asset development, extraction, processing and value addition. The core divisions of Vedanta have industry-leading market shares and they continuously strive to raise the bar across the wide canvas of operations.

Being a global natural resources organization, our businesses are exposed to a variety of risks. It is therefore essential to have in place the necessary systems and a robust governance framework to manage risk, while balancing the risk-reward equation expected by stakeholders. Our risk management framework is designed to help the organization meet its objectives through alignment of operating controls to the mission and vision of the group.

Our risk management framework is designed to be simple, consistent and clear for managing and reporting risks. We have a multi-layered risk management framework aimed at effectively mitigating the various risks which our businesses are exposed to during their operations as well as in their strategic actions. We identify risk at the individual business level for existing operations as well as for projects through a consistently applied methodology.

Formal discussion on risk management take place at the business level review meetings periodically. The respective businesses review the risks, change in the nature and extent of the major risks since the last assessment, control measures established for the risk and further action plans. These meetings are attended by business executive committee members, senior management and concerned functional heads. Risk officers have been formally nominated at all operating businesses as well as Group level whose role is to create awareness on risks at senior management level and to develop and nurture a risk management culture within the businesses.

Together, our management systems, organizational structures, processes, standards and Code of Conduct and Ethics form the system of internal control that governs how the Group conducts its business and manages the associated risks. The Board has ultimate responsibility for the management of risks and for ensuring the effectiveness of internal control systems. The Board reviews the risk matrix, significant risks and the mitigating actions we put in place.

The Board in turn is assisted by the Group Risk Management Committee (GRMC) in evaluating the design and effectiveness of the risk mitigation plan and control systems. The GRMC meets every quarter and comprises the Group Chief Executive Officer, Group Chief Financial Officer and Director – Management Assurance. The Group Head – Health, Safety, Environment & Sustainability is invited to attend these meetings. The GRMC discusses key events impacting the risk profile, principal risks and uncertainties, emerging risks and progress against planned actions.

In addition to the above structure, other key risk governance and oversight committees in the group include the following:

- Committee of Directors (COD) comprising Vice Chairman & Group CFO supports the Board by considering, reviewing & approving all borrowing & investment related proposals within the overall limits approved by the Board. Invitees to these committee meetings are the CEO, business CFOs, Group Head Treasury and BU Treasury Heads depending upon the agenda matters.
- Sustainability Committee reviews sustainability related risks.

There are also various group level ManComs such as Procurement ManCom, Sustainability - HSE ManCom, CSR ManCom, etc. who work on identifying risks in those specific areas and mitigating them.

Principal risks and uncertainties and detailed information on the impact of these risks as well as the identification and mitigation measures adopted by management have been documented in Vedanta's Annual Report.

Listing of risks:

- Decarbonization and climate change
- Health, safety and environment
- Managing relationship with stakeholders
- Fluctuation in commodity prices (including oil) and currency exchange rates
- Delays in extension of production sharing contract due to ongoing arbitration case of DGH audit demand
- Tailings dam stability
- Challenges in Aluminium & Power business - raw material security (availability and price), waste utilization / disposal
- Access to capital
- Discovery risk
- Major project delivery
- Regulatory and legal risk
- Tax related matters
- Breaches in IT / cybersecurity
- Loss of assets or profit due to natural calamities
- KCM related challenges

It may be noted that the order in which these risks appear does not necessarily reflect the likelihood of their occurrence or the relative magnitude of their impact on our business.

RESPONSIBILITY STATEMENT

We confirm that to the best of our knowledge:

■ The condensed set of financial statements has been prepared in accordance with IAS 34, Interim Financial Reporting.

By order of the Board

	Deepak Kumar
(Director)	**(Company Secretary)**

Financial Statements
for the Period Ended 30 September 2021

CONDENSED CONSOLIDATED INCOME STATEMENT

(US$ million)

		Six months ended 30 September 2021 (Unaudited)			Six months ended 30 September 2020 (Unaudited)		
	Note	Before Special items	Special items (Note 5)	Total	Before Special items	Special items (Note 5)	Total
Revenue		7,870	-	7,870	4,875	-	4,875
Cost of sales		(5,239)	(18)	(5,257)	(3,761)	13	(3,748)
Gross profit		**2,631**	**(18)**	**2,613**	**1,114**	**13**	**1,127**
Other operating income		105	-	105	83	-	83
Distribution costs		(233)	-	(233)	(111)	-	(111)
Administrative expenses		(222)	-	(222)	(175)	-	(175)
Impairment charge		-	(6)	(6)	-	-	-
Operating profit		**2,281**	**(24)**	**2,257**	**911**	**13**	**924**
Investment revenue		88	-	88	178	-	178
Finance costs		(670)	-	(670)	(576)	(41)	(617)
Other gains and (losses) [net]	6	(22)	-	(22)	(2)	(9)	(11)
Profit/ (loss) before taxation from continuing operations (a)		**1,677**	**(24)**	**1,653**	**511**	**(37)**	**474**
Net tax (expense)/credit (b)	7	**(568)**	**8**	**(560)**	**(392)**	**(4)**	**(396)**
Profit/ (loss) for the period (a+b)		**1,109**	**(16)**	**1,093**	**119**	**(41)**	**78**
Attributable to:							
Equity holders of the parent		382	(8)	374	(148)	(47)	(195)
Non-controlling interests		727	(8)	719	267	6	273
Profit/ (loss) for the period		**1,109**	**(16)**	**1,093**	**119**	**(41)**	**78**

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(US$ million)

	Six months ended 30 September 2021 (Unaudited)	Six months ended 30 September 2020 (Unaudited)
Profit for the period	1,093	78
Items that will not be reclassified subsequently to income statement:		
Remeasurement of net defined benefit plans	0	(0)
Tax effects on net defined benefit plans	(0)	(0)
Loss on fair value of financial asset investment	6	6
Total (a)	**6**	**6**
Items that may be reclassified subsequently to income statement:		
Exchange differences arising on translation of foreign operations	(100)	124
Gains/ (losses) on cash flow hedges	(27)	(11)
Tax effects arising on cash flow hedges	9	4
(Gains)/ losses on cash flow hedges recycled to income statement	27	7
Tax effects arising on cash flow hedges recycled to income statement	(9)	(3)
Total (b)	**(100)**	**121**
Other comprehensive income for the period (a+b)	**(94)**	**127**
Total comprehensive income for the period	**999**	**205**
Attributable to:		
Equity holders of the parent	333	(151)
Non-controlling interests	666	356
Total comprehensive income for the period	**999**	**205**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(US$ million)

	Note	As at 30 September 2021 (Unaudited)	As at 31 March 2021 (Audited)*
Assets			
Non-current assets			
Goodwill		12	12
Intangible assets		97	99
Property, plant and equipment		12,809	12,968
Exploration and evaluation assets		367	334
Financial asset investments		24	21
Non-current tax assets		372	375
Other non-current assets		1,740	1,701
Deferred tax assets		921	1,018
		16,342	**16,528**
Current assets			
Inventories		1,547	1,358
Trade and other receivables		1,956	1,467
Financial instruments (derivatives)		14	10
Current tax assets		3	1
Short-term investments		3,565	5,002
Cash and cash equivalents		752	955
		7,837	**8,793**
Total assets		**24,179**	**25,321**
Liabilities			
Current liabilities			
Borrowings		4,175	3,673
Operational buyer's credit/supplier's credit		1,183	1,142
Trade and other payables		4,451	4,406
Financial instruments (derivatives)		44	38
Retirement benefits		18	16
Provisions		34	32
Current tax liabilities		161	38
		10,066	**9,345**
Net current liabilities		**(2,229)**	**(552)**
Non-current liabilities			
Borrowings		11,367	12,704
Trade and other payables		249	205
Financial instruments (derivatives)		8	10
Deferred tax liabilities		342	299
Retirement benefits		20	20
Provisions		420	407
		12,406	**13,645**
Total liabilities		**22,472**	**22,990**
Net assets		**1,707**	**2,331**
Equity			
Share capital		29	29
Hedging reserve		(97)	(97)
Other reserves		(389)	(296)
Retained earnings		(2,861)	(2,783)
Equity attributable to equity holders of the parent		**(3,318)**	**(3,147)**
Non-controlling interests		5,025	5,478
Total equity		**1,707**	**2,331**

**Restated. Refer Note 1(d)(iii)*

Interim Condensed Financial Statements of Vedanta Resources Limited with registration number 4740415 were approved by the Board of Directors on 1 December 2021 and signed on their behalf by

Deepak Kumar

(Director) **(Company Secretary)**

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

(US$ million)

	Six months ended 30 September 2021 (Unaudited)	Six months ended 30 September 2020 (Unaudited)*
Cash flows from operating activities		
Profit before taxation from continuing operations	1,653	474
Adjustments for:		
Depreciation and amortisation	567	529
Investment revenue	(88)	(178)
Finance costs	670	617
Other (gains) and losses (net)	21	11
Profit on disposal of property, plant and equipment	(12)	(2)
Write-off of unsuccessful exploration costs	20	-
Share-based payment charge	4	5
Impairment charge (net)	6	-
Other special items	18	(13)
Operating cash flows before movements in working capital	**2,859**	**1,443**
(Increase)/ Decrease in inventories	(202)	154
Increase in receivables	(705)	(346)
(Decrease)/ increase in payables	451	(334)
Cash generated from operations	**2,403**	**917**
Dividend received	0	-
Interest received	131	234
Interest paid	(776)	(742)
Income taxes paid (net of refunds)	(308)	(155)
Dividends paid	(221)	(106)
Net cash inflow from operating activities	**1,229**	**148**
Cash flows from investing activities		
Consideration paid for business acquisition (net of cash and cash equivalents acquired)	-	(7)
Purchases of property, plant and equipment, intangibles, exploration and evaluation assets	(606)	(388)
Proceeds on disposal of property, plant and equipment, intangibles, exploration and evaluation assets	23	5
Proceeds from redemption of short-term investments	9,786	8,548
Purchases of short-term investments	(8,193)	(7,902)
Net cash from investing activities	**1,010**	**256**
Cash flows from financing activities		
Payment for acquiring non-controlling interest	(1,177)	-
Dividends paid to non-controlling interests of subsidiaries	(321)	(327)
Exercise of stock options in subsidiary	0	0
Repayment of working capital loan (net)	(34)	(873)
Proceeds from other short-term borrowings	718	1,508
Repayment of other short-term borrowings	(662)	(498)
Proceeds from long-term borrowings	1,511	3,065
Repayment of long-term borrowings	(2,280)	(831)
Payment of lease liabilities	(15)	(12)
Net cash from / (used in) financing activities	**(2,260)**	**2,032**
Net (decrease) / increase in cash and cash equivalents	**(21)**	**2,436**
Effect of foreign exchange rate changes	(18)	13
Cash and cash equivalents at beginning of the period	**701**	**692**
Cash and cash equivalents at end of the period	**662**	**3,141**

**Restated. Refer Note 1(d)(i)*

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Six months ended 30 September 2021 (Unaudited)

(US$ million)

	Attributable to equity holders of the parent						
	Share capital	Hedging reserve	Other reserves[1]	Retained earnings	Total	Non-controlling Interests	Total equity
Balance as at 1 April 2021	29	(97)	(296)	(2,783)	(3,147)	5,478	2,331
Profit/(Loss) for the period	-	-	-	374	374	719	1,093
Other comprehensive income for the period	-	0	(41)	-	(41)	(53)	(94)
Total comprehensive income/(loss) for the period	**-**	**0**	**(41)**	**374**	**333**	**666**	**999**
Transfers	-	-	(52)	52	-	-	-
Dividends paid/ payable (Note 9)	-	-	-	(131)	(131)	(321)	(452)
Exercise of stock options of subsidiary	-	-	-	0	0	1	1
Share buy back		-	-	(383)	(383)	(794)	(1,177)
Change in fair value of put option liability/conversion option asset/derecognition of non-controlling interest	-	-	-	10	10	(9)	1
Other changes in non-controlling interests[2]	-	-	-	-	-	4	4
Balance as at 30 September 2021	**29**	**(97)**	**(389)**	**(2,861)**	**(3,318)**	**5,025**	**1,707**

1. Other reserves comprise currency translation reserve, merger reserve, investment revaluation reserve, debenture redemption reserve, capital redemption reserve and the general reserves established in the statutory accounts of the Group.

2. Includes share-based payment charge by subsidiaries and exercise of stock options of subsidiary.

For the year ended 31 March 2021

(US$ million)

	Attributable to equity holders of the parent							
	Share capital	Share premium	Hedging reserve	Other reserves[1]	Retained earnings	Total	Non-controlling Interests	Total equity
Balance as at 1 April 2020	29	202	(95)	(331)	(3,068)	(3,263)	5,536	2,273
Profit for the year	-	-	-	-	323	323	1,153	1,476
Other comprehensive income/ (loss) for the year	-	-	(2)	98	-	96	137	233
Total comprehensive income/ (loss) for the year	**-**	**-**	**(2)**	**98**	**323**	**419**	**1,290**	**1,709**
Transfers	-	-	-	(63)	63	-	-	-
Dividends paid/ payable (Refer note 9)	-	-	-	-	(251)	(251)	(992)	(1,243)
Exercise of stock options of subsidiary	-	-	-	-	5	5	3	8
On account of Capital reduction[3]	-	(202)	-	-	202	-	-	-
Acquisition of FACOR (Refer note 3(b)(i))	-	-	-	-	-	-	(4)	(4)
Share buy back	-	-	-	-	(38)	(38)	(365)	(403)
Change in fair value of put option liability/conversion option asset/derecognition of non-controlling interest	-	-	-	-	(19)	(19)	15	(4)
Other changes in non-controlling interests[2]	-	-	-	-	-	-	(5)	(5)
Balance as at 31 March 2021	**29**	**-**	**(97)**	**(296)**	**(2,783)**	**(3,147)**	**5,478**	**2,331**

1. Other reserves comprise currency translation reserve, merger reserve, investment revaluation reserve, debenture redemption reserve, capital redemption reserve and the general reserves established in the statutory accounts of the Group.

2. Includes share-based payment charge by subsidiaries and exercise of stock options of subsidiary.

3. Pursuant to Section 641 (1) (a) of Companies Act 2006, US$ 202 million of share premium was converted into distributable reserves.

For the Six months ended 30 September 2020 (Unaudited)

(US$ million)

	Attributable to equity holders of the parent							
	Share capital	**Share premium**	**Hedging reserve**	**Other reserves[1]**	**Retained earnings**	**Total**	**Non-controlling Interests**	**Total equity**
Balance as at 1 April 2020	**29**	**202**	**(95)**	**(331)**	**(3,068)**	**(3,263)**	**5,536**	**2,273**
Profit/(Loss) for the period	-	-	-	-	(195)	(195)	273	78
Other comprehensive income for the period	-	-	-	44	-	44	83	127
Total comprehensive income/(loss) for the period	**-**	**-**	**-**	**44**	**(195)**	**(151)**	**356**	**205**
Transfers	-	-	-	(57)	57	-	-	-
Dividends paid/ payable (Note 9)	-	-	-	-	(251)	(251)	(327)	(578)
Acquisition of FACOR (Note 3(b)(i))	-	-	-	-	-	-	(9)	(9)
On account of Capital reduction[3]	-	(202)	-	-	202	-	-	-
Change in fair value of put option liability/conversion option asset/derecognition of non-controlling interest	-	-	-	-	(8)	(8)	7	(1)
Other changes in non-controlling interests[2]	-	-	-	-	2	2	3	5
Balance as at 30 September 2020	**29**	**-**	**(95)**	**(344)**	**(3,261)**	**(3,671)**	**5,566**	**1,895**

1. Other reserves comprise the currency translation reserve, merger reserve, investment revaluation reserve, debenture redemption reserve, capital redemption reserve and the general reserves established in the statutory accounts of the Group's subsidiaries.

2. Includes share-based payment charge by subsidiaries.

3. Pursuant to Section 641 (1) (a) of Companies Act 2006, US$ 202 million of share premium was converted into distributable reserves.

Group Overview

Vedanta Resources Limited ("Vedanta" or "VRL" or "Company") is a company incorporated and domiciled in the United Kingdom. Registered address of the company is 8th Floor, 20 Farringdon Street, London, EC4A 4AB. Vedanta and its consolidated subsidiaries (collectively, the "Group") is a diversified natural resource group engaged in exploring, extracting and processing minerals and oil and gas. The Group engages in the exploration, production and sale of zinc, lead, silver, copper, aluminium, iron ore and oil & gas and has a presence across India, South Africa, Namibia, Ireland, Australia, Liberia and UAE. The Group is also in the business of commercial power generation, steel manufacturing and port operations in India and manufacturing of glass substrate in South Korea and Taiwan.

Details of Group's various businesses are as follows.

- Zinc India business is owned and operated by Hindustan Zinc Limited ("HZL").
- Zinc international business comprises Skorpion mine and refinery in Namibia operated through THL Zinc Namibia Holdings (Proprietary) Limited ("Skorpion"), Lisheen mine in Ireland operated through Vedanta Lisheen Holdings Limited ("Lisheen") (Lisheen mine ceased operations in December 2015) and Black Mountain Mining (Proprietary) Limited ("BMM"), whose assets include the operational Black Mountain mine and the Gamsberg mine located in South Africa.
- The Group's oil and gas business is owned and operated by Vedanta Limited and its subsidiary, Cairn Energy Hydrocarbons Limited and consists of exploration, development and production of oil and gas.
- The Group's iron ore business in India is owned by Vedanta Limited, and by two wholly owned subsidiaries of Vedanta Ltd., i.e., Sesa Resources Limited and Sesa Mining Corporation Limited and consists of exploration, mining and processing of iron ore, pig iron and metallurgical coke and generation of power for captive use. Pursuant to an order of the Honourable Supreme Court of India, operations in the state of Goa are currently suspended. The Group's iron ore business includes Western Cluster Limited ("WCL") in Liberia which has iron ore assets and is wholly owned by the Group. WCL's assets include development rights to Western Cluster and a network of iron ore deposits in West Africa. WCL's assets have been fully impaired.
- The Group's copper business comprises three operations divided into two divisions, namely (i) Copper India/Australia, comprising Vedanta Limited's custom smelting operations in India (including captive power plants at Tuticorin in Southern India) and (ii) Copper Zambia comprising Konkola Copper Mines Plc's ("KCM") mining and smelting operations in Zambia. In view of ongoing litigations in relation to the Zambian operations, the Group believes that it has lost control over KCM and has accordingly deconsolidated the same (refer note 3(b)(ii) for further details).

  The Group's copper business in India has received an order from Tamil Nadu Pollution Control Board ("TNPCB") on 09 April 2018, rejecting the Group's application for renewal of consent to operate under the Air and Water Acts for the 400,000 tpa copper smelter plant in Tuticorin for want of further clarification and consequently the operations were suspended. The Group has filed an appeal with TNPCB Appellate authority against the said order. During the pendency of the appeal, TNPCB through its order dated 23 May 2018 ordered for disconnection of electricity supply and closure of our copper smelter plant. Post such order, the state government on 28 May 2018 ordered the permanent closure of the plant. The Group continues to engage with the Government of India and relevant authorities to enable restart of operations at Copper India.

Further, the Company's copper business includes refinery and rod plant at Silvassa consisting of a 133,000 MT of blister/ secondary material processing plant, a 216,000 tpa copper at refinery plant and a copper rod mill with an installed capacity of 258,000 tpa. The plant continues to operate as usual, catering primarily to the domestic market.

In addition, the Group owns and operates the Mt. Lyell copper mine in Tasmania, Australia through its subsidiary, CMT and a precious metal refinery and copper rod plant in Fujairah, UAE through its subsidiary Fujairah Gold FZC. The operations of Mt Lyell copper mine were suspended in January 2014 following a mud slide incident and were put into care and maintenance since 09 July 2014 following a rock fall incident in June 2014.

- The Group's Aluminium business is owned and operated by Vedanta Limited and by Bharat Aluminium Company Limited ("BALCO"). The aluminium operations include a refinery and captive power plant ("CPP") at Lanjigarh and a smelter and captive power plants ("CPPs") at Jharsuguda both situated in the State of Odisha in India. BALCO's partially integrated aluminium operations comprise two bauxite mines, captive power plants, smelting and fabrication facilities in central India.
- The Group's power business is owned and operated by Vedanta Limited, BALCO, and Talwandi Sabo Power Limited ("TSPL"). Vedanta Limited power operations include a thermal coal- based commercial power facility of 600 MW at Jharsuguda in the State of Odisha in Eastern India. BALCO commercial power operations include 300 MW thermal coal-based power plant at Korba, Chattisgarh. Talwandi Sabo Power Limited ("TSPL") power operations include 1,980 MW (three units of 660 MW each) thermal coal- based commercial power facilities. Power business also includes the wind power plants commissioned by HZL and a power plant at MALCO Energy Limited ("MEL") (under care and maintenance) situated at Mettur Dam in State of Tamil Nadu in southern India.
- The Group's other business include manufacturing and supply of billets, TMT bars, wire rods and ductile iron pipes in Eastern India owned and operated by ESL Steel Limited ("ESL"), formerly, Electrosteel Steels Limited.

The Group's other activities also include Vizag General Cargo Berth Private Limited ("VGCB") and Maritime Ventures Private Limited ("MVPL"). Vizag port project includes mechanization of coal handling facilities and upgradation of general cargo berth for handling coal at the outer harbour of Visakhapatnam Port on the east coast of India. VGCB commenced operations in the fourth quarter of fiscal year 2013. MVPL is engaged in the business of rendering logistics and other allied services inter alia rendering stevedoring and other allied services in ports and other allied sectors. The Group's other activities also include AvanStrate Inc ("ASI") and Ferro Alloys Corporation Limited ("FACOR"). ASI is involved in manufacturing of glass substrate in South Korea and Taiwan. FACOR was acquired on 21 September 2020 and is involved in business of producing Ferro Alloys and owns a Ferro chrome plant with capacity of 72,000 TPA, two operational chrome mines and 100 MW of captive power plant through its subsidiary, FACOR Power Limited ("FPL").

Delisting of American Depositary Shares ("ADSs") of Vedanta Limited

On 23 September 2021, the Board of Directors of Vedanta Limited approved its intention to delist its American Depositary Shares ("ADSs") representing its equity shares from the New York Stock Exchange and to terminate its ADS program. Vedanta Limited 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. On 29 October 2021, the Company filed the necessary documents for delisting with the US Securities and Exchange Commission and the delisting of ADS became effective on 8 November 2021. This action has no impact on the current listing status or trading of the Vedanta Limited's equity shares on the Indian stock exchanges.

NOTES TO THE FINANCIAL STATEMENTS

1. Basis of preparation and basis of measurement of financial statements

a) Basis of preparation

The Group's interim condensed consolidated financial statements for the six months ended 30 September 2021 have been prepared in accordance with International Accounting Standard (IAS) 34 *Interim Financial Reporting* as issued by International Accounting Standards Board (IASB) and adopted by UK Endorsement Board. The financial statements for the year ended 31 March 2022 will be prepared in accordance with UK adopted IFRS.

The interim condensed consolidated financial statements do not include all of the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements for the year ended 31 March 2021, which were prepared in accordance with International Financial Reporting Standards (IFRS) in conformity with the requirements of Companies Act 2006. The interim condensed consolidated financial statements do not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The financial information for the full year is not the statutory accounts of the Group for that financial year. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditor's report on those accounts was unqualified, did not include a reference to any matters to which the auditor drew attention by way of an emphasis of matter and did not contain a statement under sections 498 (2) or (3) of the Companies Act 2006.

The Group's interim condensed consolidated financial statements have been prepared using the going concern basis of accounting.

These financial statements are approved for issue by the Board of Directors on 1 December 2021.

These financial statements are presented in US dollars being the functional currency of the Company and all values are rounded off to the nearest million except when indicated otherwise. Amounts less than US$ 0.5 million have been presented as "0".

b) Basis of Measurement

The Group's interim condensed consolidated financial statements have been prepared using an accrual method of accounting and on historical cost convention except for certain financial assets and liabilities which are measured at fair value as explained in the accounting policies below.

c) Going concern

The Group has prepared the consolidated financial statements on a going concern basis. The Directors have considered a number of factors in concluding on their going concern assessment.

The Group monitors and manages its funding position and liquidity requirements throughout the year and routinely forecasts its future cash flows and financial position. The key assumptions for these forecasts include production profiles, commodity prices and financing activities.

The last going concern assessment carried out for the period ended 31 March 2021 was approved by the Board of Directors in June 2021. The Directors were confident that the Group will be able to ensure production is not materially impacted by the COVID-19 pandemic, that the Group will be able to roll-over or obtain external financing as required and that prices will remain within their expected range.

Since then, while the other mitigating actions as highlighted in the period ended 31 March 2021 financial statements remain available to the Group, following recent significant developments have had a positive bearing on the liquidity and Company's ability to continue as going concern;

a. VRL increased stake in VEDL from ~50.13% to ~65.2% through creeping acquisition in December 2020 and voluntary open offer. VRL utilized a combination of private financing, bond issuance and bank loan facility for funding the stake increase transaction.

b. The Group has raised new loans for refinancing and maturity for one loan of $138 mn extended by one year.

The Directors consider that the expected operating cash flows of the Group combined with the current finance facilities which are in place give them confidence that the Group has adequate resources to continue as a going concern.

The Directors have considered the Group's ability to continue as a going concern in the period to 31 March 2023 ("the going concern period") under both a base case and a downside case.
The downside case assumes, amongst other sensitivities, delayed ramp-up and re-opening of projects, deferment of additional capital expenditure and a conservative assumption of uncommitted refinancing.

· **Covenant Compliance**

The Group's financing facilities, including bank loans and bonds, contain covenants requiring the Group to maintain specified financial ratios. The Group has complied with all the covenant requirements till 30 September 2021.

Management notes that the Group has previously obtained covenant waivers, including in response to the appointment of a provisional liquidator at KCM. Additionally, the Group has recently successfully amended the covenants for its listed bonds. The Directors of the Group are confident that they will be able to execute mitigating actions (see below) to ensure that the Group avoids, or secures waivers or relaxations for future period breaches, if any, of its covenants during the going concern period.

Mitigating actions

The mitigating options available to the Group and Company to address the uncertainties in relation to going concern include:

- Out of maturities of $1.8 bn due in H1 FY23, $1 bn is planned to be refinanced in H2 FY22 through bond.
- Execution of an off-take agreement covering certain future production and amounting potentially to c. $1bn. The Group has an alternative of entering into an off-take agreement, under which the Group would receive an advance payment in return for supply of certain future production. However, no agreement has been concluded and there is a therefore uncertainty as to the Group's ability to access these funds.
- Extension of working capital facilities and rollover of commercial papers: As at 30 September 2021, the Group had unutilised working capital facilities amounting to c. $1.3bn and commercial papers in issue amounting to c. $0.1bn. These facilities are not committed for the full duration of the going concern period to March 2023, but rather must be extended or

rolled over. There is therefore a risk that, in adverse market conditions, the Group would not be able to extend or roll over these facilities. However, the Directors assess that the Group has a strong record of extending and rolling over these short-term facilities and has historically had significantly higher levels of commercial papers in issue, hence there is an opportunity to further increase CP book by ~$ 1.0 bn - $ 1.5 bn.

- Access to supplier credit and customer advances: As at 30 September 2021, the Group had c. $1.2bn of supplier's credit and c. $0.5bn of advances from customers. These financing arrangements are integral to the business of certain Group divisions, but are not committed for the full duration of the going concern period. There is therefore a risk that the Group will not be able to access these financing arrangements in the future. Nevertheless, the Directors note that the Group has in the past consistently obtained supplier credit and customer advances at current levels.

Conclusion

Notwithstanding the factors described above, the Directors have confidence in Group's ability to execute sufficient mitigating actions. Based on these considerations, the Directors have a reasonable expectation that the Group and the Company will meet its commitments as they fall due over the going concern period. Accordingly, the Directors continue to adopt the going concern basis in preparing the Group's consolidated financial statements and Company's standalone financial statements.

d) Restatement/Reclassification

i. During the year ended 31 March 2021, the Group had revised the presentation of the constituents of cash and cash equivalents for the purpose of cash flow statement and movement in net debt (Refer Note 10) to not consider the restricted cash and cash equivalents amount in other bank balance. As a result of change, such accounts amounting to US$ 13 Million as at 31 March 2020 and 30 September 2020 have been excluded from opening and closing cash and cash equivalents for comparative period ended 30 September 2020, for the purpose of above notes.

ii. During the year ended 31 March 2021, the Group had revised the presentation of the constituents of 'Short term investments' for the purpose of movement in net debt to include only those amounts of restricted funds that are corresponding to liabilities (e.g., margin money deposits) and non-current bank deposit included for purpose of Movement in net debt disclosure. As a result of change, restricted funds amounting to US$ 8 Million and US$ 46 Million as at 31 March 2020 and 30 September 2020 have been excluded from opening and closing 'Short-term investments' and non-current bank deposit amounting to US$ 5 Million as at 31 March 2020 and 30 September 2020 included in movement in net debt note, for comparative period ended 30 September 2020.

iii. In the comparative period ended 31 March 2021, some of the operational buyer's/suppliers' credit which were previously included under trade and other receivables and trade and other payables amounting to US$ (2) million and US$ 36 million respectively have been reclassed to Operational buyer's credit/supplier's credit on the face of the balance sheet.

2(a) Accounting policies

The interim condensed consolidated financial statements are prepared using the same accounting policies as applied in the audited 31 March 2021 consolidated financial statements of the Group except for those mentioned in 2(b) below.

2(b) Application of new and revised standards

The Group has adopted, with effect from 01 April 2021, the following new and revised standards and interpretations. Their adoption has not had any significant impact on the amounts reported in the condensed consolidated interim financial statements.

1. Amendments to IFRS 3 regarding recognition under acquisition method;
2. Amendments to IFRS 7, IFRS 9, IAS 39, IFRS 4 and IFRS 16 regarding Interest Rate Benchmark Reform - Phase 2;
3. Conceptual framework for financial reporting under IFRS issued by IASB; and
4. Amendments to IFRS 16 regarding COVID-19 related rent concessions;

A number of other minor amendments to existing standards also became effective on 01 April 2021 and have been adopted by the Group. The adoption of these new accounting pronouncements did not have a material impact on the accounting policies, methods of computation or presentation applied by the Group.

2(c) Foreign Exchange Rate

The following exchange rate to US dollar ($) has been applied:

	Average rate for six months ended 30 September 2021	Average rate for six months ended 30 September 2020	As at 30 September 2021	As at 31 March 2021
Indian rupee	73.89	74.86	74.21	73.2973

3(a) Significant Accounting Estimates

(i) Impact of COVID-19

The Group has considered possible effects of Covid-19 pandemic ("the Pandemic") on the recoverability of its investments, property, plant and equipment (PPE), inventories, loans and receivables, etc in accordance with IFRS. 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 adjustments are required to these interim condensed consolidated financial statements. The impact of the Pandemic may be different from that as estimated as at the date of approval of these interim condensed consolidated financial statements and the management continues to closely monitor any material changes to future economic conditions.

(ii) Recoverability of deferred tax and other income tax assets

The Group has carried forward tax losses, unabsorbed depreciation and MAT credit that are available for offset against future taxable profit. Deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the unused tax losses or tax credits can be utilized. This involves an assessment of when those assets are likely to reverse, and a judgement as to whether or not there will be sufficient taxable profits available to offset the assets. This requires assumptions regarding future profitability, which is inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognised in respect of deferred tax assets and consequential impact in the consolidated income statement.

The total deferred tax assets recognised in these financial statements include MAT credit entitlements of US$ 1,045 million (31 March 2021: US$ 1,125 million) of which US$ 11 million is expected to be utilised in the fourteenth year (31 March 2021: US$ 46 Million was expected to be utilised in fourteenth year), fifteen years being the maximum permissible time period to utilise the MAT credits.

Additionally, the Group has tax receivables on account of refund arising on account of past amalgamation and relating to various tax disputes. The recoverability of these receivables involves application of judgement as to the ultimate outcome of the tax assessment and litigations. This pertains to the application of the legislation, which in certain cases, is based upon management's interpretation of country specific tax law, in particular India, and the likelihood of settlement. Management uses in-house and external legal professionals to make informed decisions.

(iii) Copper- India

Existing Plant:

In an appeal filed by the Group against the closure order of the Tuticorin Copper smelter by Tamil Nadu Pollution Control Board ("TNPCB"), the appellate authority National Green Tribunal ("NGT") passed an interim order on 31 May 2013 allowing the copper smelter to recommence operations and appointed an Expert Committee to submit a report on the plant operations. Post the interim order, the plant recommenced operations on 23 June 2013. Based on the Expert Committee's report on the operations of the plant stating that the plant's emissions were within prescribed standards and based on this report, NGT ruled on 08 August 2013 that the Copper smelter could continue its operations and recommendations made by the Expert Committee be implemented in a time bound manner. The Group has implemented all of these recommendations. TNPCB filed an appeal against the order of the NGT before the Supreme Court of India.

In the meanwhile, the application for renewal of Consent to Operate (CTO) for existing copper smelter, required as per procedure established by law was rejected by TNPCB in April 2018. Vedanta Limited has filed an appeal before the TNPCB Appellate Authority challenging the Rejection Order. During the pendency of the appeal, there were protests by a section of local community raising environmental concerns and TNPCB vide its order dated 23 May 2018 ordered closure of existing copper smelter plant with immediate effect. Further, the Government of Tamil Nadu, issued orders dated 28 May 2018 with a direction to seal the existing copper smelter plant permanently. The company believes these actions were not taken in accordance with the procedure prescribed under applicable laws. Subsequently, the Directorate of Industrial Safety and Health passed orders dated 30 May 2018, directing the immediate suspension and revocation of the Factory License and the Registration Certificate for the existing copper smelter plant.

The Company has appealed this matter before the NGT, who vide its order on 15 December 2018 has set aside the impugned orders and directed the TNPCB to pass fresh orders for renewal of consent and authorization to handle hazardous substances, subject to appropriate conditions for protection of environment in accordance with law.

The State of Tamil Nadu and TNPCB approached the Supreme Court in Civil Appeals on 02 January 2019 challenging judgements of NGT dated 15 December 2018 and 08 August 2013. The Supreme Court vide its judgement dated 18 February 2019 set aside these judgements of NGT solely based on maintainability and directed the Group to file an appeal in the High court.

The Group had filed a writ petition before Madras High Court challenging the various orders passed against the Group in 2018 and 2013. On 18 August 2020, the Madras High Court delivered the judgement wherein it dismissed all the Writ Petitions filed by the Group. The Group has appealed the said High Court order at the Supreme Court and also filed an interim relief for care & maintenance of the plant. The matter was then listed on 2 December 2020 before the Supreme Court who after having heard both the sides, concluded that at this stage the interim relief in terms of trial run could not be allowed. Further, considering the voluminous nature of documents and pleadings, the matter shall be finally heard on merits. The last hearing was held on 17 March 2021 and at present the matter is not yet listed for hearing in Supreme Court.

As per the Group's assessment, it is in compliance with the applicable regulations and expects to get the necessary approvals in relation to the existing operations and hence the Group does not expect any material adjustments to these financial statements as a consequence of above actions.

The Group has carried out an impairment analysis for existing plant assets during the period ended 30 September 2021 considering the key variables and concluded that there exists no impairment. The Group has done an additional sensitivity analysis with commencement of operations of the existing plant w.e.f. 01 April 2024 and noted that the recoverable amount of the assets would still be in excess of their carrying values.

The carrying value of the assets as at 30 September 2021 is US$ 239 million (31 March 2021: US $250 million).

Expansion Plant:

Separately, the Group has filed a fresh application for renewal of the Environmental Clearance for the proposed Copper Smelter Plant 2 ("Expansion Project") dated 12 March 2018 before the Expert Appraisal Committee of the Ministry of Environment, Forest and Climate Change ("MoEFCC") wherein a sub-committee was directed to visit the Expansion Project site prior to prescribing the Terms of Reference.

In the meantime, the Madurai Bench of the High Court of Madras, in a Public Interest Litigation, held vide its order dated 23 May 2018 held that the application for renewal of the Environmental Clearance 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 site for the proposed Expansion Project with immediate effect. The MoEFCC has delisted the Expansion Project since the matter is sub-judice. Separately, SIPCOT (State Industries Promotion Corporation of Tamil Nadu Ltd) vide its letter dated 29 May 2018, cancelled 342.22 acres of the land allotted for the Expansion Project. Further, the TNPCB issued orders on 07 June 2018 directing the withdrawal of the Consent to Establish (CTE) which was valid till 31 March 2023.

The Group has approached Madras High Court by way of writ petition challenging the cancellation of lease deeds by SIPCOT pursuant to which an interim stay has been granted. The Group has also filed Appeals before the TNPCB Appellate Authority challenging withdrawal of CTE by the TNPCB and the matter is pending for adjudication. Considering the delay in the existing plant matter and accordingly the delay in getting the required approval for Expansion Project, management in March 2020 has recorded a provision for impairment of US$ 94 million for the Expansion Project, basis fair value less cost of disposal. During the current period, there are no updates in the Expansion Project and impairment provision of US $94 million is considered to be adequate since the net carrying value of US$ 10 million as at 30 September 2021 (31 March 2021: US$ 13 million) approximates its recoverable value.

Property, plant and equipment of US$ 150 million and US$ 181 million and inventories of US$ 36 million and US$ 38 million as at 30 September 2021 and 31 March 2021 respectively, pertaining to existing and expansion plant, could not be physically verified, anytime during the year, as the access to the plant is presently restricted. However, since operations are suspended and access to the plant restricted, any difference between book and physical quantities is unlikely to be material.

(iv) PSC Extension

Rajasthan Block

The Group operates an oil and gas production facility in Rajasthan under a Production Sharing Contract ("PSC"). The management is of the opinion that the Group is eligible for automatic extension of the PSC for Rajasthan ("RJ") block on same terms w.e.f. 15 May 2020, while Government of India ("GoI") in October 2018, 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. As per the said policy and extension letter, the Group is required to comply with certain conditions and pay an additional 10% profit oil to GoI. The Group had challenged the applicability of Pre NELP-Policy to the RJ block. The Division Bench of the Delhi High Court in March 2021 set aside the single judge order of May 2018 which allowed automatic extension of PSC. An appeal has been filed in the Supreme Court against this order.

One of the conditions for extension of PSC 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.

The Directorate General of Hydrocarbons ("DGH"), in May 2018, has issued a demand on the Group and its subsidiary for the period up to 31 March 2017 for Government's additional share of Profit oil based on its computation of disallowance of cost incurred in excess of the initially approved Field Development Plan ("FDP") of pipeline project for US$ 202 million and retrospective re-allocation of certain common costs between Development Areas ("DAs") of RJ aggregating to US$ 364 million. The DGH vide its letter dated 12 May 2020, reiterated its demand only with respect to the retrospective re-allocation of certain common costs between Development Areas ("DAs") of RJ block of US$ 364 million towards contractor share for the period upto 31 March 2017. This amount was subsequently revised to US$ 458 million till March 2018 vide DGH letter dated 24 December 2020. In a recent development, DGH vide its letter dated 14 September 2021, has communicated the approval by Empowered Committee of Secretaries of the revised pipeline project cost over the initial approved FDP.

The Group, in January 2020, received notifications from the DGH on audit exceptions arising out of its audit for the FY 2017-18, which comprises the consequential effects on profit oil due to the aforesaid matters and certain new matters on cost allowability plus interest aggregating to US$ 645 million, representing share of the Group and its subsidiary, CEHL ("the Claimants"), which have been suitably responded to by the Group.

The Group believes that it has sufficient as well as reasonable basis pursuant to the PSC provisions and related approvals, supported by legal advice, for having claimed such costs and for allocating common costs between different DAs. In the Group's opinion, these computations of the aforesaid demand / audit exceptions are not appropriate, and the accounting adjustments sought for issues pertaining to Year 2007 and onwards are based on assumptions that are not in consonance with the approvals already in place. The Group's view is also supported by independent legal opinion and the Group has been following the process set out in PSC to resolve these aforesaid matters. The Group has also invoked the PSC process for resolution of disputed exceptions and has issued notice for arbitration and the tribunal stands constituted. 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 scheduled for hearing on 21 February 2022.

Also, on Vedanta's application under section 17 of the Arbitration and Conciliation Act, 1996, the Tribunal in December 2020 ordered that GoI should not take any action to enforce any of the amounts at issue in this arbitration against the Claimants during the arbitral period. The GoI has challenged the said order before the Delhi High Court under the said Act. This matter is now pending adjudication. 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 tribunal and all issues related to this matter will be heard together at the same time as the hearing on merits.

In management's view, the above-mentioned condition on demand raised by the DGH for additional petroleum linked to PSC extension is untenable and has not resulted in creation of any liability and cannot be a ground for non-extension. In addition, all necessary procedures prescribed in the PSC including invocation of arbitration, in respect of the stated audit observation have also been fulfilled. Accordingly, the PSC extension approval granted vide DGH letter dated 26 October 2018 upholds with all conditions addressed and no material liability would devolve upon the Group.

Simultaneously, the Group 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 interim permission to the Group 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.

(v) ESL Steel Limited, had filed application for renewal of Consent to Operate ('CTO') on 24 August 2017 for the period of five years which was denied by Jharkhand State Pollution Control Board ('JSPCB') on 23 August 2018, as JSPBC awaited response from MoEF&CC over a 2012 show-cause notice. After a personal hearing towards the show cause notice, the MoEF&CC revoked the Environmental Clearance (EC) on 20 September 2018. The Hon'ble High Court of Jharkhand granted stay against both revocation orders and allowed the continuous running of the plant operations under regulatory supervision of the JSPCB. The Jharkhand High Court, on 16 September 2020, passed an order vacating the interim stay in place beyond 23 September 2020, while listed the matter for final hearing. ESL urgently filed a petition in the Supreme Court, and on 22 September 2020, was granted permission to ESL to run the plant till further orders. Next date of High Court hearing is 17 December 2021 and the Supreme Court hearing is yet to be listed.

The Forest Advisory Committee (FAC) of MoEF&CC granted the Stage 1 clearance and the MoEF&CC approved the related Terms of Reference (TOR) on 25 August 2020. ESL presented its proposal before the Expert Appraisal Committee (EAC) after completing the public consultation process and the same has been recommended for grant of EC subject to Forest Clearance (FC) by the EAC in its 41st meeting dated 29-30 July 2021. Vide letter dated 25 August 2021 MoEF&CC

rejected the EC "as of now" due to stay granted by Madras High Court vide order dated 15 July 2021 in a public interest litigation filed against the Standard Operating Procedure document issued by MoEF&CC for regularization of violation case on 07 July 2021. As per Stage 1 clearance, ESL is required to provide non-forest land in addition to the afforestation cost. ESL, based on the report of an Environmental Impact Assessment consultant, had recognised a provision of US$ 29 million as part of cost of sales in the financial statement of FY 20-21 with respect to expected costs to be incurred by it for obtaining Environment Clearance.

3(b) Business Combination and others

(i) Ferro Alloys Corporation Limited:

During the previous year ended 31 March 2021, the Group acquired control over Ferro Alloys Corporation Limited ("FACOR"). FACOR was admitted under Corporate insolvency resolution process in terms of the Insolvency and Bankruptcy Code, 2016 of India. Based on completion of the closing conditions, the Group concluded the acquisition date as 21 September 2020. The Company holds 100% in FACOR, while FACOR holds 90% equity in its subsidiary, Facor Power Limited (FPL).

FACOR is in the business of producing Ferro Alloys and owns a Ferro Chrome plant with capacity of 72,000 TPA, two operational Chrome mines and 100 MW of Captive Power Plant through FPL. The acquisition complements the Group's existing steel business as the vertical integration of ferro manufacturing capabilities has the potential to generate significant efficiencies. FACOR has been included in "Others" for segment reporting purposes.

If FACOR had been acquired at the beginning of the comparative period, revenue and profit before taxation for the Group would have been US$ 4,905 million and US$ 458 million for the six months ended 30 September 2020 respectively.

(ii) Discontinued operations - Copper Zambia (KCM):

In 2019, ZCCM Investments Holdings Plc (ZCCM), a company majority owned by the Government of the Republic of Zambia (GRZ), which owns 20.6% of the shares in Konkola Copper Mines Plc (KCM), filed a petition in the High Court of Zambia to wind up KCM ("the Petition") on "just and equitable" grounds. Subsequently, ZCCM amended the Petition to include an additional ground based on allegations that KCM is unable to pay its debts. ZCCM also obtained an ex parte order from the High Court of Zambia appointing a Provisional Liquidator ("PL") of KCM pending the hearing of the Petition. As a result of the appointment of the PL following ZCCM's ex parte application, the PL is currently exercising almost all the functions of the Board of Directors, to the exclusion of the Board.

The Group not only disputes the allegations and opposes the Petition, but also maintains that the complaints brought by ZCCM are in effect "disputes" between the shareholders. Per the KCM Shareholders' Agreement, the parties (including ZCCM and the Government of the Republic of Zambia) have agreed that any disputes must be resolved through international arbitration seated in Johannesburg, South Africa, applying the UNCITRAL Arbitration Rules, not the Zambian courts.

Arbitration Application

In respect of the ongoing arbitration proceedings, further information in respect of which can be found in the Group's Integrated Report and Annual Accounts for the financial year ended 31 March 2021, ZCCM's application for leave to appeal before a single judge of the Supreme Court was granted on 2 September 2021. A motion was filed by the Group on 16 September 2021 to the full bench of the Supreme Court, Zambia, to reverse, vary or set aside the Ruling of the single Judge.

The arbitrator's ruling on the prioritized issues was delivered on 7 July 2021 which concluded that ZCCM breached the KCM Shareholders' Agreement and are in continuing breach thereof; that the Board of KCM was legally responsible for the management and operation of KCM, not Vedanta; that ZCCM is not able to pursue a claim in damages in respect of the majority of its counterclaims as KCM is the proper Plaintiff, not ZCCM.

Proceedings in the Zambian Courts

The Group has also made a number of applications before the Zambian High Court in connection with the Petition, including an application for a stay of the Petition, pending the determination of the arbitration. Although, this application was dismissed at first instance by the High Court, the Group was granted leave to appeal to the Zambian Court of Appeal.

An Order given by the Zambian High Court staying certain of the PL's powers (i.e., those relating to the PL's ability to sell assets and make compromises with creditors) was set aside until the Petition returns to the High Court, subject to the outcome of the appeals to the Zambian Court of Appeal. The PL has given evidence in the Zambian High Court that he would not be able to sell assets (beyond that which is necessary to carry on KCM's ordinary business) without seeking the Court's approval. Notwithstanding this, on 10 September 2019, the PL caused KCM to enter into a consent order disposing of certain surface rights owned by KCM. On 28 November 2019, the Group and KCM (acting through the lawyers appointed by the directors of KCM) obtained an ex-parte injunction restraining the PL from taking action to implement the consent order, halting the sale of surface rights and preventing any sale of the land itself. A challenge to the ex-parte injunction has been heard and the ruling has been reserved.

In connection with the response to the Petition, the Company has provided to the Board of KCM a commitment to provide certain financial support to KCM. This commitment is subject to certain conditions, including the dismissal of the Petition and discharge of the PL. Additionally, since the conditions to the funding support were not satisfied by 30 September 2019, the Company has reserved the right to withdraw the offer set out in the letter.

The Appeal Court ruled in favour of the Group and concluded that a dispute as defined in the SHA exists between the parties, and that the disputes are arbitrable and referable to arbitration. The Appeal Court ordered a stay of the winding up proceedings pursuant to section 10 of the Zambian Arbitration Act, 2000 and referred the matter to arbitration. Costs were awarded in the Group's favour in both Courts in Zambia.

Although the Petition is currently stayed, the PL has insisted that he remains in his post with his full powers. The PL has argued that the Court of Appeal has not ordered him to vacate his seat. The Judge ultimately adopted the Embodiment Order in the form preferred by ZCCM, with the result that the PL has not had to vacate his seat. Vedanta's Zambian counsel have applied for a hearing of the full court of appeal to reconsider the embodiment order. (The Order was made by a single judge of the court of appeal rather than the full court). On 05 May 2021, the Court of Appeal heard preliminary objections against Vedanta's application and have adjourned the motion to a date after it rules on the objections raised. On 26 August 2021, the Court of Appeal dismissed the preliminary objections raised by KCM and ZCCM with costs. The Court further gave an indication that the substantive motion challenging the ruling may be listed for hearing in due course, subject to confirmation by the Master of the Court of Appeal.

At the date of approval of these financial statements, the PL remains in office and the Petition remains stayed.

Accounting Considerations

As all the significant decision-making powers, including carrying on the business of KCM and taking control over all the assets of KCM, rests with the PL, the Group believes that the appointment of PL has caused loss of its control over KCM. Accordingly, the Group deconsolidated KCM with effect from 21 May 2019 and presented the same in the consolidated income statement as a discontinued operation.

The Group continues to account for its investment in KCM and loans, receivables and obligations of KCM towards the Group at cost.

The Group has total exposure of US$ 1,887 million (31 March 2021: US$ 1,887 million) (including equity investment in KCM of US$ 266 million) to KCM in the form of loans, receivables, investments and amounts relating to the guarantees issued by VRL, which have been accounted for at fair value on initial recognition and disclosed under non-current assets in the Consolidated Statement of Financial Position.

The valuation of the investment in KCM and the loans, receivables and obligations of KCM towards the group is determined using discounted future cash flows. The Group employed third-party experts ("Expert") to undertake detailed valuations as at 31 March 2021. During the period ended 30 September 2021, there are no indicators of significant change in fair value in valuation. Therefore, fair value as at 30 September 2021 remain unchanged at US$ 682 million (31 March 2021: US$ 682 million).

Profit/(loss) from discontinued operations is Nil for the six-month periods ended 30 September 2021 and 30 September 2020.

4. Segment information

The Group is a diversified natural resources Group engaged in exploring, extracting and processing minerals and oil and gas. The Group produces zinc, lead, silver, copper, aluminium, iron ore, oil and gas and commercial power and have a presence across India, Zambia, South Africa, Namibia, UAE, Ireland, Australia, Liberia, Japan, South Korea and Taiwan. The Group is also in the business of port operations and manufacturing of glass substrate, ferro alloys and steel.

The Group's reportable segments defined in accordance with IFRS 8 are as follows:

- Zinc- India
- Zinc-International
- Oil & Gas
- Iron Ore
- Copper-India/Australia
- Aluminium
- Power

'Others' segment mainly comprises port/berth, steel, ferro alloys and glass substrate business and those segments which do not meet the quantitative threshold for separate reporting. Each of the reportable segments derives its revenues from these main products and hence these have been identified as reportable segments by the Group's chief operating decision maker ("CODM").

Management monitors the operating results of reportable segments for the purpose of making decisions about resources to be allocated and for assessing performance. Segment performance is evaluated based on the EBITDA of each segment. Business segment financial data includes certain corporate costs, which have been allocated on an appropriate basis. Inter-segment sales are charged based on prevailing market prices.

The following tables present revenue and profit information for the six months ended 30 September 2021 and 30 September 2020 and certain asset and liability information regarding the Group's reportable segments as at 30 September 2021 and year ended 31 March 2021. Items after operating profit are not allocated by segment.

(a) Reportable segments

For the Six months ended 30 September 2021

(US$ million)

	Zinc-India	Zinc-International	Oil and gas	Iron Ore	Copper-India/ Australia	Aluminium	Power	Others	Elimination	Total operations
REVENUE										
Sales to external customers	1,654	293	728	413	955	3,023	335	469	-	7,870
Inter-segment sales	-	-	-	1	-	6	-	1	(8)	-
Segment revenue	**1,654**	**293**	**728**	**414**	**955**	**3,029**	**335**	**470**	**(8)**	**7,870**
Segment Result										
EBITDA [(1)]	919	95	334	179	(19)	1,133	83	144	-	2,868
Depreciation and amortisation [(2)]	177	33	129	16	10	124	39	39	-	567
Other expense	-	-	20*	-	-	-	-	-	-	20
Operating profit / (loss) before special items	**742**	**62**	**185**	**163**	**(29)**	**1,009**	**44**	**105**	**-**	**2,281**
Investment revenue										88
Finance costs										(670)
Other gains and (losses) [net]										(22)
Special items (Refer Note 5)										(24)
Profit before taxation from continuing operations										**1,653**
Segment assets	2,724	867	2,628	545	802	6,863	2,158	1,082	-	17,669
Financial asset investments										24
Deferred tax assets										921
Short-term investments										3,565
Cash and cash equivalents										752
Tax assets										372
Others										876
TOTAL ASSETS										**24,179**
Segment liabilities	534	161	1,845	248	563	2,167	222	255	-	5,995
Borrowings										15,542
Current tax liabilities										161
Deferred tax liabilities										342
Others										433
TOTAL LIABILITIES										**22,472**

**Cost of exploration wells written off*

For the Six months ended 30 September 2020

(US$ Million)

	Zinc-India	Zinc-International	Oil and gas	Iron Ore	Copper-India/ Australia	Aluminium	Power	Others	Elimination	Total operations
REVENUE										
Sales to external customers	1,248	134	408	199	572	1,658	385	271	-	4,875
Inter-segment sales	-	-	-	4	-	4	-	2	(10)	-
Segment revenue	**1,248**	**134**	**408**	**203**	**572**	**1,662**	**385**	**273**	**(10)**	**4,875**
Segment Result										
EBITDA (1)	597	44	175	61	(6)	397	116	56	-	**1,440**
Depreciation and amortisation (2)	156	19	142	15	10	112	39	36	-	**529**
Operating profit / (loss) before special items	**441**	**25**	**33**	**46**	**(16)**	**285**	**77**	**21**	**-**	**911**
Investment revenue										178
Finance costs										(576)
Other gains and (losses) [net]										(2)
Special items (Note 5)										(37)
PROFIT BEFORE TAXATION FROM CONTINUING OPERATIONS										**474**

*Year ended 31 March 2021**

(US$ million)

	Zinc-India	Zinc-International	Oil and gas	Iron Ore	Copper-India/ Australia	Aluminium	Power	Others	Elimination	Total operations
Segment assets	2,730	828	2,419	451	825	6,564	2,235	1,064	-	17,116
Financial asset investments										21
Deferred tax assets										1,018
Short-term investments										5,002
Cash and cash equivalents										955
Tax assets										375
Others										834
TOTAL ASSETS										**25,321**
Segment liabilities	644	146	1,508	173	590	2,142	245	289	-	5,737
Borrowings										16,377
Current tax liabilities										38
Deferred tax liabilities										299
Others										539
TOTAL LIABILITIES										**22,990**
Other segment information										
Additions to property, plant and equipment, exploration and evaluation assets and intangible assets (3)	340	51	188	13	8	232	4	82	-	919
Impairment charge	-	-	-	-	-	24	-	9	-	33

**Restated. Refer Note 1(d)(iii)*

(1) EBITDA is a non-IFRS measure and represents earnings before special items, depreciation, amortisation, other gains and losses, interest and tax.

(2) Depreciation and amortisation are also provided to the chief operating decision maker on a regular basis.

(3) Additions to property, plant and equipment, exploration and evaluation assets and intangible assets includes US$ 1 Million not allocated to any segment. It also includes US$ 48 Million acquired through business combination.

Disaggregation of revenue

Below table summarises the disaggregated revenue from contracts with customers:

(US$ million)

Particulars	Six months ended 30 September 2021 (Unaudited)	Six months ended 30 September 2020 (Unaudited)
Zinc metal	1,393	914
Lead metal	264	233
Silver metal and bars	282	251
Oil	616	366
Gas	99	25
Iron ore	164	80
Pig iron	273	142
Metallurgical coke	13	6
Copper products	910	532
Aluminum products	3,057	1,639
Power	246	266
Steel products	307	213
Ferro alloys	51	-
Others	200	117
Revenue from contracts with customers	**7,875**	**4,784**
Revenue from contingent rents	73	103
Gains/(losses) on provisionally priced contracts under IFRS 9	(78)	(12)
Total Revenue	**7,870**	**4,875**

5. Special items

(US$ million)

	Six months ended 30 September 2021			Six months ended 30 September 2020		
	Special items	Tax effect of Special items	Special items after tax	Special items	Tax effect of Special items	Special items after tax
One time settlement of entry tax under amnesty scheme[1]	(18)	6	(12)	-	-	-
Revision of Renewable Purchase Obligation (RPO)[2]	-	-	-	13	(4)	9
Gross profit special items	**(18)**	**6**	**(12)**	**13**	**(4)**	**9**
Impairment of capital-work-in-progress[3]	(6)	2	(4)	-	-	-
Total impairment reversal/ (charge) (net)	**(6)**	**2**	**(4)**	-	-	-
Operating special items	**(24)**	**8**	**(16)**	**13**	**(4)**	**9**
Delisting expenses[4]	-	-	-	**(50)**	-	**(50)**
Total of Special items	**(24)**	8	**(16)**	**(37)**	**(4)**	**(41)**

1. During the period ended 30 September 2021, HZL has recognised an expense of US$ 18 million for settlement of entry tax dispute under amnesty Scheme launched by the Government of Rajasthan.
2. During the period ended 30 September 2020, Vedanta Limited has recomputed its Renewable Power Obligation (RPO) pursuant to Chhattisgarh State Electricity Regulatory Commission (CSERC) notification dated 13 July 2020 (published on 22 July 2020) which clarified that for Captive Power Plants commissioned before 01 April 2016, RPO should be pegged at the RPO obligation percentage rates (both for solar and non-solar) applicable for FY 2015-16. Consequent to the aforesaid notification, Vedanta Limited's obligation towards RPO relating to the period upto 31 March 2020 has been reversed to the extent of US$ 13 million during this period.
3. During the year ended 31 March 2021, ESL Steel Limited conducted a detailed physical verification and evaluation of project equipment and material being carried forward as capital work-in-progress at a carrying value of $US 113 million. An interim provision of $US 9 million was recognised for the year ended 31 March 2021, relating to certain items of capital work-in-progress, which are no longer expected to be used. The physical verification exercise is now complete and as a result, additional provision of US$ 6 million has been recognized during the period ended 30 September 2021.
4. During the period ended 30 September 2020, the Company and its wholly owned subsidiaries, namely, Vedanta Holdings Mauritius Limited and Vedanta Holdings Mauritius II Limited had issued a public announcement with regard to the delisting offer on 29 September 2020 in accordance with the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, as amended ("the Delisting Regulations"). The delisting offer was unsuccessful in terms of the Delisting Regulations as the total number of offer shares validly tendered by the Public Shareholders were less then minimum number of offer shares required. The Company incurred US$ 50 million expenses with respect to the delisting offer which included finance cost, consultancy and other expenses.

6. Other gains and (losses) (net)

(US$ million)

	Six months ended 30 September 2021	Six months ended 30 September 2020
Foreign exchange gains/(loss) (net)	(11)	19
Change in fair value of financial liabilities measured at fair value	0	0
Other gains and (losses)- Special item	-	(9)
Net (loss)/ gain arising on qualifying hedges and non-qualifying hedges	(11)	(21)
Total	**(22)**	**(11)**

7. Tax

(a) Tax charge/ (credit) recognised in condensed consolidated Income Statement (including on special items)

(US$ million)

	Six months ended 30 September 2021	Six months ended 30 September 2020
Current tax:		
Current tax on profit for the period	432	132
Charge in respect of special items	(6)	-
Total current tax (a)	**426**	**132**
Deferred tax		
(Reversal)/ Origination of temporary differences	136	260
(Credit)/ Charge in respect of Special items (note 5)	(2)	4
Total deferred tax (credit)/ charge (b)	**134**	**264**
Total Income tax expense/ (benefit) ((a)+(b))	**560**	**396**
Profit before tax from continuing operations	**1,653**	**474**
Effective Income tax rate (%)	**33.9%**	**83.5%**

During the previous period, consequent to the declaration of dividend (including from accumulated profits) by the subsidiaries, the unabsorbed depreciation as per tax laws have been utilized by Vedanta Limited leading to a deferred tax charge of US$ 171 million in the six months ended 30 September 2020.

Tax expense

(US$ million)

Particulars	Six months ended 30 September 2021	Six months ended 30 September 2020
Tax effect of special items (Note 5)	(8)	4
Tax expense – others	568	392
Net tax (credit)/expense	**560**	**396**

(b) The tax department had issued demands on account of remeasurement of certain tax incentives, as described above, under section 80IA and 80 IC of the Income-tax Act, 1961. During the year ended 31 March 2020, based on the favourable orders from Income Tax Appellate Tribunal relating to Assessment Year ("AY") 09-10 to AY 12-13, the Commissioner of Income Tax (Appeals) has allowed these claims for AY 14-15 to AY 15-16, which were earlier disallowed and has granted refund of amounts deposited under protest. Against the Tribunal order, the department had filed an appeal in Hon'ble Rajasthan High Court in financial year 17-18 which is yet to be admitted. As per the view of external legal counsel, Department's appeal seeks re-examination of facts rather than raising any substantial question of law and hence it is unlikely that appeal will be admitted by the High Court. Accordingly, there is high probability that the case will go in favour of the Company. The amount involved in this dispute as at 30 September 2021 is US$ 1,535 million (31 March 2021: US$ 1,538 million) plus applicable interest up to the date of settlement of the dispute.

8. Underlying Attributable Profit/(Loss) for the period

Underlying profit/(loss) is an alternative earnings measure, which the management considers to be a useful additional measure of the Group's performance. The Group's underlying profit/ loss is the profit/ loss from continuing operations for the period after adding back special items (note 5), other gains/(losses) [net] (note 6) and their resultant tax (including taxes classified as special items) and non-controlling interest effects. This is a Non-IFRS measure.

(US$ million)

	Note	Six months ended 30 September 2021	Six months ended 30 September 2020
Profit/ (Loss) for the period attributable to equity holders of the parent		374	(195)
Special items – expense	*5*	24	37
Other (gains)/losses [net]	*6*	22	2
Tax effect of special items (including taxes classified as special items) and other gains/ (losses) [net]		(14)	(2)
Non-controlling interest on special items and other gains/ (losses)		(14)	2
Underlying attributable profit/(loss) for the period		**392**	(156)

9. Dividends

(US$ million, unless stated otherwise)

	Six months ended 30 September 2021	Six months ended 30 September 2020
Amounts recognised as distributions to equity holders:		
Equity dividends on ordinary shares:		
Interim Dividend for 2021-22: 46.0 US cents per share	131	-
Dividend for 2020-21: 88.0 US cents per share	-	251

10. Movement in net debt (1)

(US$ Million)

	Cash and cash equivalents	Short term Investments and Non-current Bank Deposits	Total cash and short-term investments	Debt due within one year	Debt due after one year*	Total Net Debt
				Debt carrying value	Debt carrying value	
Balance as at 1 April 2021	701	4,945	5,646	(546)	(15,831)	(10,731)
Cash flow from continuing operations	(21)	(1,353)	(1,374)	(22)	769	(627)
Other non-cash changes (1)		(31)	(31)	127	(124)	(28)
Foreign exchange currency translation differences	(18)	(42)	(60)	4	81	25
Balance as at 30 September 2021	**662**	**3,519**	**4,181**	**(437)**	**(15,105)**	**(11,361)**

* Includes current maturities of long-term borrowings of US$ 3,738 million as at 30 September 2021.

(US$ million)

	Cash and cash equivalents**	Short term Investments and Non-current Bank Deposits ***	Total cash and short-term investments	Debt due within one year	Debt due after one year*	Total Net Debt
				Debt carrying value	Debt carrying value	
Balance as at 1 April 2020	**692**	**4,381**	**5,073**	**(1,644)**	**(13,451)**	**(10,022)**
Cash flow from continuing operations	2,435	(682)	1,753	(137)	(2,234)	(618)
Net debt on acquisition through business combination (note 3(b)(i))	1	11	12	(1)	-	11
Other non-cash changes (1)	-	(5)	(5)	(749)	745	(9)
Foreign exchange currency translation differences	13	48	61	(20)	(107)	(66)
Balance as at 30 September 2020	**3,141**	**3,753**	**6,894**	**(2,551)**	**(15,047)**	**(10,704)**

** Includes current maturities of long-term borrowings of US$ 3,164 million as at 30 September 2020.*
*** Restated. Refer note 1(d)(i)*

**** Restated. Refer note 1(d)(ii)*

(1) Other non-cash changes comprise amortisation of borrowing costs, foreign exchange difference on net debt and reclassification between debt due within one year and debt due after one year. It also includes US$ (31) million (30 September 2020: US$ (5) million) representing fair value movement in investments and accrued interest on investments.

Debt securities issued/repaid during the period

In October 2016, Vedanta Ltd issued Non-Convertible Debentures ("NCDs") of $68 million at an interest rate of 8.75%. These NCDs were secured by way of first ranking pari - passu charge on movable fixed assets in relation to the Lanjigarh Refinery Expansion Project (having capacity beyond 2 MTPA and upto 6 MTPA) situated at Lanjigarh, Orissa. These NCDs were repaid by September 2021.

In April 2018, Vedanta Ltd issued NCDs of $543 million at an interest rate of 8.50%. These NCDs were secured by a first pari - passu charge on the whole of the present and future of the movable fixed assets of 2400 MW (600 MW*4) power plant of Vedanta Limited at Jharsuguda location. These NCDs were repaid by September 2021.

In July 2018, Vedanta Ltd issued NCDs of $136 million at an interest rate of 9.18%. These NCDs were secured by a first pari - passu charge on the whole of the present and future of the movable fixed assets of 2400 MW (600 MW*4) Power Plant of Vedanta Limited at Jharsuguda location, as may be identified and notified by the issuer to the security trustee from time to time, with minimum asset coverage of 1 time of the aggregate face value of debentures outstanding at any point of time. The NCDs were fully repaid in July 2021.

In July 2018, TSPL issued NCDs of $136 million at an interest rate of 9.27%. These NCDs were secured by first pari passu charge on movable and/or immovable fixed assets of TSPL with a minimum asset cover of 1 time during the tenure of NCD. The NCDs were fully repaid in July 2021.

In April 2018, TSPL issued NCDs of $136 million at an interest rate of 8.55%. These NCDs were secured by first pari passu charge on movable and/or immovable fixed assets of TSPL with a minimum asset cover of 1 time during the tenure of NCD. The NCDs were fully repaid in April 2021.

In September 2020, HZL issued unsecured NCDs of $478 million at an interest rate of 5.35%. 20% of these ($96 million) were due for repayment in September 2021 and were repaid accordingly. As at 30 September 2021, the carrying value of remaining NCDs is $382 million.

In September 2010, Avanstrate Inc issued unsecured bonds of $56 million (JPY 6,696 million) at an average interest rate of 0.28%. The bonds were fair valued at the time of acquisition and are due for repayment over 10 years starting from October 2023 to October.

2032. During the period ended 30 September 2021, bonds having carrying value of $15 million (JPY 1,686 million) have been bought back. As at 30 September 2021, the carrying value (net of fair valuation) of remaining bonds is $7 million (JPY 716 million).

In July 2011, the Company issued US$ 900 million bonds bearing a coupon rate of 8.25%. These bonds were repayable in tranches and the last tranche of US$ 187 million was due in June 2021 which was duly paid.

During the period ended 30 September 2021, the Group has issued and repaid other debt securities of US$ 1,399 million and US$ 1,070 million, respectively.

11. Financial instruments

Financial Assets and Liabilities:

The following tables present the carrying value and fair value of each category of financial assets and liabilities as at 30 September 2021 and 31 March 2021:

(US$ million)

As at 30 September 2021	Fair value through profit or loss	Fair value through other comprehensive income	Derivatives designated as hedging instruments	Amortised cost	Total carrying value	Total fair value
Financial Assets						
Financial instruments (derivatives)	2	-	12	-	14	14
Financial asset investments held at fair value	4	20	-	-	24	24
Short term investments						
- Bank deposits	-	-	-	1,182	1,182	1,182
- Other investments	2,383	-	-	-	2,383	2,383
Cash and cash equivalents	-	-	-	752	752	752
Other non-current assets and trade and other receivables	24	-	-	2,834	2,858	2,858
Total	**2,413**	**20**	**12**	**4,768**	**7,213**	**7,213**

(US$ million)

As at 30 September 2021	Fair value through profit or loss	Derivatives designated as hedging instruments	Amortised cost	Others*	Total carrying value	Total fair value
Financial Liabilities						
Financial instruments (derivatives)	16	36	-	-	52	52
Trade and other payables	60	-	4,591	34	4,685	4,685
Borrowings	-	-	15,542	-	15,542	15,467
Total	**76**	**36**	**20,133**	**34**	**20,279**	**20,204**

**Represents put option liability accounted for at fair value*

(US$ million)

As at 31 March 2021	Fair value through profit or loss	Fair value through other comprehensive income	Derivatives designated as hedging instruments	Amortised cost	Total carrying value	Total fair value
Financial Assets						
Financial instruments (derivatives)	2	-	8	-	**10**	**10**
Financial asset investments held at fair value	7	14	-	-	**21**	**21**
Short term investments						
- Bank deposits	-	-	-	1,625	**1,625**	**1,625**
- Other investments	3,377	-	-	-	**3,377**	**3,377**
Cash and cash equivalents	-	-	-	955	**955**	**955**
Other non-current assets and trade and other receivables	22	-	-	2,462	**2,484**	**2,484**
Total	**3,408**	**14**	**8**	**5,042**	**8,472**	**8,472**

(US$ million)

As at 31 March 2021	Fair value through profit or loss	Derivatives designated as hedging instruments	Amortised cost	Others*	Total carrying value	Total fair value
Financial Liabilities						
Financial instruments (derivatives)	12	36	-	-	**48**	**48**
Trade and other payables	97	-	4,314	33	**4,444**	**4,444**
Borrowings	-	-	16,377	-	**16,377**	**15,951**
Total	**109**	**36**	**20,691**	**33**	**20,869**	**20,443**

**Represents put option liability accounted for at fair value*

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The below tables summarises the categories of financial assets and liabilities as at 30 September 2021 and 31 March 2021 measured at fair value:

(US$ Million)

	As at 30 September 2021		
	Level 1	**Level 2**	**Level 3**
Financial assets			
At fair value through profit or loss			
- Short term investments	1,448	935	-
- Financial asset investments held at fair value	-	-	4
- Financial instruments (derivatives)	-	2	-
- Other non-current assets and trade and other receivables	-	24	-
At fair value through other comprehensive income			
- Financial asset investments held at fair value	19	-	1
Derivatives designated as hedging instruments			
- Financial instruments (derivatives)	-	12	-
Total	**1,467**	**973**	**5**
Financial liabilities			
At fair value through profit or loss			
- Financial instruments (derivatives)	-	16	-
- Trade and other payables	-	61	-
Derivatives designated as hedging instruments			
- Financial instruments (derivatives)	-	36	-
Trade and other payables- Put option liability with non- controlling interest	-	-	34
Total	**-**	**113**	**34**

(US$ million)

	As at 31 March 2021		
	Level 1	**Level 2**	**Level 3**
Financial assets			
At fair value through profit or loss			
- Short term investments	1,987	1,390	-
- Financial asset investments held at fair value	-	-	7
- Financial instruments (derivatives)	-	2	-
- Other non-current assets and trade and other receivables	-	22	-
At fair value through other comprehensive income			
- Financial asset investments held at fair value	13	-	1
Derivatives designated as hedging instruments			
- Financial instruments (derivatives)	-	8	-
Total	**2,000**	**1,422**	**8**
Financial liabilities			
At fair value through profit or loss			
- Financial instruments (derivatives)	-	12	-
- Trade and other payables	-	97	-
Derivatives designated as hedging instruments			
- Financial instruments (derivatives)	-	36	-
Trade and other payables- Put option liability with non- controlling interest	-	-	33
Total	**-**	**145**	**33**

The below table summarizes the fair value of borrowings which are carried at amortised cost as at 30 September 2021 and 31 March 2021:

(US$ million)

	As at 30 September 2021		As at 31 March 2021	
	Level 1	**Level 2**	**Level 1**	**Level 2**
Borrowings	**5,577**	**9,890**	5,457	10,494
Total	**5,577**	**9,890**	**5,457**	**10,494**

The fair value of the financial assets and liabilities are at the amount that would be received to sell an asset and paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate the fair values:

- Investments traded in active markets are determined by reference to quotes from the financial institutions; for example: Net asset value (NAV) for investments in mutual funds declared by mutual fund house. For other listed securities traded in markets which are not active, the quoted price is used wherever the pricing mechanism is same as for other marketable securities traded in active markets. Other current investments and structured investments are valued by referring to market inputs including quotes, trades, poll, primary issuances for securities and /or underlying securities issued by the same or similar issuer for similar maturities and movement in benchmark security, etc.
- Financial assets forming part of Trade and other receivables, cash and cash equivalents (including restricted cash and cash equivalents), bank deposits, financial liabilities forming part of trade and other payables and short-term borrowings: Approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Other non-current financial assets and financial liabilities: Fair value is calculated using a discounted cash flow model with market assumptions, unless the carrying value is considered to approximate to fair value.

- Long-term fixed-rate and variable rate borrowings: Listed bonds are fair valued based on the prevailing market price. For all other long-term fixed-rate and variable-rate borrowings, either the carrying amount approximates the fair value, or fair value has been estimated by discounting the expected future cash flows using a discount rate equivalent to the risk-free rate of return adjusted for the appropriate credit spread.

- Quoted financial asset investments: Fair value is derived from quoted market prices in active markets.
- Derivative financial assets/liabilities: The Group enters into derivative financial instruments with various counterparties. Interest rate swaps, foreign exchange forward contracts and commodity forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques by the Group include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying commodity. Commodity contracts are valued using the forward LME rates of commodities actively traded on the listed metal exchange, i.e., London Metal Exchange, United Kingdom (UK).

For all other financial instruments, the carrying amount is either the fair value, or approximates the fair value.

The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationship and the value of other financial instruments recognised at fair value.

The estimated fair value amounts as at 30 September 2021and 31 March 2021 have been measured as at that date. As such, the fair values of these financial instruments subsequent to reporting date may be different than the amounts reported at each period-end.

There were no significant transfers between level 1, level 2 and level 3 during the current period.

12. Commitments, guarantees, contingencies and other disclosures

A. Commitments

The Group has a number of continuing commitments in the normal course of business including:

a) Exploratory mining commitments;
b) Oil and gas commitments;
c) Mining commitments arising under production sharing agreements; and
d) Completion of the construction of certain assets.

(US$ million)

	As at 30 September 2021	**As at 31 March 2021**
Capital commitments contracted but not provided	2,004	1,164

Estimated amounts for contracts remaining to be executed on capital account and not provided for:

(US$ million)

	As at 30 September 2021	As at 31 March 2021
Oil & Gas sector		
Cairn Oil & Gas	335	212
Aluminium sector		
Lanjigarh Refinery (Phase II)	537	162
Jharsuguda 1.25 MTPA smelter	97	63
Zinc sector		
Zinc India (mines expansion, solar and smelter)	65	49
Gamsberg mining & milling project	13	13
Copper sector		
Tuticorin Smelter 400 KTPA*	406	409
Others	551	256
Total	**2,004**	**1,164**

**currently contracts are under suspension under the force majeure clause as per the contract*

Committed work programme (Other than capital commitment):

(US$ million)

	As at 30September 2021	As at 31 March 2021
Oil & Gas sector		
Cairn Oil & Gas (OALP - New Oil and Gas blocks)	752	767

B. Guarantees

The aggregate amount of indemnities and other guarantees on which the Group does not expect any material losses, was US$ 980 million (31 March 2021: US$ 857 million).

The Group has given guarantees in the normal course of business as stated below:

a) Guarantees and bonds advanced to the customs authorities in India of US$ 82 million (31 March 2021: US$ 88 million) relating to the export and payment of import duties on purchases of raw material and capital goods.
b) Guarantees issued for Group's share of minimum work programme commitments of US$ 391 million (31 March 2021: US$ 394 million).
c) Guarantees of US$ 3 million (31 March 2021: US$ 11 million) issued under bid bond for placing bids.
d) Bank guarantees of US$ 15 million (31 March 2021: US$ 16 million) has been provided by the Group on behalf of Volcan Investments Limited ("Volcan") to Income tax department, India as a collateral in respect of certain tax disputes.
e) Other guarantees worth US$ 488 million (31 March 2021: US$ 348 million) issued for securing supplies of materials and services, in lieu of advances received from customers, litigation, for provisional valuation of custom duty and also to various agencies, suppliers and government authorities for various purposes. The Group does not anticipate any liability on these guarantees.

Cairn PSC/RSC guarantee to Government

The Group has also provided guarantees for the Cairn India Group's obligation under the Production Sharing Contract ('PSC') and Revenue Sharing Contract ('RSC').

C. Export Obligations

The Indian entities of the Group have export obligations of US$ 214 million (31 March 2021: US$ 295 million) on account of concessional rates of import duty paid on capital goods under the Export Promotion Capital Goods Scheme and under the Advance Licence Scheme for the import of raw material laid down by the Government of India.

In the event of the Group's inability to meet its obligations, the Group's liability would be US$ 36 million (31 March 2021: US$ 48 million) plus applicable interest.

The Group has given surety of US$ 234 million (31 March 2021: US$ 242 million) to custom authorities against these export obligations.

D. Contingencies

The Group discloses the following legal and tax cases as contingent liabilities.

Hindustan Zinc Limited: Department of Mines and Geology

The Department of Mines and Geology of the State of Rajasthan issued several show cause notices in August, September and October 2006 to HZL, totalling US$ 45 million as at 30 September 2021 (31 March 2021: US$ 45 million). These notices alleged unlawful occupation and unauthorised mining of associated minerals other than zinc and lead at HZL's Rampura Agucha, Rajpura Dariba and Zawar mines in Rajasthan during the period from July 1968 to March 2006. HZL had filed appeals (writ petitions) in the High Court of Rajasthan in Jodhpur. The High Court restrained the Department of Mines and Geology from undertaking any coercive measures to recover the penalty. In January 2007, the High Court issued another order granting the Department of Mines and Geology additional time to file their reply and also ordered the Department of Mines and Geology not to issue any order cancelling the lease. The State Government filed for an early hearing application in the High Court. The High Court has passed an order rejecting the application stating that Central Government should file their replies. HZL believes it is unlikely that the claim will lead to a future obligation and thus no provision has been made in these financial statements.

Ravva Joint Operations arbitration proceedings

ONGC Carry

The Ravva Production Sharing Contract (PSC) obliges the contractor parties to pay a proportionate share of ONGC's exploration, development, production and contract costs in consideration for ONGC's payment of costs related to the construction and other activities it conducted in Ravva prior to the effective date of the Ravva PSC (the ONGC Carry). The question as to how the ONGC Carry is to be recovered and calculated, along with other issues, was submitted to an International Arbitration Tribunal in August 2002 which rendered a decision on the ONGC Carry in favour of the contractor parties (including Vedanta Limited (Cairn India Limited which subsequently merged with Vedanta Limited, accordingly now referred to as Vedanta Limited)) whereas four other issues were decided in favour of Government of India (GOI) in October 2004 (Partial Award). The GOI then proceeded to challenge the ONGC Carry decision before the Malaysian courts, as Kuala Lumpur was the seat of the arbitration. The Federal Court of Malaysia upheld the Partial Award. As the Partial Award did not quantify the sums, therefore, contractor parties approached the same Arbitration Tribunal to pass a Final Award in the subject matter since it had retained the jurisdiction to do so. The Arbitral Tribunal was reconstituted, and the Final Award was passed in October 2016 in Vedanta Limited's favour. GOI's challenge of the Final Award has been dismissed by the Malaysian High Court and the next appellate court in Malaysia, i.e., Malaysian Court of Appeal. GOI then filed an appeal at Federal Court of Malaysia. The matter was heard on 28 February 2019 and the Federal Court dismissed GOI's leave to appeal. Vedanta Limited has also filed for the enforcement of the Partial Award and Final Award before the Hon'ble Delhi High Court. The matter has been listed for hearing on 14 December 2021.

Base Development Cost

Ravva joint operations had received a claim from the Ministry of Petroleum and Natural Gas, Government of India (GOI) for the period from Year 2000-2005 for US$ 129 million for an alleged underpayment of profit petroleum (by recovering higher Base Development Costs ("BDC") against the cap imposed in the PSC) to the Government of India (GOI), out of which, Vedanta Limited's (Cairn India Limited which subsequently merged with Vedanta Limited, accordingly now referred to as Vedanta Limited) share will be US$ 29 million plus interest. Joint venture partners initiated the arbitration proceedings and Arbitration Tribunal published the Award in January 2011 allowing claimants (including Vedanta Limited) to recover the development costs spent to the tune of US$ 278 million and disallowed over run of US$ 22 million spent in respect of BDC along with 50% legal costs. Finally, the Supreme Court of India on 16 September 2020 pronounced the order in favour of Vedanta Limited, rejecting all objections of the GOI and allowed enforcement of the Arbitration Award. With the Supreme Court order, this matter stands closed.

In connection with the above two matters, Vedanta Limited has received an order dated 22 October 2018 from the GOI directing oil marketing companies (OMCs) who are the offtakers for Ravva to divert the sale proceeds to GOI's account. GOI alleges that the Ravva Joint Operations (consisting of four joint venture partners) has short paid profit petroleum of US$ 314 million (the Company's share approximately - US$ 93 million) on account of the two disputed issues of ONGC Carry and BDC matters, out of which US$ 64 million pertains to ONGC Carry and US$ 29 million pertains to BDC Matter. Against an interim application, filed by Vedanta Limited and other joint venture partner, seeking stay of such action from GOI, before the Delhi High Court, where enforcement petitions for both matters were then pending, the Court directed the OMCs to deposit above sums to the Delhi High Court for both BDC and ONGC Carry matters. However, Vedanta Limited (and other joint venture partner) has been given the liberty to seek withdrawal of the amounts from the Court upon furnishing a bank guarantee of commensurate value. On the basis of the above direction, the customers have deposited US$ 93 million out of which US$ 84 million has been withdrawn post submission of bank guarantee. The Hon'ble Delhi High Court vide its order dated 28 May 2020 read with order dated 04 June 2020 has directed that all future sale proceeds of Ravva Crude w.e.f. 05 June 2020 be paid directly to Vedanta Limited by the OMCs. In view of the closure of the BDC matter in Vedanta's favor, US$ 20 million has since been refunded from the Court to Vedanta Limited. The Group has also filed an application in High Court on 22 September 2020 seeking refund of remaining US$ 9 million and release of bank guarantees submitted in the Court regarding ONGC carry matter.

During the proceedings of the above matter, GOI has also filed an interim application seeking deposit by the said OMCs of an amount of US$ 87 million (Vedanta's share of US$ 56 million) towards interest on the alleged short payment of profit petroleum by the petitioners, i.e., Vedanta Limited (and other joint venture partner). The matter has been listed for hearing on 14 December 2021 along with ONGC carry case.

While the Group does not believe the GOI will be successful in its challenge, if the Arbitral Awards in above matter is reversed and such reversal is binding, the Group would be liable for approximately US$ 64 million plus interest (31 March 2021: US$ 64 million plus interest).

Proceedings related to the imposition of entry tax

Vedanta Limited and other Group companies, i.e., Bharat Aluminium Company Limited (BALCO) and Hindustan Zinc Limited (HZL) challenged the constitutional validity of the local statutes and related notifications in the states of Chhattisgarh, Odisha and Rajasthan pertaining to the levy of entry tax on the entry of goods brought into the respective states from outside.

Post some contradictory orders of High Courts across India adjudicating on similar challenges, the Supreme Court referred the matters to a nine-judge bench. Post a detailed hearing, although the bench rejected the compensatory nature of tax as a ground of challenge, it maintained status quo with respect to all other issues which have been left open for adjudication by regular benches hearing the matters.

Following the order of the nine-judge bench, the regular bench of the Supreme Court proceeded with hearing the matters. The regular bench remanded the entry tax matters relating to the issue of discrimination against domestic goods bought from other States to the respective High Courts for final determination but retained the issue of jurisdiction for levy on imported goods, for determination by the regular bench of the Supreme Court. Following the order of the Supreme Court, the Group filed writ petitions in respective High Courts.

On 09 October 2017, the Supreme Court has held that states have the jurisdiction to levy entry tax on imported goods. With this Supreme Court judgement, imported goods will rank pari-passu with domestic goods for the purpose of levy of Entry tax. Vedanta Limited and its subsidiaries have amended their appeals (writ petitions) in Odisha and Chhattisgarh to include imported goods as well. With respect to Rajasthan, the State Government has filed a counter petition in the Rajasthan High Court, whereby it has admitted that it does not intend to levy the entry tax on imported goods as well.

The issue pertaining to the levy of entry tax on the movement of goods into a Special Economic Zone (SEZ) remains pending before the Odisha High Court. The Group has challenged the levy of entry tax on any movement of goods into SEZ based on the definition of 'local area' under the Odisha Entry Tax Act, 1999 which is very clear and does not include a SEZ. In addition, the Government of Odisha further, through its SEZ Policy 2015 and the operational guidelines for administration of this policy dated 22 August 2016, exempted the entry tax levy on SEZ operations.

During the current period, HZL has, under an Amnesty Scheme, settled the entry tax matter by making a payment of US$ 18 million against total claims of US$ 27 million.

The total claims against Vedanta Limited and its subsidiaries are US$ 166 million (31 March 2021: US$ 193 million) net of provisions made.

BALCO: Challenge against imposition of Energy Development ("ED") Cess

BALCO challenged the imposition of Energy Development Cess levied on generators and distributors of electrical energy at the rate of Rs 0.10 per unit on the electrical energy sold or supplied before the High Court on the grounds that the Cess is effectively on production and not on consumption or sale since the figures of consumption are not taken into account and the Cess is discriminatory since CPPs are required to pay at the rate of Rs 0.10 while the State Electricity Board is required to pay Rs 0.05 per unit. The High Court of Chhattisgarh, by order dated 15 December 2006, declared the provisions imposing ED Cess on CPPs as discriminatory and therefore ultra vires the Constitution of India. BALCO has sought refund of ED Cess paid till March 2006 amounting to US$ 5 million.

The State of Chhattisgarh moved an SLP in the Supreme Court and whilst issuing notice has stayed the refund of the Cess already deposited and the Supreme Court has also directed the State of Chhattisgarh to issue the invoices, but no coercive action be taken for recovery for the same. Final argument in this matter started before the Supreme Court. In case the Supreme Court overturns the decision of the High Court, the Group would be liable to pay an additional amount of US$ 131 million (31 March 2021: US$ 121 million). Accordingly, the total exposure on the Group would be US$ 136 million (31 March 2021: US$ 126 million).

BALCO: Electricity Duty

The Group operates a 1,200 MW power plant ("the Plant") which commenced production in July 2015. Based on the Memorandum of Understanding signed between the Group and the Chhattisgarh State Government, the management believes that the Plant is covered under the Chhattisgarh Industrial policy 2004-09 which provides exemption of electricity duty for 15 years. In June 2021, the Chief Electrical Inspectorate, Raipur ("CIE") issued a demand notice for electricity duty and interest thereon of US$ 120 million and US$ 79 million respectively for the period March 2015 to March 2021.

The Group carries an accrual for electricity duty of US$ 120 million (31 March 2021: US$ 118 million). The Company has requested the CIE to allow payment of the principal amount over a period of 5 years along with a waiver of interest demand. As at 30 September 2021, an amount of US$ 84 million relating to interest has been considered as a contingent liability.

Class actions against VRL and KCM on behalf of Zambian nationals

Two separate proceedings were issued in the UK on behalf of Zambian nationals who allege that they have suffered loss and damages as a result of KCM's operations in Zambia. The two proceedings were subsequently combined into a single action as part of a court-mandated global litigation order ("GLO"). The claims are for damages for personal injury, property damage and other damages arising out of allegations of pollution. VRL and KCM in the first instance challenged the jurisdiction of the English courts to hear and adjudicate these claims.

The procedural proceedings on jurisdiction were initially brought before the English High Court of Justice, Queen's Bench Division, Technology and Construction Court, which on 27 May 2016 ruled that the English courts have jurisdiction to hear and adjudicate the claims. This judgment was appealed by VRL and KCM to the English Court of Appeal and ultimately to the UK Supreme Court.

On 10 April 2019, the UK Supreme Court delivered its decision that the English Courts have jurisdiction to try the claims but agreed with arguments put forward by VRL and KCM that England is not the proper place for the trial of these claims and consequently overturned the lower courts on this point. However, the Supreme Court found that the High Court was entitled to conclude on the evidence before it that there is a real risk that "substantial justice" will not be obtainable in Zambia and because of this, the claims may nonetheless be heard in the English Courts.

On 19 January 2021, VRL announced the settlement, without admission of liability by VRL or KCM, of the larger of the two class action proceedings covered by the GLO. The terms of the settlement did not have any material impact on the financial position of the Group. The trial of the remaining proceeding in the English High Court has been stayed in order to facilitate the parties' participation in alternative dispute resolution.

Vedanta Limited: Income tax

In 2015, the income tax department issued a notice to erstwhile Cairn India Limited (subsequently merged with Vedanta Limited) for US$ 2,762 million (including interest of US$ 1,381 million) holding the Company as 'assessee in default' as per Section 201 of Income-tax Act, 1961 pertaining to retrospective taxation for sale of shares in Cairn India Limited by Cairn Energy Plc, UK and its affiliate Cairn UK Holdings Limited ("CUHL"). The Group has challenged this demand which is currently sub-judice in various forums.

Separately, CUHL, on whom the primary liability of income tax lies, received an order from the ITAT affirming a demand of US$ 1,381 million but reducing the interest portion. Against this demand, the Tax authorities have recovered US$ 790 million from the CUHL, reducing the liability to US$ 591 million.

In August 2021, the Indian Government has amended the law to scrap such retrospective taxes, subject to complying certain terms and conditions. Accordingly, the Group believes that it has strong merits and the likelihood of any financial outflow on this account is expected to be remote.

Miscellaneous disputes- Income tax

The Group is involved in various tax disputes amounting to US$ 267 million (31 March 2021: US$ 268 million) relating to income tax. It also includes similar matters where initial assessment is pending for subsequent periods and where the Group has made claims and assessments are in progress. These mainly relate to the disallowance of tax holiday and depreciation under the Income Tax Act, 1961 and interest thereon which are pending at various appellate levels. Interest and penalty, if any would be additional.

Based on detailed evaluations and supported by external legal advice, where necessary, the Group believes that it has strong merits, and no material adverse impact is expected.

Miscellaneous disputes- Others

The Group is subject to various claims and exposures which arise in the ordinary course of conducting and financing its business from the excise, indirect tax authorities and others. These claims and exposures mostly relate to the assessable values of sales and purchases or to incomplete documentation supporting the companies' returns or other claims.

The approximate value of claims (excluding the items as set out separately above) against the Group aggregates to US$ 620 million (31 March 2021: US$ 652 million).

The Group considers that it can take steps such that the risks can be mitigated and that there are no significant unprovided liabilities arising.

Except as described above, there are no pending litigations which the Group believes could reasonably be expected to have a material adverse effect on the results of operations, cash flows or the financial position of the Group.

13. Related party transactions

The information below sets out transactions and balances between the Group and various related parties in the normal course of business for the six months ended 30 September 2021.

Holding Company

-Volcan Investments Limited

-Volcan Investments Cyprus Limited

Fellow Subsidiary (with whom transactions have taken place)

-Sterlite Technologies Limited

-Sterlite Power Transmission limited

-Sterlite Iron and Steel Company Limited

-Sterlite Power Grid Ventures Limited

-Twin Star Technologies Limited

ASSOCIATES/JOINT VENTURES (with whom transactions have taken place)

-RoshSkor Township (Pty) Ltd.

-Gaurav Overseas Private Limited

OTHERS (with whom transactions have taken place)

Enterprises over which key management personnel/their relatives have control or significant influence

-Cairn Foundation*

-Fujairah Gold Ghana

-Vedanta Foundation

-Sesa Community Development Foundation

-Vedanta Medical Research Foundation

-Sesa Group Employees Provident Fund Trust

-Sesa Group Employees Gratuity Fund and Sesa Group Executives Gratuity Fund

-Sesa Group Executives Superannuation Scheme Fund

-Sesa Resources Limited Employees Provident Fund Trust

-Sesa Resources Limited Employees Gratuity Fund

-Sesa Mining Corporation Limited Employees Provident Fund Trust

-Sesa Mining Corporation Limited Employees Gratuity Fund

-Sesa Resources Limited and Sesa Mining Corporation Limited Employees Superannuation Fund

-Hindustan Zinc Limited Employees Contributory Provident Fund Trust

-Hindustan Zinc Limited Employee Group Gratuity Trust

-Hindustan Zinc Limited Superannuation Trust

-BALCO Employees Provident Fund Trust

-FACOR Superannuation Trust

-FACOR Employees Gratuity Scheme

-Runaya Refining LLP

-Minova Runaya Private Limited

** Disclosures for Cairn Foundation, though not a related party as per the definition under IAS 24, have been included on a voluntary basis.*

Details of transactions for the period ended 30 September 2021 are as follows:

(US$ million)

	Particulars	Holding Company/Fellow Subsidiaries	Associates/ Joint Ventures	Others	Total
	Income:				
(i)	Revenue from operations	84	-	0	84
(ii)	Dividend income	0	-	-	0
(iii)	Net interest received	1	-	-	1
(iv)	Guarantee commission income	0	-	-	0
	Expenditure:				
(i)	Purchases of goods/services	-	-	10	10
(ii)	Management fees paid	1	-	0	1
(iii)	Reimbursement for other expenses (net of recovery)	0	-	0	0
(iv)	Donation	-	-	3	3
(v)	Interest paid	0	-	-	0
(vi)	Dividend paid	131	-	-	131

	Other transactions during the period:				
(i)	Redemption of bonds held by Volcan	6	-	-	6
(ii)	Guarantees given during the period (net of relinquishment)	(0)	-	(0)	(0)

Details of balances as at 30 September 2021 are as follows:

(US$ million)

	Particulars	Holding Company/Fellow Subsidiaries	Associates/ Joint Ventures	Others	Total
(i)	Net amounts receivable at period end	9	0	0	9
(ii)	Net amounts payable at period end	1	-	13	14
(iii)	Investment in equity share	20	0	-	20
(iv)	Value of bonds held by Volcan	7	-	-	7
(v)	Interest payable	0	-	-	0
(vi)	Dividend payable	0	-	-	0
(vii)	Net advance given at period end	-	-	0	0
(viii)	Financial guarantee given *	16	-	0	16
(ix)	Loans given	-	1	-	1

Details of transactions for the period ended 30 September 2020 are as follows:

(US$ million)

	Particulars	Holding Company/Fellow Subsidiaries	Associates/ Joint Ventures	Others	Total
	Income:				
(i)	Revenue from operations	47	-	0	47
(ii)	Dividend income	0	-	-	0
(iii)	Net interest received	1	-	-	1
	Expenditure:				
(i)	Purchases of goods/services	-	-	1	1
(ii)	Management fees paid	1	-	-	1
(iii)	Reimbursement for other expenses (net of recovery)	0	-	0	0
(iv)	Donation	-	-	2	2
(v)	Interest paid	0	-	-	0
(vi)	Dividend paid	251	-	-	251
	Other transactions during the period:				
(i)	Loans given / (repayment thereof)	0	-	-	0

(ii)	Guarantees given during the period (net of relinquishment)	0	-	(0)	0

Details of balances as at 31 March 2021 are as follows:

(US$ million)

	Particulars	Holding Company/Fellow Subsidiaries	Associates/ Joint Ventures	Others	Total
(i)	Net amounts receivable at period end*	7	-	-	7
(ii)	Net amounts payable at period end	2	-	15	17
(iii)	Investment in equity share	14	0	-	14
(iv)	Value of bonds held by Volcan	13	-	-	13
(v)	Interest payable	0	-	-	0
(vi)	Dividend Payable	90	-	-	90
(viii)	Net advance given at period end	-	-	0	0
(ix)	Financial guarantee given*	16	-	1	17
(x)	Loans given	-	1	-	1

*Bank guarantee has been provided by the Group on behalf of Volcan in favour of Income tax department, India as collateral in respect of certain tax disputes of Volcan. The guarantee amount is US$ 16 million.

14. Subsequent events

On 23 November 2021, the Company through its wholly owned subsidiaries, Twin Star Holdings Limited and Vedanta Netherlands Investments B.V., purchased 167,500,000 shares of Vedanta Limited at a price of US$ 5 (INR 350) per share, thereby increasing the overall stake from 65.4% to 69.9% (after adjusting impact of treasury shares) of the total paid-up share capital of Vedanta Limited.

There are no other material adjusting or non-adjusting subsequent events, except as already disclosed.

INDEPENDENT REVIEW REPORT TO VEDANTA RESOURCES LIMITED

Introduction

We have been engaged by Vedanta Resources Limited (the 'Company) to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2021 which comprises the Condensed Consolidated Income Statement, the Condensed Consolidated Statement of Comprehensive Income, the Condensed Consolidated Statement of Financial Position, the Condensed Consolidated Cash Flow Statement, the Condensed Consolidated Statement of Changes in Equity, and the related notes 1 to 14 We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely for the Company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the condensed set of financial statements in the half-yearly financial report in accordance with applicable accounting standards.

As disclosed in note 1(a), the financial statements for the year ended 31 March 2021 were prepared in accordance with International Financial Reporting Standards ('IFRSs') issued by the International Accounting Standard Board ('IASB'), in conformity with the requirements of the Companies Act 2006.

The financial statements for the year ended 31 March 2022 will be prepared in accordance with UK-adopted International Financial Reporting Standards.

The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted for use in the United Kingdom.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, 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 International Standards on Auditing (UK) 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2021 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted for use in the United Kingdom.

Emphasis of matter

We draw attention to the following notes of the condensed financial statements:

- **Valuation of Konkola Copper Mines Plc (KCM)**
  We draw attention to note 3 (b)(ii) of the accompanying condensed set of financial statements which describes the uncertainty arising in respect of the valuation of KCM related receivables and equity interest as a result of the liquidation proceedings initiated by KCM's minority shareholder ZCCM Investments Holdings Plc ("ZCCM"), against KCM. As at 30 September 2021, the carrying value of KCM related receivables was $682 million (2020: $660 million) and the equity interest in KCM was $Nil (2020: $Nil).

- **Production Sharing Contract (PSC)**

  We draw attention to note 3 (a)(iv) of the accompanying condensed set of financial statements 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. Further, 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. The Group, believes it is in compliance with the necessary conditions to secure an extension of this PSC, and based on the legal advice believes that the demands are untenable and hence no provision is required in respect of these demands.

Our conclusion is not modified in respect of these matters.

MHA MacIntyre Hudson

Statutory Auditor

London

1 December 2021

Other information:

Alternative performance measures

Introduction

Vedanta Group is committed to providing timely and clear information on financial and operational performance to investors, lenders and other external parties, in the form of annual reports, disclosures, RNS feeds and other communications. We regard high standards of disclosure as critical to business success.

Alternative Performance Measure (APM) is an evaluation metric of financial performance, financial position or cash flows that is not defined or specified under International Financial Reporting Standards (IFRS).

The APMs used by the group fall under two categories:

- *Financial APMs: These financial metrics are usually derived from financial statements, prepared in accordance with IFRS. Certain financials metrics cannot be directly derived from the financial statements as they contain additional information such as profit estimates or projections, impact of macro-economic factors and changes in regulatory environment on financial performance.*
- *Non-Financial APMs: These metrics incorporate non – financial information that management believes is useful in assessing the performance of the group.*

APMs are not uniformly defined by all the companies, including those in the Group's industry. APM's should be considered in addition to, and not a substitute for or as superior to, measures of financial performance, financial position or cash flows reported in accordance with IFRS.

Purpose

The Group uses APMs to improve comparability of information between reporting periods and business units, either by adjusting for uncontrollable or one-off factors which impacts upon IFRS measures or, by aggregating measures, to aid the user of the Annual Report in understanding the activity taking place across the Group's portfolio.

APMs are used to provide valuable insight to analysts and investors along with Generally Accepted Accounting Practices (GAAP). We believe these measures assist in providing a holistic view of the company's performance.

Alternative performance measures (APMs) are denoted by ◊ where applicable.

◊ APM terminology*	Closest equivalent IFRS measure	Adjustments to reconcile to primary statements
EBITDA	Operating profit/(loss) before special items	Operating Profit/(Loss) before special items Add: Depreciation & Amortization
EBITDA margin (%)	No direct equivalent	EBITDA divided by Revenue
Adjusted revenue	Revenue	Revenue Less: revenue of custom smelting operations at our Copper India & Zinc India business
Adjusted EBITDA	Operating profit/(loss) before special items	EBITDA Less: EBITDA of custom smelting operations at our Copper India & Zinc India business
Adjusted EBITDA margin	No direct equivalent	Adjusted EBITDA divided by Adjusted Revenue

Underlying profit/(loss)	Attributable Profit/(loss) before special items	Attributable profit/(loss) before special items Less: NCI share in other gains/(losses) (net of tax)
Project Capex	Expenditure on Property, Plant and Equipment (PPE)	Gross Addition to PPE Less: Gross disposals to PPE Add: Accumulated Depreciation on disposals Less: Decommissioning liability Less: Sustaining Capex
Free cash flow	Net cash flow from operating activities	Net Cash flow from operating activities Less: purchases of property, plant and equipment and intangibles less proceeds on disposal of property, plant and equipment Add: Dividend paid and dividend distribution tax paid Add/less: Other non-cash adjustments
Net debt*	Net debt is a Non-IFRS measure and represents total debt after fair value adjustments under IAS 32 and IFRS 9 as reduced by cash and cash equivalents, liquid investments and structured investment, net of the deferred consideration payable for such investments (referred as Financial asset investment net of related liabilities), if any.	No Adjustments
ROCE	No direct Equivalent	Not Applicable

ROCE for H1 FY2022 is calculated based on the working summarized below. The same method is used to calculate the ROCE for all previous years (stated at other places in the report).

Particulars	**Period ended 30 September 2021**
Operating Profit Before Special Items	4,071
Less: Cash Tax Outflow	401
Operating Profit before special Items less Tax outflow (a)	**3,670**
Opening Capital Employed (b)	12,545
Closing Capital Employed (c)	13,069
Average Capital Employed (d)= (a+b)/2	**25,614**
ROCE (a)/(d)	**28.7%**

Adjusted Revenue, EBITDA & EBITDA Margin for H1 FY 2022 is calculated based on the working summarised below. The same method is used to calculate the adjusted revenue and EBITDA for all previous years (stated at other places in the report).

Particulars	**Period ended 30 September 2021**
Revenue	7,870
Less: Revenue of Custom smelting operations	955
Adjusted Revenue(a)	**6,915**
EBITDA	2,868
Less: EBITDA of Custom smelting operations	(19)

Adjusted EBITDA(b)	**2,887**
Adjusted EBITDA Margin (b)/(a)	**42%**

GLOSSARY AND DEFINITIONS

Adjusted EBITDA

Group EBITDA net of EBITDA from custom smelting operations at Copper Business.

Adjusted EBITDA margin

EBITDA margin computed on the basis of Adjusted EBITDA and Adjusted Revenue as defined elsewhere

Adjusted Revenue

Group Revenue net of revenue from custom smelting operations at Copper Business.

Aluminium Business

The aluminium business of the Group, comprising of its fully integrated bauxite mining, alumina refining and aluminium smelting operations in India, and trading through the Bharat Aluminium Company Limited and Jharsuguda Aluminium (a division of Vedanta Limited), in India

Articles of Association

The articles of association of Vedanta Resources Limited

Attributable Profit

Profit for the financial year before dividends attributable to the equity shareholders of Vedanta Resources Limited

BALCO

Bharat Aluminium Company Limited, a company incorporated in India.

BMM

Black Mountain Mining Pty

Board or Vedanta Board

The board of directors of the Company

Businesses

The Aluminium Business, the Copper Business, the Zinc, lead, silver, Iron ore, Steel, Power and Oil & Gas Business together

Boepd

Barrels of oil equivalent per day

Bopd

Barrels of oil per day

Cairn India

Erstwhile Cairn India Limited and its subsidiaries

Capital Employed

Net assets before Net (Debt)/Cash

Capex

Capital expenditure

CEO

Chief executive officer

CFO

Chief Financial Officer

CII

Confederation of Indian Industries

CO2

Carbon dioxide

COP

Cost of production

CMT

Copper Mines of Tasmania Pty Limited, a company incorporated in Australia

Company or Vedanta

Vedanta Resources Limited

Copper Business

The copper business of the Group, comprising:

- A copper smelter, two refineries and two copper rod plants in India, trading through Vedanta Limited, a company incorporated in India;
- One copper mine in Australia, trading through Copper Mines of Tasmania Pty Limited, a company incorporated in Australia; and
- An integrated operation in Zambia consisting of three mines, a leaching plant and a smelter, trading through Konkola Copper Mines Limited, a company incorporated in Zambia which is treated as discontinued operations and deconsolidated the same w.e.f 1st June'2019, affiliation with Zambian government is in progress.

Copper India

Copper Division of Vedanta Limited comprising of a copper smelter, two refineries and two copper rod plants in India.

Cents/lb

US cents per pound

CRRI

Central Road Research Institute

CRISIL

CRISIL Limited (A S&P Subsidiary) is a rating agency incorporated in India

CSR

Corporate social responsibility

CTC

Cost to company, the basic remuneration of executives, which represents an aggregate figure encompassing basic pay, pension contributions and allowances

CY

Calendar year

DDT

Dividend distribution tax

Deferred Shares

Deferred shares of £1.00 each in the Company

DFS

Detailed feasibility study

DGMS

Director General of Mine Safety in the Government of India

Directors

The Directors of the Company

DMF

District Mineral Fund

DMT

Dry metric tonne

Dollar or $

United States Dollars, the currency of the United States of America

EAC

Expert advisory committee

EBITDA

EBITDA is a non-IFRS measure and represents earnings before special items, depreciation, amortisation, other gains and losses, interest and tax.

EBITDA Margin

EBITDA as a percentage of turnover

Economic Holdings or Economic Interest

The economic holdings/interest are derived by combining the Group's direct and indirect shareholdings in the operating companies. The Group's Economic Holdings/Interest is the basis on which the Attributable Profit and net assets are determined in the consolidated accounts

E&OHSAS

Environment and occupational health and safety assessment standards

E&OHS

Environment and occupational health and safety management system

ESOP

Employee share option plan

ESP

Electrostatic precipitator

Executive Committee

The Executive Committee to whom the Board has delegated operational management. It comprises of the Chief Executive Officer and the senior management of the Group

Executive Directors

The Executive Directors of the Company

Expansion Capital Expenditure

Capital expenditure that increases the Group's operating capacity

Financial Statements or Group financial statements

The condensed consolidated financial statements for the Company and the Group for the period ended 30 September 2021 as defined in the Independent Review Report to the members of Vedanta Resources Limited

Free Cash Flow

Net Cash flow from operating activities Less: purchases of property, plant and equipment and intangibles Add proceeds on disposal of property, plant and equipment Add: Dividend paid and dividend distribution tax paid

Add/less: Other non-cash adjustments

FY

Financial year i.e. April to March.

GAAP, including UK GAAP

Generally Accepted Accounting Principles, the common set of accounting principles, standards and procedures that companies use to compile their financial statements in their respective local territories

GDP

Gross domestic product

Gearing

Net Debt as a percentage of Capital Employed

GJ

Giga joule

Government or Indian Government

The Government of the Republic of India

Gratuity

A defined contribution pension arrangement providing pension benefits consistent with Indian market practices

Group

The Company and its subsidiary undertakings and, where appropriate, its associate undertaking

Gross finance costs

Finance costs before capitalisation of borrowing costs

HIIP

Hydrocarbons initially-in place

HSE

Health, safety and environment

HZL

Hindustan Zinc Limited, a company incorporated in India

IAS

International Accounting Standards

IFRIC

IFRS Interpretations Committee

IFRS

International Financial Reporting Standards

INR

Indian Rupees

Interest cover

EBITDA divided by gross finance costs (including capitalised interest) excluding accretive interest on convertible bonds, unwinding of discount on provisions, interest on defined benefit arrangements less investment revenue

IPP

Independent power plant

Iron Ore Sesa

Iron ore Division of Vedanta Limited, comprising of Iron ore mines in Goa and Karnataka in India.

Jharsuguda Aluminium

Aluminium Division of Vedanta Limited, comprising of an aluminium refining and smelting facilities at Jharsuguda and Lanjigarh in Odisha in India.

KCM or Konkola Copper Mines

Konkola Copper Mines LIMITED, a company incorporated in Zambia

Key Result Areas or KRAs

For the purpose of the remuneration report, specific personal targets set as an incentive to achieve short-term goals for the purpose of awarding bonuses, thereby linking individual performance to corporate performance

KPIs

Key performance indicators

KTPA

Thousand tonnes per annum

Kwh

Kilo-watt hour

KBOEPD

Kilo barrel of oil equivalent per day

LIBOR

London inter bank offered rate

LIC

Life Insurance Corporation

LME

London Metals Exchange

London Stock Exchange

London Stock Exchange Limited

Lost time injury

An accident/injury forcing the employee/contractor to remain away from his/her work beyond the day of the accident

LTIFR

Lost time injury frequency rate: the number of lost time injuries per million man hours worked

LTIP

The Vedanta Resources Long-Term Incentive Plan or Long-Term Incentive Plan

MALCO

The Madras Aluminium Company Limited, a company incorporated in India

Management Assurance Services (MAS)

The function through which the Group's internal audit activities are managed

MAT

Minimum alternative tax

MBA

Mangala, Bhagyam, Aishwarya oil fields in Rajasthan

MIC

Metal in concentrate

MOEF

The Ministry of Environment, Forests and Climate change of the Government of the Republic of India

MMSCFD

Million standard cubic feet per day

MT or Tonnes

Metric tonnes

MU

Million Units

MW

Megawatts of electrical power

NCCBM

National Council of Cement and Building Materials

Net (Debt)/Cash

Net debt is a Non-IFRS measure and represents total debt after fair value adjustments under IAS 32 and IFRS 9 as reduced by cash and cash equivalents, liquid investments and structured investment, net of the deferred consideration payable for such investments (referred as Financial asset investment net of related liabilities), if any.

NGO

Non-governmental organisation

Non-executive Directors

The Non-Executive Directors of the Company

Oil & Gas business

Oil & Gas division of Vedanta Limited, is involved in the business of exploration, development and production of Oil & Gas.

OALP

Open Acreage licensing Policy

Ordinary Shares

Ordinary shares of 10 US cents each in the Company

ONGC

Oil and Natural Gas Corporation Limited, a company incorporated in India

OPEC

Organisation of the Petroleum Exporting Countries

PBT

Profit before tax

PPE

Property plant and equipment

Provident Fund

A defined contribution pension arrangement providing pension benefits consistent with Indian market practices

PSC

A "production sharing contract" by which the Government of India grants a license to a company or consortium of companies (the 'Contractor") to explore for and produce any hydrocarbons found within a specified area and for a specified period, incorporating specified obligations in respect of such activities and a mechanism to ensure an appropriate sharing of the profits arising there from (if any) between the Government and the Contractor.

PSP

The Vedanta Resources Performance Share Plan

Recycled water

Water released during mining or processing and then used in operational activities

Relationship Agreement

The agreement between the Company, Volcan Investments Limited and members of the Agarwal family which had originally been entered into at the time of the Company's listing in 2003 and was subsequently amended in 2011 and 2014 to regulate the ongoing relationship between them, the principal purpose of which is to ensure that the Group is capable of carrying on business independently of Volcan, the Agarwal family and their associates.

Return on Capital Employed or ROCE

Operating profit before special items net of tax outflow, as a ratio of average capital employed

RO

Reverse osmosis

Senior Management Group

For the purpose of the remuneration report, the key operational and functional heads within the Group

SEWT

Sterlite Employee Welfare Trust, a long-term investment plan for Sterlite senior management

SHGs

Self help groups

SBU

Strategic Business Unit

STL

Sterlite Technologies Limited, a company incorporated in India

Special items

Items which derive from events and transactions that need to be disclosed separately by virtue of their size or nature

Sterling, GBP or £

The currency of the United Kingdom

Superannuation Fund

A defined contribution pension arrangement providing pension benefits consistent with Indian market practices

Sustaining Capital Expenditure

Capital expenditure to maintain the Group's operating capacity

TCM

Thalanga Copper Mines Pty Limited, a company incorporated in Australia

TC/RC

Treatment charge/refining charge being the terms used to set the smelting and refining costs

TGT

Tail gas treatment

TLP

Tail Leaching Plant

TPA

Metric tonnes per annum

TPM

Tonne per month

TSPL

Talwandi Sabo Power Limited, a company incorporated in India

TSR

Total shareholder return, being the movement in the Company's share price plus reinvested dividends

Twin Star

Twin Star Holdings Limited, a company incorporated in Mauritius

Twin Star Holdings Group

Twin Star and its subsidiaries and associated undertaking

US cents

United States cents

Underlying profit/ (loss)

Attributable profit/(loss) before special items Less: NCI share in other gains/(losses) (net of tax)

Vedanta Limited (formerly known as Sesa Sterlite Limited/ Sesa Goa Limited)

Vedanta Limited, a company incorporated in India engaged in the business of Oil & Gas exploration and production, copper smelting, Iron Ore mining, Alumina & Aluminium production and Energy generation.

VFJL

Vedanta Finance (Jersey) Limited, a company incorporated in Jersey

VGCB

Vizag General Cargo Berth Private Limited, a company incorporated in India

Volcan

Volcan Investments Limited, a company incorporated in the Bahamas

VRCL

Vedanta Resources Cyprus Limited, a company incorporated in Cyprus

VRFL

Vedanta Resources Finance Limited, a company incorporated in the United Kingdom

VRHL

Vedanta Resources Holdings Limited, a company incorporated in the United Kingdom

Water Used for Primary Activities

Total new or make-up water entering the operation and used for the operation's primary activities; primary activities are those in which the operation engages to produce its product

WBCSD

World Business Council for Sustainable Development

ZCI

Zambia Copper Investment Limited, a company incorporated in Bermuda

ZCCM

ZCCM Investments Holdings Limited, a company incorporated in Zambia

ZRA

Zambia Revenue Authority

The results will be available in the Investor Relations section of our website www.vedantaresources.com

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About Vedanta Resources

Vedanta Resources Limited ("Vedanta") is a diversified global natural resources company. The group produces aluminium, copper, zinc, lead, silver, iron ore, oil & gas, and commercial energy. Vedanta has operations in India, Zambia, Namibia, South Africa, and Australia. With an empowered talent pool globally, Vedanta places strong emphasis on partnering with all its stakeholders based on the core values of trust, sustainability, growth, entrepreneurship, integrity, respect, and care. Good governance and sustainable development are at the core of Vedanta's strategy, with a strong focus on health, safety, and environment, and on enhancing the lives of local communities. The group has a strong focus on achieving best in class ESG practices. The group's CSR philosophy is to eradicate poverty and malnutrition with a focus on development of women & children. For more information on Vedanta Resources, please visit **www.vedantaresources.com** .

Disclaimer

This press release contains "forward-looking statements" – that is, statements related to future, not past, events. In this context, forward-looking statements often address our expected future business and financial performance, and often contain words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "should" or "will." Forward–looking statements by their nature address matters that are, to different degrees, uncertain. For us, uncertainties arise from the behaviour of financial and metals markets including the London Metal Exchange, fluctuations in interest and/or exchange rates and metal prices; from future integration of acquired businesses; and from numerous other matters of national, regional and global scale, including those of a political, economic, business, competitive or regulatory nature. These uncertainties may cause our actual future results to be materially different that those expressed in our forward-looking statements. We do not undertake to update our forward-looking statements.