

14 December 2023

Vedanta Resources Limited

Interim results for the six months ended 30 September 2023

Financial highlights

- Revenue before special items for the period decreased by 8% to US\$ 8,722 million (1H FY2023: US\$ 9,523 million). This was mainly driven by lower commodity prices partially offset by higher volume at Iron Ore, Copper, ESL and Aluminium business.
- EBITDA before special items at US\$ 2,460 million, almost in line with 1H FY2023 (1H FY2023: US\$ 2,487 million).
- Operating Profit before special items at US\$ 1,780 million, down 3% Y-o-Y (1H FY2023: US\$ 1,826 million) primarily due to lower output commodity prices partially offset by lower input commodity prices and cost savings.
- Adjusted EBITDA margin¹ of 33% (1H FY2023: 29%).
- ROCE at 22% in 1H FY2024 (1H FY2023: 29%).
- Profit after tax from continuing operation at US\$ (143) million (1H FY2023: US\$ 658 million) primarily due to lower operating profit and higher net interest cost and one-time tax charge due to adoption of new tax regime.
- The free cash flow (FCF) post-capex for the period was US\$ 269 million (1H FY2023: US \$ 875 million).
- In 1H FY2024, gross debt decreased to US\$ 14.7 billion (FY2023 US\$ 15.4 billion), driven by deleveraging at Vedanta Resources Limited standalone, Zinc India, TSPL, ESL and VGCB partially offset by additional borrowings at THLZV, Aluminium business and Cairn India.
- In 1H FY2024, net debt at US\$ 12.5 billion (FY2023: US\$ 12.7 billion).
- Liquidity position with cash and liquid investments of US\$ 2.2 billion (FY2023: US\$ 2.6 billion).
- Contribution to the exchequer of c. \$ 3.4 Bn in 1H FY2024.
- Net Debt/ EBITDA ratio at 2.7x (FY2023 at 2.8x).

¹ Excluding customs smelter at copper business

Business highlights

Aluminium

- Highest ever half yearly aluminium production at 1,173 kt, increased 2% y-o-y.
- Half yearly alumina production at 859 kt, lower by 8% y-o-y.
- Aluminium cost of production at US\$ 1,872 per tonne, lower by 26% y-o-y.
- Alumina cost of production at US\$ 344 per tonne, lower by 11% y-o-y.

Zinc India

- Highest ever first half mined metal production at 509 kt, on account of higher ore production largely at Rampura Agucha Mine supported by better overall metal grades.
- Refined metal production at 501 kt, down marginally y-o-y.
- Silver production at 11.6 million ounces, down 3% y-o-y in line with lead metal production.

- Hindustan Zinc commissioned three growth projects –
 - Hindustan Zinc Alloys Private Limited (HZAPL)
 - RD Mill
 - Fumer Plant
- Zinc cost of production before royalty was \$1,167, down 7% y-o-y driven by softened coal & input commodity prices and better domestic coal (linkage) availability.

Zinc International

- Overall MIC production at 134 kt, decreased 5% y-o-y due to lower tonnes treated.
- BMM MIC production at 37 kt, up 11% y-o-y.
- Highest ever Gamsberg plant availability of 96.5% in Jul'23.
- Overall cost of production at \$1,375/t, lower by 13% y-o-y.

Oil & Gas

- Average gross operated production at 134 kboepd, lower 7% y-o-y, owing to natural field decline. The decline has been partially offset by new infill wells brought online. Offshore assets production was supported by gains from exploration success & infill wells drilling campaign.
- Key growth projects update:
 - Infill drilling carried out in Rajasthan block across Aishwariya, Tight Oil (ABH) and Tight Gas (RDG) to sustain volumes.
 - 16 wells drilled and 31 wells hooked up during 1H FY2024 across all assets.
 - Successfully drilled two appraisal wells in Jaya (OALP block). Hydrocarbons encountered and further evaluation is ongoing. Production has ramped up at Jaya field during first half of fiscal year 2024.

Power

- TSPL Plant availability factor (PAF) in 1H FY2024 improved to 87% vs 82% last year.
- Overall power sales at 7,027 million units marginally down y-o-y.

Iron Ore

- Half yearly Karnataka ore sales at 2.5 mn tonnes, up 14% y-o-y
- Highest ever half yearly pig iron production at 430 kt, up 39% y-o-y.
- IOK enhanced mining EC to 7.2 MTPA.

Steel

- Highest ever half yearly total saleable production at 702 kt, up 18% y-o-y.
- Half yearly hot metal production at 750 kt, up 19% y-o-y.
- Margin at \$ 23/t, up 28% y-o-y.

Copper India

- Cathode production at 66 kt, lower 16% y-o-y.
- Due legal process being followed to achieve a sustainable restart of operations.

FACOR

- Half yearly ore production at 94 kt, lower 46% y-o-y in line with statutory mining limits applicable in each quarter.
- Half yearly Ferro chrome production at 31 kt, up 7% y-o-y due to commissioning of new furnace.

ESG highlights

- Vedanta Limited achieved score of 81 in Corporate Sustainability Assessment 2023 by S&P Global (Formerly DJSI), which is a 5-point improvement over last year's score, taking Vedanta to the top 100th percentile amongst the metal and mining companies globally as on October'23 end.
- HZL became the first Indian metals and mining company to have its near term and long term GHG emission reduction targets validated by Science Based Targets initiative (SBTi).
- On track to achieve 2.5 GW renewable energy target; Construction against the 838MW RE RTC power delivery agreements in under progress.
- Renewable energy consumption stood at 3.36% of the overall energy mix (vs 2.04% 1HFY23).
- Achieved water positivity ratio of 0.7 with a water recycling rate of 30.2%.
- Achieved 33% gender diversity in enabling functions.
- 1H FY2024 Biomass firing at 38.5 kt, up 40% y-o-y.
- Utilized 82% of High-Volume Low Toxicity (HVL) waste.
- Donated 5 million meals through successfully organizing "Vedanta Delhi Half Marathon 2023 - Run for Zero Hunger".
- Spent ₹ 27+ crore in 1H FY2024 to uplift communities through various CSR initiatives. Positively touched the lives of 16+ million people.
- 5,700+ Nand Ghars (women and childcare centre) operational.

Consolidated Group results

	<i>(US\$ million, unless stated)</i>			
	Six months to 30 September 2023	Six months to 30 September 2022 ²	% change	Year ended 31 March 2023
Revenue ³	8,722	9,523	(8)%	18,141
EBITDA ³	2,460	2,487	(1)%	4,608
EBITDA margin	28%	26%	-	25%
Adjusted EBITDA margin ¹	33%	29%	-	29%
Operating profit ³	1,780	1,826	(3)%	3,196
Profit/(loss) attributable to equity holders of the parent	(280)	154	-	(5)
Underlying attributable profit/(loss)	161	160	1%	87
ROCE %	22%	29%	-	20%

1. Excludes custom smelting at Copper Business.

2. Previous period figures have been regrouped or re-arranged wherever necessary to conform to current period's presentation except ROCE

3. Before special items

STRATEGIC OVERVIEW

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.

Throughout the year, our sustainability-focused and integrated business model propelled value-creation, delighting our stakeholders. Vedanta contributed ~US\$ 3.4 billion to the exchequer in 1H FY2024. We made significant advancements on crucial Environmental, Social and Governance (ESG) commitments besides expanding capacities and our portfolio of value-added products in line with global trends and India's journey of self-reliance. Our efforts have resulted into an achievement of 5-point improvement y-o-y in this year's S&P Global Corporate Sustainability Assessment Index (formerly known as DJSI), taking Vedanta to 100th percentile of the Index.

In 1H FY2024, we progress well across all our businesses with increased volumes in Aluminium, Zinc India, Iron and Steel and FACOR. Aggressive cost reduction measures have supported us in maintaining strong margins across key businesses. Our commitment to growth had led to capex spent of ~\$0.7 bn by the operating entity.

Vedanta has also regained the ownership and management of Konkola Copper Mines ("KCM"). KCM's world class assets have reserves and resources of 16 million tonnes of contained copper. It has a copper grade of 2.3% which compares very favourably with the global average of 0.4%. KCM will form the backbone of Vedanta's strategy to vertically integrate in copper which is critical to the energy transition needs of a decarbonising world.

Vedanta's Aluminium business achieved the highest-ever half yearly aluminium production in 1H FY2024. During the year, we continued to pursue structural initiatives like optimising the coal and bauxite mix, improving capacity utilisation and implementing growth and vertical integration projects. These measures have resulted into lowering our half yearly cost of production significantly by 26% y-o-y. The second half of this year is going to be crucial for us as we are gearing up for the commissioning of Train - 1 of 1.5 mtpa Lanjigarh refinery expansion project (2 to 5 MTPA). This is a significant lever in the journey to structurally place aluminum in the first quartile of cost curve.

Zinc India registered its best-ever first half mined metal production in 1H FY2024. Despite rising costs pressures, it improved its half yearly cost of production by 7% and continued to be in the first quartile of the global cost curve. With the commissioning of India's Fumer plant, 30 KTPA RD Mill project and HZAPL projects, it moved a step closer to 1.25 MTPA capacity.

Our Gamsberg Asset in South Africa now operating at about 225 KTPA run rate. We are now focusing on Gamsberg phase 2 expansion. With this expansion, it will be among the largest operations globally at 450 KTPA plus size of operations.

Iron Ore Karnataka have received an enhanced mining environmental clearance for 7.2 MTPA, further strengthening our mining portfolio. FACOR commissioned 33MVA furnace.

ESL steel continues to operate at an enhanced capacity of 1.7 MTPA post debottlenecking carried out in FY23 and progressing steadily on the 3 MTPA expansion project.

Vedanta's strategic focus is on good governance, and social licence to operate, while it continues its journey towards zero harm, zero waste and zero 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 and cost leadership:

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.

Continued Focus on World Class ESG Performance:

We operate as a responsible business with a focus on Zero harm, Zero Discharge and Zero Waste. Our revised vision is “Transforming for Good” around three focus areas transforming communities, transforming the planet, and transforming the workplace. Through these focus areas, we work towards generating positive values for our important stakeholders and minimizing the impacts on the environment. We also promote social inclusion across our operations to promote inclusive growth.

Optimise capital allocation and maintain a strong balance sheet:

Our focus is on generating strong business cashflows 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 acquisitions) based on our stringent capital allocation framework to maximise shareholder returns.

Deliver 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 manner and replenish the resources that support our future growth ambitions.

FINANCE REVIEW

Executive summary

We delivered strong performance in 1H FY2024 through operational efficiency further supported by lower input commodity prices despite lower output commodity prices and macro environment. The 1H FY2024 performance was also result of several measures taken across businesses for optimizing cost of production, marketing and working capital initiatives.

The EBITDA for 1H FY2024 was almost in line with 1H FY2023, with an adjusted EBITDA margin of 33% (1H FY2023: US\$ 2.5 billion, adjusted EBITDA margin: 29%).

As demonstrated in the consolidated operating profit variance analysis, lower output commodity prices negatively impacted EBITDA. This was partially offset by lower input commodity price and cost savings.

The adjusted EBITDA margin for 1H FY2024 was higher at 33% mainly on account of a change in profit mix across businesses.

Gross debt reduced by \$0.7 Bn to US\$ 14.7 billion as on 30 September 2023 (FY2023: US\$ 15.4 billion), Net Debt stood at US\$ 12.5 billion as on 30 September 2023 (FY2023: US\$ 12.7 billion) and liquidity position with cash and liquid investments stood at US\$ 2.2 billion as on 30 September 2023 (FY2023: US\$ 2.6 billion).

The balance sheet of Vedanta Resources Limited continues to remain strong with cash and liquid investments of c.US\$ 2.2 billion and net debt to EBITDA ratio at 2.7x (FY2023: 2.8x).

Consolidated operating profit before special items

Operating profit before special items stood at US\$ 1.78 billion in 1H FY2024, almost in line with 1H FY2023. This was primarily driven by lower output commodity prices partially offset by lower input commodity prices and cost savings.

Consolidated operating profit summary before special items

(US\$ million, unless stated)

Consolidated operating profit before special items	1H FY2024	1H FY2023	% change	FY2023
Zinc	628	1,152	(46)%	1,968
-India	587	1,035	(43)%	1,788
-International	40	117	(66)%	180
Oil & Gas	627	322	95%	500
Aluminium	320	225	42%	426
Power	32	(6)	-	34
Iron Ore	41	57	(28)%	91
Steel	(6)	(11)	42%	(9)
Copper Business	(25)	(14)	(77)%	(25)
Others	164	101	62%	211
Total Group operating profit before special items	1,780	1,826	(3)%	3,196

Consolidated operating profit bridge before special items

(US\$ million)

Operating profit before special items for 1H FY2023	1,826
Market and regulatory: US\$ (510) million	
a) Prices, premium/ discount	(1,138)
b) Direct raw material inflation	566
c) Foreign exchange movement	62
Operational: US\$ 218 million	
d) Volume	(38)
e) Cost & Marketing	256
Others	212
Depreciation and amortisation	34
Operating profit before special items for 1H FY2024	1,780

a) Prices

Commodity price fluctuations have a significant impact on the Group's business. Comparing 1H FY2024 vs 1H FY2023, we saw a negative impact of price on Operating Profit of ~ \$1,138 million.

Zinc: Operating Profit was negatively impacted by ~ \$415 million because of lower zinc prices by 31%, as compared to 1H FY'23.

Aluminium: Average aluminium LME prices decreased to US\$2,204 per tonne in 1H FY2024, down 15%, negatively impacting Operating Profit by ~\$455 million.

Oil & Gas: Oil Realisations for 1H FY2024 was US\$82.5 per barrel, down by 23% compared with US\$107.2 per barrel during 1H FY2023, negatively impacting Operating Profit by ~\$124 million.

Iron & steel: Lower realizations negatively impacted operating profit by \$120 million.

b) Direct raw material inflation

Prices of key raw materials such as alumina, coal and carbon decreased significantly in 1H FY2024, having positive impact on Operating Profit of ~\$566 million.

c) Foreign exchange fluctuation

Indian Rupee depreciated against the US dollar by ~5% during 1H FY2024. Dollar appreciation is favourable to the Group, given the US dollar-linked pricing. This resulted in a positive impact on Operating Profit by ~\$62 million.

Key exchange rates against the US dollar:

	Avg. halfy year ended 30 September 2023	Avg. halfy ear ended 30 September 2022	% change	As at 30 September 2023	As at 30 September 2022	As at 30 September 2023
Indian rupee	82.42	78.38	5%	83.18	81.5	82.16
South African rand	18.66	16.3	14%	18.92	18.01	17.79

d) Volumes

Lower volumes decreased the Operating Profit by \$38 million, mainly because of these key Group businesses:

Oil & Gas: Lower crude sales (~8%) negatively impacting Operating Profit by ~\$29 million.

HZL: Lower sale volume (~2%) has negatively impacted the Operating Profit by ~\$14 million.

e) Cost & Marketing

Cost savings in 1H FY2024 increased the Operating Profit by ~\$303 million, mainly due to lower power cost. Marketing has impacted the Operating Profit negatively by ~\$ 47 million mainly due to lower premia realisations at Aluminium.

Depreciation and amortisation

Depreciation and amortisation decreased by US\$ 34 million against the previous period mainly due to lower depreciation at Oil & Gas business and Balco partly offset by increase in depreciation at Jharsuguda and Copper business.

Income statement

	<i>(US\$ million, unless stated)</i>			
	1H FY2024	1H FY2023 ¹	% change	FY2023 ¹
Revenue	8,722	9,523	(8)%	18,141
EBITDA	2,460	2,487	(1)%	4,608
EBITDA margin (%)	28%	26%		25%
Adjusted EBITDA margin (%)	33%	29%		29%
Special items (Impairment reversal/charge - Net)	151	33		(178)
Depreciation and Amortisation	(614)	(648)	(5)%	(30)
Other expenses*	(66)	(13)		(1,382)
Operating profit	1,931	1,859	4%	3,018
Operating profit without special items	1,780	1,826	(3)%	3,196
Net interest expense	(778)	(650)	20%	(1,307)
Interest income-related special items	-	-		-
-Other gains / (losses)	(31)	(80)	61%	(79)
Profit before taxation	1,122	1,129	(1)%	1,632
Profit before taxation without special items	971	1,096	(11)%	1,810
Income tax (expense)/ credit	(441)	(491)	(10)%	(894)
Income tax (expense)/ credit (special items)	(824)	20		100
Profit for the period / year	(143)	658		838
Profit for the period / year without special items	530	605	(12)%	916
Non-controlling interest	137	504	(73)%	843
Non-controlling interest without special items	381	488	(22)%	867
Attributable profit/(loss)	(280)	154		(5)
Attributable profit/loss without special items	149	117	27%	49
Underlying attributable profit/(loss)	161	160	1%	87

* Cost of Exploration wells written off

1. Previous period figures have been regrouped or re-arranged wherever necessary to conform to current period's presentation

Consolidated revenue

Revenue before special items for the period decreased by 8% to US\$ 8,722 million (1H FY2023: US\$ 9,523 million). This was mainly driven by lower commodity prices partially offset by higher volume at Iron Ore, Copper, ESL and Aluminium business.

(US\$ million, unless stated)

Consolidated revenue	1H FY2024	1H FY2023	Net revenue	
			% change	FY 2023
Zinc	1,917	2,571	(25)%	4,775
- India	1,652	2,201	(25)%	4,126
- International	265	370	(28)%	649
Oil & Gas	1,345	1,015	33%	1,873
Aluminium	2,895	3,609	(20)%	6,556
Power	389	458	(15)%	897
Iron Ore	500	365	37%	809
Steel	496	439	13%	978
Copper Business	1,133	1,049	8%	2,179
Others ¹	47	17		74
Revenue	8,722	9,523	(8)%	18,141

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

Consolidated EBITDA

The consolidated EBITDA before special items by segment is set out below:

(US\$ million, unless stated)

	1H		% Change	FY 2023	Key drivers	EBITDA margin %	EBITDA margin %
	FY2024	1H FY2023				1H FY2024	1H FY2023
Zinc	844	1,371	(38)%	2,418		44%	53%
-India	775	1,221	(37)%	2,177	Lower Zinc, Lead LME.	47%	55%
-International	69	150	(54)%	241	Lower Zinc, Lead LME	26%	41%
Oil & Gas	851	525	62%	972	Arbitration gain partly offset by lower Brent price.	63%	52%
Aluminium	459	365	26%	707	Lower input commodity prices partly offset by lower Aluminium LME	16%	10%
Power	65	30		106		17%	7%
Iron Ore	58	74	(22)%	124	Higher volumes & lower prices	12%	20%
Steel	16	10	55%	39	Lower input commodity prices & lower prices	3%	2%
Copper Business	(13)	(4)		(7)		(1)%	(0)%
Others ¹	179	116	55%	249			
Total	2,460	2,487	(1)%	4,608	EBITDA margin	28%	26%
					Adjusted EBITDA margin [∆]	33%	29%

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

EBITDA and EBITDA margin

EBITDA for 1H FY2024 stood at US\$ 2,460 million, almost in line with 1H FY2023, primarily due to lower output commodity prices majorly at Aluminium and Zinc business and strategic hedging gain in 1HFY2023 partially offset by lower input commodity prices, cost savings and arbitration gain in Oil & Gas business. (See 'Operating profit variance' for more details.)

The adjusted EBITDA margin was higher at 33% mainly on account of change in profit mix across businesses.

Special items (included interest income related and others)

In 1H FY2024 special items stood at positive US\$ 151 million which includes: -

- Gain of \$151 million was booked for the period ended 30 September 2023 for impairment reversal. This mainly includes impairment reversal of assets in Oil & Gas business (\$157 million).

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\$ 870 million in 1H FY2024 (1H FY2023: US\$ 749 million). This was primarily driven by increase in blended cost of borrowings (9.5% vs 8.3%) and one-time expenses partly offset by decrease in average borrowings.

Investment revenue in 1H FY2024 decreased to US\$ 92 million (1H FY2023: US\$ 99 million). This was mainly due to change in investment mix partly offset by mark to market movement.

This combination of higher finance costs and lower investment revenues led to an increase of US\$ 128 million in net interest expense (excluding special items) during the period.

Other gains/(losses) excluding special items

Other gains/(losses) excluding special items for 1H FY2024 amounted to US\$ (31) million, compared to US\$ (80) million in 1H FY2023 majorly on account of forex gain.

Taxation

One time tax impact of \$ 774 Mn as a result of adoption of new tax regime has been taken in P&L.

Attributable profit/(loss)

The attributable profit before special items for the period was US\$ 149 million (1H FY2023: US\$ 117 million).

Fund flow post-capex

The free cash flow (FCF) post-capex for the period was US\$ 269 million (1H FY2023: US \$ 875 million).

Debt, maturity profile and refinancing

In 1H FY2024, gross debt decreased to US\$ 14.7 billion compared with US\$ 15.4 billion as at 31 March 2023, driven by deleveraging at Vedanta Resources Limited standalone, Zinc India, TSPL, ESL and VGCB partially offset by additional borrowings at THLZV, Aluminium business and Cairn India.

Our total gross debt of US\$ 14.7 billion comprises:

- US\$ 13.6 billion as term debt (March 2023: US\$ 13.9 billion);
- US\$ 0.2 billion of short-term borrowings (March 2023: US\$ 1.0 billion);
- US\$ 0.9 billion of working capital loans (March 2023: US\$ 0.5 billion).

The maturity profile of term debt of the Group (totalling US\$ 13.6 billion) is summarised below:

Particulars	As at	As at	FY2024	FY2025	FY2026	FY2027 & Beyond
	30 September	30 September				
Debt at Vedanta Resources Limited	5.5	7.8	1.1	2.9	0.6	0.9
Debt at subsidiaries	8.1	6.1	0.8	1.7	1.5	4.1
Total term debt	13.6	13.9	1.9	4.6	2.1	5.0

Term debt at our subsidiaries was US\$ 8.1 billion, with the balance at Vedanta Resources Limited.

Also, during 1H FY2024, net debt decreased from US\$ 12.7 billion as at 31 March 2023 to US\$ 12.5 billion as at 30 September 2023.

Cash and liquid investments stood at US\$ 2.2 billion at 30 September 2023 (31 March 2023: US\$ 2.6 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.

Prior to current period, the last going concern assessment carried out for the period ended 31 March 2023 was approved by the Board of Directors in May 2023. The Directors were confident that the Group will be able to operate within the levels of its current facilities for the foreseeable future, 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 2023 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(c) of the Consolidated Financial Statements]

Notwithstanding the uncertainties, 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 2023.

The Directors of the Group are confident that the Group will be able to comply requisite covenants for the going concern period and will be able to execute mitigating actions [as per note 1(c) of the Consolidated Financial Statements] 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

S&P Global has revised its rating on Vedanta Resources Ltd on December 13th 2023. The long-term issuer credit rating on the company and ratings on its bonds due in Jan 2024, Aug 2024 and Mar 2025 have been downgraded to 'CC' from 'CCC' while the outlook remains on Credit Watch with Negative implications. The rating action factors the proposed liability management exercise involving three US dollar-denominated bonds totaling US\$3.2 billion as a distressed transaction under S&P's criteria. The Credit Watch reflects the likelihood of further downgrade to 'SD' (selective default) if the company completes the transaction. Shortly after that, the ratings are expected to be raised to a level reflecting the liquidity position and capital structure of Vedanta Resources post-transaction. While the company's capital structure will be much stronger post the transaction, S&P believes the ratings could initially be in the 'CCC' category and subsequently could be potentially higher.

Vedanta Resources Limited

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At the same time, S&P revised the Credit Watch implications on the 'CCC' issue rating on the company's bond due in April 2026 (which is not part of the proposed transaction) to 'Developing' from 'Negative'.

Balance sheet

(US\$ million, unless stated)

Balance Sheet	Six months to 30 September 2023	Six months to 30 September 2022	For Year Ended 31 March 2023
Goodwill	12	12	12
Intangible Assets	60	79	64
Property, Plant and Equipment	13,088	12,878	12,786
Exploration and Evaluation Assets	287	299	284
Other Non - Current Assets	2,504	2,984	3,220
Cash and liquid investments	2,144	3,489	2,765
Other Current Assets	4,408	4,789	4,180
Total Assets	22,503	24,530	23,311
Gross Debt	(14,670)	(15,277)	(15,358)
Other Current and Non-Current Liabilities	(8,810)	(8,711)	(8,825)
Net Assets	(977)	542	(872)
Shareholders' equity/(deficit)	(3,337)	(3,212)	(3,348)
Non- controlling interests	2,360	3,754	2,476
Total equity	(977)	542	(872)

Shareholders' (deficit)/equity was US\$ (3,337) million at 30 September 2023 compared with US\$ (3,348) million at 31 March 2023, mainly driven by change in attributable profit and sale of stake in subsidiary.

Non-controlling interests decreased to US\$ 2,360 million at 30 September 2023 (from US\$ 2,476 million at 31 March 2023).

Property, plant and equipment (PPE)

During 1H FY2024, PPE stood at US\$ 13,088 million (31 March 2023: US\$ 12,786 million). The increase was primarily driven by addition in Oil and Gas and Aluminium business partly offset by depletion charge.

Project capex

		(US\$ million)			
Capex in progress	Status	Total capex approved ²	Spent up to FY2023 ³	Spent in 1H FY2024	Unspent as on 30 September 2023 ⁴
Cairn India¹					
Mangala, Bhagyam & Aishwariya infill, OALP, ABH infill, RDG infill, Offshore infill etc		853	337	140	376
Aluminium Sector					
Jharsuguda VAP capacity expansion and others	In Progress	237	13	61	163
Coal & Bauxite Mines (Jamkhani, Radhikapur, Kurloi, Ghoghrapalli, Sijimali)	In Progress	1,079	87	11	981
Lanjigarh Refinery: 2 to 5 MTPA	In Progress	641	277	119	245
Balco smelter and VAP capacity expansion	In Progress	1,068	106	164	798
Zinc India					
Mine expansion		2,077	1850	10	217
Roaster (Debari)	In Progress	101	1	7	93
Others		386	132	12	242
Zinc International					
Gamsberg Phase II project	In Progress	466	53	69	344
Iron Ore project	In Progress	37	20	2	15
ESL					
1.5 to 3 MTPA hot metal		349	88	30	231
Avanstrate Inc (ASI)					
Furnace Expansion and Cold Repair		203	121	-	82
Capex flexibility					
Metals and Mining					
Tuticorin Smelter 400Ktpa	Project is under Force Majeure	717	199	-	518
Skorpion refinery conversion	Currently deferred till Pit 112 extension	156	17	-	139

1 Capex approved for Cairn represents Net capex; Gross capex US\$ 1.2 billion.

2 Based on exchange rate prevailing at the time of approval.

3 Based on exchange rate prevailing at the time of incurrence.

4 Unspent capex represents the difference between total projected capex and cumulative spend as on 30 September 2023.

OPERATIONAL REVIEW

ZINC INDIA

Summary

In 1H FY2024, Zinc India has delivered highest ever first half year mined metal production at 509kt. During 1H FY2024 our underground mines had ore production of 7.81 Mn MT down 2% Y-o-Y. We delivered 501kt of refined metal and 11.6 million ounces silver.

Production performance

Production (KT)	1H FY2024	1H FY2023	% change	FY 2023
Total mined metal	509	507	0%	1,062
Refinery metal production	501	506	(1)%	1,032
- Refined zinc – integrated	394	395	(0)%	821
- Refined lead – integrated ¹	107	110	(3)%	211
Production – silver (million ounces) ²	11.6	11.9	(3)%	22.9

1. Excluding captive consumption of 3,900 tonnes in 1H FY2024 vs of -4,248 tonnes in 1H FY2023

2. Excluding captive consumption of 643 thousand ounces in 1H FY2024 vs. 713 thousand ounces in 1H FY2023

Operations

Highest-ever first half year mined metal production at 509kt, marginally up YoY on account of higher ore production largely at Rampura Agucha supported by better overall metal grades. Refined metal production at 501kt down marginally YoY. Integrated zinc production was flat at 394kt and refined lead production down 3% at 107kt, as compared to 1HFY23 in line with plant availability. Saleable silver production at 11.6 moz, down 3% YoY in line with lead metal production.

Prices

	1H FY2024	1H FY2023	% change	FY 2023
Average zinc LME cash settlement prices US\$/t	2,476	3,580	(31)%	3,319
Average lead LME cash settlement prices US\$/t	2,145	2,083	3%	2,101
Average silver prices US\$/ounce	23.8	20.9	14%	21.4

Macroeconomic developments have been a dominant influence on the base metal prices lately. The global landscape is marked by potential headwinds including Chinese economic weakness, rising inflation in the US and Europe, and the upward trajectory of interest rates. Zinc prices were down 31% as compared to 1H FY2023 at \$2,476 per tonne during the period. Globally, there have been few major suspensions/closures on account of falling prices. The LME warehouse stocks stood at 105 kt at the end of the September 2023 against 39 kt as on 01 April 2023.

The total tonnage of Zinc in Shanghai Futures Exchange (SHFE) warehouses fell to 32 kt on 30th September 2023, against 97 kt as on 01 April 2023. The refined zinc imports of China rose by 269% y-o-y to 199 kt in January-August 2023 period, and the August imports rose by 8 times y-o-y to 29 kt.

Lead prices surged by 3% y-o-y in 1H FY2024 averaging at \$2,145 per tonne. The prices of lead are expected to improve further, as the supply is constrained due to the mine closures/suspensions, and demand outlook is positive given the growing automobile, telecom and infrastructure sectors, which will further increase the need for industrial batteries.

Silver demand is expected to witness an uptick owing to increasing industrial demand and upcoming festive season. Silver prices were up by 14% y-o-y in 1H FY2024 averaging at \$23.84 per troy ounce.

Unit costs

	1H FY2024	1H FY2023	% change	FY 2023
Unit costs (US\$ per tonne)				
- Zinc (including royalty)	1,502	1,751	(14)%	1,707
- Zinc (excluding royalty)	1,167	1,260	(7)%	1,257

For the six-month period, reported zinc cost of production (COP) before royalty was \$1167, down 7% y-o-y. Cost improvement is majorly on account of softened coal & input commodity prices and better domestic coal (linkage) availability.

Of this figure, government levies amounted to US\$ 373 per tonne (1H FY2023: US\$ 531 per tonne), comprised mainly of royalty payments, the Clean Energy Cess, electricity duty and other taxes.

Financial performance

(US\$ million, unless stated)

	1H FY2024	1H FY2023	% change	FY 2023
Revenue	1,652	2,201	(25)%	4,126
EBITDA ^o	775	1,221	(37)%	2,177
EBITDA margin (%)	47%	55%		53%
Depreciation and amortisation	188	186	1%	389
Operating profit before special items	587	1,035	(43)%	1,788
Share in Group EBITDA (%)	32%	49%		47%
Capital expenditure	251	254	(1)%	466
Sustaining	172	225	(23)%	402
Growth	79	29		64

The revenue for 1H FY2024 stood at US\$ 1,652 million, down 25% Y-o-Y, and EBITDA was US\$ 775 million, down 37% Y-o-Y. The decrease in revenue is primarily driven by decrease in zinc prices and lower volumes and strategic hedging gain in 1H FY2023. The decrease in EBITDA is in line with revenue.

Projects

- Fumer plant commissioned in Q2 FY2024 through remote support of OEM and HZL team from China, making it the first such kind of innovative commissioning across Hindustan Zinc. Full ramp up under progress and targeted by early Q3 FY2024.
- Rajpura Dariba Mill commissioned. Complete ramp up under progress, targeted by early Q3 FY2024.
- For Hindustan Zinc Alloys Private Limited (HZAPL), hot commissioning complete and first alloy metal produced in first week of Oct'23.
- For the new Roaster at Debari, all orders placed. Engineering and procurement activities ongoing and EPC contractor mobilized at site.
- For Hindustan Zinc Fertilisers Private Limited (HZFPL), major orders placed and technology partner onboarded. Engineering and procurement activities are ongoing.

Strategic Priorities & Outlook

Mined metal for FY2024 is expected to be between 1,075-1,100 kt and refined metal production in the range of 1,050-1,075 kt. Saleable silver production is projected to be between 725-750 MT.

Zinc cost of production (excluding royalty) in FY2024 is expected to be in between US\$ 1,125-1,175 per MT. Project capex for the year is expected to be in the range of US\$ 175-200 million.

Our primary focus remains on enhancing overall output, cost efficiency of our operations, disciplined capital expenditure and sustainable operations. Whilst the current economic environment remains uncertain our goals over the medium term are unchanged.

Our key strategic priorities include:

- Ramp up of underground mines and smelters towards their stated capacities, delivering increased metal and silver output in line with communicated strategy.
- Increase R&R through higher exploration activity and new mining tenements, as well as upgrade resource to reserve.
- Sustain cost of production in the range of US\$ 1,125- US\$ 1,175 per tonne through efficient ore hauling, higher volume & grades and higher productivity through ongoing efforts in automation and digitization.
- Expansion of product portfolio and disciplined capital investments in minor metal recovery to enhance profitability.
- Progressing towards sustainable future with continued efforts towards reduction in GHG emissions, water stewardship, circular economy, biodiversity conservation and waste management.

ZINC INTERNATIONAL

Summary

During 1H FY2024, Zinc International produced 134kt of zinc and lead metal in concentrate. Black Mountain production increased from 33kt to 37kt, Gamsberg production decreased from 108kt to 97kt, and Skorpion Zinc has remained under Care and Maintenance since 1HFY21.

Production performance

	1H FY2024	1H FY2023	% Change	FY 2023
Total production (KT)	134	141	(5)%	273
Production – metal in concentrate (KT)				
Gamsberg	97	108	(10)%	208
BMM	37	33	11%	65

Operations

During 1H FY2024, Zinc International's total production was at 134,000 tonnes, lower by 5% Y-o-Y.

Gamsberg production declined 10% Y-o-Y. The period marked several highlights in terms of operational performance, including the record monthly MIC production (20.3kt – July 2023) and highest ever plant

availability of 96.5% in July 2023. Production losses during the half-year mainly driven by lower mill runtime, mill instabilities and lower ore availability.

Black Mountain production was higher by 11% (37kt vs 33kt) mainly due to higher tonnes treated and improved recoveries of zinc and lead, partly offset by lower grades of zinc and lead.

At Skorpion Zinc, the business is still evaluating options to restart the mining operations. Skorpion Zinc has initiated the renewal and currently awaiting issuance of Environmental Clearance Certificate.

Unit costs

	1H FY2024	1H FY2023	% Change	FY 2023
Zinc (US\$ per tonne) unit cost	1,375	1,582	(13)%	1,577

The unit cost of production decreased by 13% to \$1,375/t from \$1,582/t 1HFY23. This was mainly driven by exchange rate depreciation \$150/t (ZAR18.7 vs ZAR16.3/USD), lower zinc and lead TCRC \$82/t (\$190/dmt vs \$242/dmt), and higher copper production and credits \$52/t (3.7kt vs 2.6kt), offset by lower zinc & lead production \$62/t (134kt vs 141kt) and consumable price inflation and manpower cost increase.

Financial Performance

	<i>(US\$ million, unless stated)</i>			
	1H FY2024	1H FY2023	% Change	FY 2023
Revenue	265	370	(28)%	649
EBITDA	69	150	(54)%	241
EBITDA margin	26%	41%		37%
Depreciation	29	33	(12)%	61
Operating profit before special items	40	117	(66)%	180
Share in group EBITDA %	3%	6%		5%
Capital expenditure	98	66	48%	144
Sustaining	27	29	(8)%	68
Growth	72	37		76

During the period, revenue decreased by 28% to US\$ 265 million, on account of lower volumes and lower LME prices (\$2476/t vs \$3,580/t) in 1H FY2024 compared to same period in previous financial year. Lower EBITDA in 1HFY2024 vs 1H FY2023 is a result of lower LME prices and strategic hedging gain in 1H FY2023, partly offset by cost savings.

Projects

Gamsberg Phase 2:

Gamsberg Phase 2 project includes the mining expansion from 4 MTPA to 8 MTPA and Construction of New Concentrator plant of 4 MTPA, taking the total capacity to 8 MTPA and has been approved by the Vedanta Board in Q4 of FY22. The EPC partner, Onshore, has been appointed in Q1 FY23 and M&D has been appointed for construction of the Project. All Major Long lead FIMs {Ball & Sag Mill (CITIC), Crusher, Flotation, Filter Presses and Thickeners Package (MO)} Orders placed. The status on the project is as follows:

- Target completion by 1H FY25
- Construction - Concrete Pour

- Major Free Issue Material (FIMs) supplies have started arriving at site (Thickeners, Transformers, etc).

Strategic Priorities & Outlook

We expect FY2024 production volumes at BMM to be around 70kt and at Gamsberg to be around 190-220 kt. The cost of production is expected to be around \$1,300/t - \$1,400/t for 2H FY2024.

Zinc International continues to remain focused to improve its production by sweating its current assets beyond its design capacity, debottlenecking the existing capacity, and adding capacity through growth projects. Our immediate priority is to ramp up the Gamsberg mining volumes and Phase 1 Plant to designed capacity and simultaneously complete Gamsberg Phase 2 project to add another 200kt to the total production of VZI. Likewise, BMM continues to deliver stable production performance and focus is to debottleneck its ore volumes from 1.8 million tonnes to 2.0 million tonnes. Skorpion is expected to remain in Care and Maintenance while management is assessing feasible & safe mining methods to extract the remaining ore from Pit 112. Zinc International continues to drive cost reduction programme to place Gamsberg operations on 1st Quartile of global cost curve with COP < US\$1,200 per tonne.

Key strategic priorities include the following:

- Completion of construction activities of Gamsberg Phase 2 Project with aim to start production in H2 FY2025.
- Continue to improvise business case of Skorpion Refinery Conversion Project, Swartberg Phase 2 and Gamsberg Smelter Project through Government support, Capex and Opex reduction.

OIL & GAS

Summary

During 1H FY2024, Oil & Gas business delivered gross operated production of 134 kboepd, down by 7% y-o-y, primarily driven by natural reservoir decline at the MBA fields. The decline was partially offset by addition of volumes through new infill wells brought online in Mangala, Aishwariya, Bhagyam and Raageshwari Deep Gas fields. Offshore assets were supported by gains from exploration success in Ravva & infill wells in Cambay.

Production performance

	Unit	1H FY2024	1H FY2023	% change	FY2023
Gross operated production	Boepd	134,477	144,267	(7)%	142,615
Rajasthan	Boepd	112,066	124,291	(10)%	119,888
Ravva	Boepd	11,259	10,468	8%	11,802
Cambay	Boepd	10,525	9,434	12%	10,777
OALP	Boepd	627	73	-	147
Oil	Bopd	110,033	122,264	(10)%	118,634
Gas	Mmscfd	147	132	11%	144
Net production – working interest	Boepd	86,315	93,676	(8)%	91,485
Oil*	Bopd	70,249	79,354	(11)%	76,149
Gas	Mmscfd	96.4	85.9	12%	92.0
Gross operated production	Mmboe	24.6	26.4	(7)%	52.1
Net production – working interest	Mmboe	15.8	17.1	(8)%	33.4

* Includes net production of 498 boepd in 1H FY2024 and 470 boepd in 1H FY2023 from KG-ONN block, which is operated by ONGC. Cairn holds a 49% stake

Operations

Average gross operated production across our assets was 7% lower y-o-y at 134,477 boepd due to natural decline which has been partially offset by infill wells brought online. The company's production from the Rajasthan block was 112,066 boepd, 10% lower y-o-y and from the offshore assets, was at 21,784 boepd, 9% higher y-o-y.

Production details by block are summarized below.

Rajasthan block

Gross production from the Rajasthan block averaged 112,066 boepd, 10% lower y-o-y. The natural decline in the MBA fields has been partially offset by infill wells brought online in Mangala, Aishwariya, Bhagyam, ABH and RDG fields.

Gas production from Raageshwari Deep Gas (RDG) averaged 148 million standard cubic feet per day (mmscfd) in 1H FY2024, with gas sales, post captive consumption, at 123 mmscfd.

The appeal against the Division Bench order (additional 10% profit sharing from 2020 onwards) was filed by us before the Supreme Court in June 2021. The matter was part heard on 16th February 2023 and mentioned on 12th September 2023 for early listing. We await the next date of hearing.

The Government of India (GoI), acting through the Directorate General of Hydrocarbons (DGH), had raised demand up to 14th May 2020 for Government's additional share of Profit oil based on its computation of disallowance of cost incurred over retrospective re-allocation of certain common costs between Development Areas (DAs) of Rajasthan Block and certain other matters aggregating to \$1,162m applicable interest thereon representing share of Vedanta Limited and its subsidiary.

We have served notice of Arbitration on the GoI in respect of the audit demand raised by DGH based on PSC provisions. The Company has received the final partial arbitration award dated 22nd August 2023, dismissing the Government's contention of the additional Profit Petroleum in relation to allocation of common development costs across Development Areas and certain other matters in accordance with terms of the Production Sharing Contract for Rajasthan Block, while disallowing some matters. Further, Tribunal has decided that the Company is allowed to claim cost recovery of exploration cost for the purpose of computation of Profit Oil.

Pursuant to the award, the Company has recognized a benefit of \$578m in Revenue from operations.

The Group has adjusted the liability for the quarter ended 30 September 2023 of \$ 127m against the aforesaid benefits recognized per the Arbitration award. DGH has responded vide letter dated 19th October 2023 (DGH Letter) to withhold such adjustment in light of GOI's response to the tribunal. GoI has sought an additional award or interpretation / clarification on certain matters decided by the Tribunal under the Indian Arbitration and Conciliation Act, 1996 (the ACT) ("GOI Application"). The management based on independent legal opinion, merits of the case and prevailing law, anticipates a positive order. Pending Arbitration Tribunal's response to GOI's Application, no consequential adjustments are deemed necessary to the financial results.

Ravva block

The Ravva block produced at an average rate of 11,259 boepd, higher by 8% y-o-y, supported by gains from exploration success in drilling campaign.

Cambay block

The Cambay block produced at an average rate of 10,525 boepd, higher by 12% y-o-y, supported by gains from the infill well drilling campaign.

Prices

Particulars	1H FY2024	1H FY2023	% change	FY2023
Average Brent prices -US\$/barrel	82.6	107.3	(23)%	96.2

Crude oil price averaged US\$ 82.6 per barrel, representing a decrease from US\$107.3 per barrel in 1H FY2023. The decline in oil prices was primarily attributed to aggressive monetary tightening from major banks. Previous period included impact of Russia-Ukraine war which resulted in rally in prices.

Early in the year, prices fluctuated due to supply and demand factors, such as limited supply following an increase in U.S. crude and gasoline inventories, concerns about production cuts, and sanctions on Russia. Some structural concerns, like uncertainty regarding the U.S. avoiding a debt default and a slowdown in China's economy, also played a role. Further, selling pressure in futures markets persisted due to worries about interest rates hikes by Central Banks in key economies and uncertainty regarding demand growth, particularly in China.

However, in second quarter optimism emerged as expectations grew that central banks were approaching the end of their tightening cycles. Additionally, the decline of US Dollar and anticipated economic stimulus in China added to the positive sentiments. Firm demand for crude in the spot market, rising global refinery intakes, stronger refining margins and a large draw in US crude stocks boosted the prices.

In September, this optimism was further supported by resilient economic growth in both OECD and non-OECD regions, and positive 3Q23 output trends. However, given the Israel-Palestine conflict in the backdrop and the associated risk of escalation, the trajectory of the crude oil market remains uncertain.

Financial performance

(\$m, unless stated)				
Particulars	1H FY2024	1H FY2023	% change	FY2023
Revenue	1,345	1,015	33%	1,873
EBITDA	851	525	62%	972

EBITDA margin	63%	52%		52%
Depreciation and amortisation	158	190	(17)%	442
Operating profit before special items	627	322	95%	500
Share in Group EBITDA %	35%	21%		21%
Capital expenditure	182	240	(24)%	474
Sustaining	9	5	76%	14
Growth	172	235	(27)%	460

Revenue for 1H FY2024 was 33% higher y-o-y at \$1,345 million (after profit petroleum and royalty sharing with the Government of India), as a result of favourable order received in GOI Arbitration partially offset by fall in oil prices. EBITDA for 1H FY2024 was at \$851 million, higher by 62% y-o-y in line with the higher revenues.

The Rajasthan operating cost was US\$13.9 per barrel in 1H FY2024 compared to US\$13.6 per barrel in the 1H FY2023, primarily driven by lower production and increased well interventions to manage natural field decline.

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:

Infill Projects

Bhagyam

To accelerate production and augment reserves from Bhagyam field, infill drilling opportunities in FB1 and FB3 layers were identified. The project entails drilling of 9 infill wells in FB3 layers and three horizontal wells in the bio-degraded zone.

As of 30 September 2023, drilling has been completed, of which 9 wells are online.

Aishwarya

Based on the success of the polymer injection in Lower Fatehgarh (LF) sands of Aishwariya field, additional production opportunities were identified in Upper Fatehgarh (UF) sands. The project entails drilling of 25 infill wells in Upper Fatehgarh (UF) sands and conversion of 7 existing wells to UF polymer injectors.

As of 30 September 2023, 24 wells have been drilled, of which 15 wells are online.

Tight Oil (ABH)

Aishwariya Barmer hill infill drilling program established confidence in reservoir understanding of ABH. Based on its success, drilling of 14 additional wells were conceptualized.

As of 30 September 2023, 8 wells have been drilled, of which 7 wells are online. The fracking campaign and projects work on surface facilities are currently in progress and is expected to continue for the fiscal year.

Tight Gas (RDG)

In order to realize the full potential of the gas reservoir, an infill drilling campaign of 25 wells was executed. The Project has been completed during second quarter of fiscal year 2024 and all wells are online.

To augment reserves and manage natural decline, we commenced additional 8 infill wells drilling campaign during the second quarter of fiscal year 2024. As of 30 September 2023, 1 well has been drilled.

Satellite Fields

In order to monetise the satellite fields, 14 wells development campaign for 3 satellite fields (GSV, Tukaram, Raag Oil) was conceptualized. Drilling was completed during fiscal year 2023 of which 9 wells are online. They are being progressively hooked up to ramp up volumes.

B. Exploration and Appraisal

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, of which 5 onshore blocks in the KG region have been relinquished.

During first half of the fiscal year 2024, we drilled three exploration/ appraisal wells [2 wells in Cambay Onshore (YME-1 Jaya Appraisal and Jaya SW1) and 1 well in Western Offshore (Dwarka 1-)]. Exploration success encountered in 2 Cambay Onshore (Jaya) wells. Hydrocarbons were observed and further evaluation is ongoing. Drilling preparations for third well (Jaya SW3) are ongoing.

Seismic Acquisition activities are ongoing in the North-East region.

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.
- Define up to >20 potential new development projects to bring these Resources into production.
- 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 half yearly production at 859 KT and Aluminium smelters produced 1,173 KT.

Production performance

Production (KT)	1H FY2024	1H FY2023	% change	FY 2023
Alumina - Lanjigarh	859	939	(8)%	1,793
Total aluminium production	1,173	1,149	2%	2,291
Jharsuguda	880	866	2%	1,721
BALCO	293	283	3%	570

Alumina refinery: Lanjigarh

At Lanjigarh, production was at 859KT, down by 8% Y-o-Y. We achieved the lowest ever specific consumption of non-chemical soda and furnace oil through continuous focus on improving plant efficiency parameters. Increasing captive Alumina production and local Bauxite sourcing are key in our

efforts to drive the aluminium costs lower. In line with the vision of 100% captive Alumina, we are expanding our Alumina refinery from 2 MTPA to 5 MTPA.

Aluminium smelters

Total Production for 1H FY2024 stood at 1,173 KT increased by 2% Y-o-Y.

Jharsuguda

Production from Jharsuguda stood at 880 KT, increased by 2% Y-o-Y.

BALCO

Production from Balco stood at 293 KT, up by 3% Y-o-Y.

Prices

	1H FY2024	1H FY2023	% Change	FY 2023
Average LME cash settlement prices (US\$ per tonne)	2,204	2,604	(15)%	2,481

Average LME prices in 1H FY2024 stood at 2,204 \$/t, lower by 15% YoY & 11% vs FY 2023. Much of the deficit in Primary Aluminium market in 1H FY2024 was concentrated in China while the surplus in rest of the World increased by over 2 times from 1H FY 2023 leading to a significant decline in prices. This was further aided by hike in interest rates & appreciation of the US currency.

Unit costs

	1H FY2024	1H FY2023	% Change	FY 2023
				(US\$ per tonne)
Alumina cost (ex-Lanjigarh)	344	387	(11)%	364
Aluminium hot metal production cost	1,872	2,541	(26)%	2,324
Jharsuguda CoP	1,837	2,509	(27)%	2,291
BALCO CoP	1,985	2,641	(25)%	2,424

During 1H FY2024, the Cost of Production (CoP) of Alumina at Lanjigarh refinery was lower by 11% Y-o-Y at US\$ 344 per tonne, due to cooling down of the commodity prices. In 1H FY2024, the total Bauxite requirement was met from Odisha bauxite (49%), other domestic sources (4%) and imports (47%), against 1H FY2023 mix of Odisha bauxite (66%) and imports (34%).

The Cost of Production (CoP) at Jharsuguda decreased by 27% Y-o-Y to US\$ 1,837 per tonne. The CoP at BALCO decreased by 25% Yo-Y to US\$ 1,985 per tonne. The decrease in costs were majorly due to decrease in power cost driven by low coal cost and fall in input commodity prices.

Financial performance

(US\$ million, unless stated)

	1H FY2024	1H FY2023	% Change	FY 2023
Revenue	2,895	3,609	(20)%	6,556
EBITDA	459	365	26%	707
EBITDA margin	16%	10%		11%
Depreciation and amortisation	139	140	0%	281
Operating profit before special items	320	225	42%	426
Share in group EBITDA (%)	19%	15%		15%
Capital expenditure	378	275	42%	648
Sustaining	90	93	(4)%	192
Growth	288	182	66%	456

Revenue for 1H FY2024 stood at US\$ 2,895 million, lower by 20% Y-o-Y driven primarily by lower Aluminium LME prices partially offset by higher volumes.

EBITDA was at US\$ 459 million (1H FY2023: US\$ 365 million) due to lower Aluminium LME prices and strategic hedging gain in 1H FY2023 partly offset by lower input commodity prices and cost savings.

Projects

Lanjigarh's journey towards becoming one of the largest single-location alumina refineries, expanding from 2 to 5 MTPA is progressing well. We are set to achieve our first alumina production from Train-1 by Q4 FY2024, followed by first alumina production from Train-2 by Q2 FY 2025.

BALCO is poised to add smelter capacity of 0.4 MTPA (to achieve 1 MTPA capacity) along with increasing its VAP capacity from 0.4 MTPA to 1 MTPA. We expect first metal by Q2 FY 2025.

Jharsuguda is expanding its VAP capacity from 1.1 MTPA to 1.6 MTPA. The project activities have commenced, and we are projecting first metal by Q1 FY2025.

Strategic Priorities & Outlook

LME is expected to remain broadly at similar levels as the market is projected to continue being in surplus in the upcoming period. There are some potential upsides in the Chinese market with reported stocks at subdued levels, signs of recovery in demand, & capacity curtailments.

There has been a significant reduction in input commodity prices. This coupled with improved operational performance has helped optimize our costs. Focus remains on sustaining this trend in the upcoming period along with improving our realization.

We are working towards improving our local bauxite sourcing to feed the alumina refinery. Lanjigarh refinery capacity expansion from 2 MTPA to 5 MTPA will improve captive alumina production and support our structural cost reduction.

We are also focusing on operationalization of our captive coal mines and bauxite mines.

In FY2024 we expect our Alumina production to be around 1.9- 2.1 MTPA and Aluminium production to be between 2.2- 2.3 MTPA. We expect hot metal cost of production at our smelters together to be between \$1,800/t - \$1,900/t in FY2024.

Our focus and priorities will be to:

- ESG: Safety & Well-being of all stakeholders, Low Carbon Green Aluminium Production (Restora, Restora Ultra), Diversity in Workforce, Circular Economy

- Asset Optimisation: >100% capacity utilization of assets through implementation of structured asset reliability program
- Operational Excellence: Continual improvement in operational parameters
- Quality: Zero customer complaints
- Raw Material Security: Operationalize Coal and Bauxite mines, Lanjigarh expansion to 5 MTPA
- Growth: Capacity expansion by 0.4 MTPA at BALCO
- Green Power tie-ups
- Product Portfolio: Improve value added product portfolio through completion of VAP projects

POWER

Summary

In 1H FY2024, Talwandi Sabo Power Plant (TSPL) achieved availability of 87%. Plant load factor for Jharsuguda IPP was lower by 14% on y-o-y basis.

Production performance

	1H FY2024	1H FY2023	% Change	FY2023
Total power sales (MU)	7,027	7,178	(2)%	14,187
- Jharsuguda 600 MW	1,124	1,471	(24)%	3,048
- HZL wind power	278	274	1%	395
- TSPL	5,625	5,433	4%	10,744
- TSPL - availability	87%	82%	-	82%

Operations

Power sales from TSPL were 5,625 million units, 4% 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 87% in 1H FY2024.

The Jharsuguda 600MW power plant operated at a lower plant load factor (PLF) of 47% in 1H FY2024 (Q1 FY2024: 51%, Q2 FY2024: 42%, 1H FY 2023: 61%).

Unit sales and costs

	1H FY2024	1H FY2023	% Change	FY 2023
Sales realisation ex TSPL (US cent/kWh) ¹	3.7	3.8	(4)%	3.6
Cost of production ex TSPL (US cent/kWh) ¹	2.9	3.0	(3)%	2.9
TSPL sales realisation (US cent/kWh) ²	5.3	5.8	(9)%	4.5
TSPL cost of production (US cent/kWh) ²	4.3	4.9	(13)%	3.7

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, decreased by 4% Y-o-Y. Power generation cost was at US cents 2.9 per kWh, lower 3% Y-o-Y.

TSPL's average sales price was lower at US cents 5.3 per kWh in 1H FY2024 compared to US cents 5.8 per kWh in 1H FY2023, lower by 9% Y-o-Y. Power generation cost at TSPL was lower at US cents 4.3 per kWh in 1H FY2024 compared with US cents 4.9 per kWh in the previous year.

Financial performance

	<i>(US\$ million, unless stated)</i>			
	1H FY2024	1H FY2023	% change	FY 2023
Revenue	389	458	(15)%	897
EBITDA	65	30		106
EBITDA margin	17%	6%		12%
Depreciation and amortisation	33	36	(10)%	72
Operating profit before special items	32	(6)		34
Share in group EBITDA%	3%	1%		2%
Capital expenditure	1	1	64%	2
Sustaining	1	1	(29)%	2
Growth	0	-		-

EBITDA for the period at US\$ 65 million

Strategic Priorities & Outlook

- We will remain focused on achieving higher plant load factor at our Jharsuguda 600MW IPP.
- Improve power plant operating parameters to reduce the non-coal cost.
- Ensuring safe operations, energy & carbon management.

In FY2024, we expect plant availability factor (PAF) at TSPL to be more than 85%.

IRON ORE

Summary

At Iron Ore Goa, Vedanta Limited has won Bicholim and Cudnem mines in the Goa State Government e-auction. The letter of intent was received in January 2023 and July 2023 for Bicholim and Cudnem Mine respectively.

The production from Iron Ore Karnataka in 1H FY 2024 is 2.4 dry million tonnes (DMT).

Production performance

	1H FY2024	1H FY2023	% Change	FY 2023
Production (dmt)				
Saleable ore	2.4	2.3	4%	5.3
Goa	-	-	-	-
Karnataka	2.4	2.3	4%	5.3
Pig iron (KT)	430	309	39%	696
Sales (dmt)				
- Iron ore	2.6	2.6	1%	5.7
- Goa	0.1	0.4	(72)%	0.7
- Karnataka	2.5	2.2	14%	5.0
- Pig iron (KT)	424	295	44%	682

Operations

In 1HFY24, Iron Ore Karnataka production was 2.4 million tonnes, up 4% Y-o-Y and sales stood at 2.5 million tonnes, up 14% Y-o-Y driven by operational efficiencies and optimization of logistics capacity.

During the half-year, pig iron production stood at 430 KT higher by 39% Y-o-Y due to operational efficiency, improved process system and relining of one of the blast furnace. Further, in 1H FY 22-23 production was impacted due to shutdown in smaller blast furnaces.

Prices

The pig iron margin decreased from US\$ 68 per tonne in 1H FY 2022-23 to US\$ 29 per tonne in 1H FY 2024, primarily on account of reduction in market prices of Pig Iron, both in the domestic as well as export front, on account of excess supply vis-à-vis demand and higher availability of scrap in market.

Financial performance

(US\$ million, unless stated)

	1H FY2024	1H FY2023	% Change	FY 2023
Revenue	500	365	37%	809
EBITDA	58	74	(22)%	124
EBITDA margin	12%	23%		15%
Depreciation	17	17	(3)%	33
Operating (loss) before special items	41	57	(28)%	91
Share in group EBITDA %	2%	3%		3%
Capital expenditure	12	43	(72)%	64
Sustaining	5	5	(1)%	7
Growth	7	38	(82)%	57

In 1H FY2024, revenue stood at US\$ 500 million, up 37% Y-o-Y mainly due to higher sales volumes at Karnataka and value-added business.

In 1H FY2024, EBITDA stood at US\$ 58 million, lower 22% Y-o-Y. This was mainly due to lower realisation partially offset by ease in input commodity inflation.

Projects

Oxygen plant has been commissioned in VAB. Additionally, management approval has been received for capacity expansion project, increasing from 0.96 mtpa to 1.14 mtpa. Wet beneficiation and Dry separation plant are major projects planned to be started in IOK during second half of FY2024.

Strategic Priorities & Outlook

The Company has won the Bicholim Mine in Goa State Government E-auction and continues working towards reinstatement of mining operations in Goa by December 2023.

The Company is working towards increasing footprints in Iron Ore Business by continuing to participate in auctions across the country including Karnataka & Jharkhand.

In FY2024 we expect production at Karnataka to be between 5.7 - 6.1 DMT and pig iron production to be between 850 - 950 KT.

Our near-term priorities comprises:

- Restart mining operations at Goa.
- Ramp up of operations at Liberia.
- Introduction of new product line for Pig Iron Segment i.e Ductile Iron Pipe.
- Green Mining leveraging and Renewable energy.

STEEL

Summary

In 1H FY2024, ESL has achieved highest ever half yearly total saleable production of 702 kt, up 18% y-o-y and hot metal production of 750 KT, 19% up Y-o-Y.

Production performance

Particulars	1H FY2024	1H FY2023	% Change	FY 2023
Production (KT)	702	593	18%	1,285
Pig iron	124	80	55%	192
Billet	12	9	33%	27
TMT bar	252	224	12%	463
Wire rod	218	188	16%	407
Ductile iron pipes	96	92	4%	196

Operations

ESL achieved 702,100 tonnes of saleable production during 1H FY2024, up 18% Y-o-Y.

The priority remains to enhance production of value-added products (VAP) as part of realisation improvement initiatives. During 1H FY2024, VAP production was 566 KT compared to 504 KT last year.

In relation to ESL's consent to operate the greenfield integrated steel plant at Bokaro MoEF vide its letter dated February 02, 2022 had deferred the grant of EC till Forest Clearance (FC) Stage-II is granted to the company. The company has so far procured substantial portion of land and the same have either been handed over to forest department or is in the advance stage of doing so for compensatory afforestation as required for obtaining Stage- II clearance. The Company is in the process of procuring remaining land including certain government land pending cabinet approvals etc. in this respect, so as to ensure all the necessary compliances for obtaining EC. In the meantime, MoEF vide its letter dated June 05, 2023 has revoked the stage I clearance granted earlier, against which the company has made representation for reconsideration and grant of time for ensuring expeditious action for compliances as substantial progress have been made in identification and procurement of forest land. The State Govt of Jharkhand has also submitted its request letter to MOEF to reconsider the FC Stage I revocation decision and grant some more time in light of the progress made, efforts being taken, and the difficulties being faced by the Company. During the period, MoEF has requested the State Government to submit the status vis-a-vis various compliances and conditions stipulated for granting necessary clearance so that to consider company's proposal with respect to EC as stated above. On receipt of EC, application for obtaining Consent to Establish (CTE) and then Consent to Operate (CTO) will be made by the company.

Prices

	<i>(US\$ per tonne)</i>			
	1H FY2024	1H FY2023	% change	FY2023
Pig iron	495	613	(19)%	551
Billet	577	592	(2)%	620
TMT	607	733	(17)%	700
Wire rod	621	754	(18)%	707
DI pipe	761	801	(5)%	769
Average sales realisation	613	731	(16)%	689

Average sales realisation decreased 16% Y-o-Y from US\$ 731 to US\$ 613 per tonne in 1H FY2024. This was majorly due to decrease in Market prices and VAP mix of company. 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

	1H FY2024	1H FY2023	% change	FY2023
Steel (US\$ per tonne)	590	713	17%	657

The cost of production stood at US\$ 590 per tonne in 1H FY2024, decreased by 17%. This was majorly impacted by Coking coal prices in line with decrease in index prices (Platt) impacted coke prices.

Financial performance

	<i>(US\$ million, unless stated)</i>			
	1H FY2024	1H FY2023	% change	FY 2023
Revenue	496	439	13%	978
EBITDA	16	10	55%	39
EBITDA margin	3%	2%		4%
Depreciation and amortisation	23	21	5%	48
Operating profit before special items	(6)	(11)	42%	(9)
Share in group EBITDA %	1%	0%		1%
Capital expenditure	29	37	(22)%	85
Sustaining	5	3	47%	12
Growth	24	34	(29)%	73

Revenue for the period 1HFY2024, stood at US\$ 496 million, higher by 13% Y-o-Y. This is mainly driven by higher volumes partly offset by lower NSR.

EBITDA for the period stood at US\$ 16 million in 1H FY2024 against US\$ 10 million in 1H FY2023. There was lower sales realisation partially offset by lower input commodity prices.

Projects

The project is expected to be completed by 3Q FY25. The delay has been primarily due to delay in obtaining statutory clearances. We are confident of bringing the same back to schedule by fast tracking ancillary works on ground.

Overall expansion will be complete in ~14-16 months post EC.

Strategic Priorities & Outlook

With the fading of monsoon coupled with festive season, both prices and demand are expected to rise. The outlook is expected to remain positive due to increased focus and demand from government sector and liquidity support on various government projects. The steel market is expected to remain positive in the near term as well as the long-term outlook for the industry is positive, as demand is expected to grow in the coming years.

With the growing demand for steel in India, ESL has prioritised to increase its production capacity from 1.5 MTPA to 3 MTPA by FY25 and 5 MTPA by FY27 with a vision to become high-grade, low-cost steel producer with lowest carbon footprint. The focus is to operate with the highest Environment, Health and Safety standards, while improving efficiencies and unit costs. The focus areas comprise of:

- Ensuring business continuity
- Innovation in Technology for sustainable operations/production
- Development of low-cost Capex products (Alloy Steel Segments and Flat Products) to capture market share
- Optimise and significantly reduce logistics cost over time
- Greater focus on Reliability Centred Maintenance
- Obtain clean 'Consent to Operate' and environmental clearances
- Raw material securitisation through long-term contracts; approaching FTA countries for coking coal
- Ensure zero harm and zero discharge, fostering a culture of 24x7 safety culture

Ferro Alloys Corporation Limited (FACOR)

Summary

In 1H FY2024, the ore production from mines stood at 94 KT and Ferro Chrome production was 31KT.

Production Performance

Particulars	1H FY2024	1H FY2023	% Change	FY2023
Ore Production (KT)	94	174	(46)%	290
Ferrochrome Production (KT)	31	29	7%	67
Ferrochrome Sales (KT)	30	29	2%	67
Power Generation (MU)	103	54	91%	112

At Mining division, we recorded Chrome Ore production of 94KT, down 46% Y-o-Y in line with statutory limits of Kalarangaitta mines.

At Charge Chrome Plant (CCP), We recorded Ferrochrome metal volume of 31 KT in 1H FY2024 up 7% Y-o-Y due to commissioning of new 33MVA Furnace. We also reduced our specific Ore consumption ratio up to 2.3 against 2.4 in FY2023.

Margin

	1H FY2024	1H FY2023	% change	FY2023
Margin (US\$ per tonne)	135	194	(30)%	228

The decrease in margin by 30% on Y-o -Y basis is mainly due to fall in market prices & lower volume in 1H FY2024.

Financial Performance

(US\$ million, unless stated)

	1H FY2024	1H FY2023	% change	FY 2023
Revenue	37	47	(23)%	96
EBITDA [◇]	4	10	(60)%	19
EBITDA margin	11%	21%	-	19%
Depreciation and amortisation	4	2	49%	12
Operating profit before special items	0	8	(94)%	7
Share in Group EBITDA %	0%	0%	-	0%
Capital expenditure	5	17	(69)%	24
Sustaining	1	6	(81)%	12
Growth	4	11	(62)%	12

Revenue for the period 1H FY2024, stood at US\$ 37 million, lower 23% Y-o-Y due to lower output commodity prices.

EBITDA for the period stood at US\$ 4 million in 1H FY2024 against US\$ 10 million in 1H FY2023. The reduction in EBITDA was impacted due to lower realisations.

Projects

- Ferrochrome capacity expansion by 300 KTPA by FY27.
- Underground Mine of 1.5 MTPA ROM .
- 600 KTPA Concentrator.
- 300 KTPA Ferro Chrome Plant Capacity

Strategic Priorities & Outlook

- Expansion of Mines from current capacity of 290 Kt to 390 Kt
- Expansion of Growth project Capex of 300 Ktpa
- Lease revival of Kathpal mine
- 100 MW Power Generation & sale of additional power
- New COB plant commissioning of enhanced capacity of 50 TPH

COPPER – INDIA/ AUSTRALIA

Summary

Silvassa refinery produced 66 KT of copper cathode in 1H FY2024.

Tuticorin smelting operations has remain halted since April 2018 while we continue to engage with the Government and relevant authorities to enable the restart of operations at Copper India.

Production performance

	1H FY2024	1H FY2023	% Change	FY 2023
Production (KT)				
- India – cathode	66	79	(16)%	148

Operations

Production from the Silvassa refinery decreased by 16% Y-o-Y due to shortage of raw material in global market which have been corrected for H2 & Production from Silvassa Rod Plant increased by 24 % Y-O-Y in line with continuous debottlenecking activities and improved operational efficiencies and other initiatives.

The Company’s Tuticorin smelting operations has remained halted since April 2018. In this regard, the Company had filed SLP on 26th Aug 2020, before the Supreme Court. The matter was taken up and heard by the Supreme Court in April 2022. The Bench allowed those activities permitted in the letter of the Additional Chief Secretary to the district collector, namely:

- i) Gypsum evacuation
- ii) Operation of SLF leachate sump pump
- iii) Bund rectification of SLF -4
- iv) Green belt maintenance

The matter is to be next listed on 06.12.2023 for hearing.

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

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.

Prices

	1H FY2024	1H FY2023	% Change	FY 2023
Average LME cash settlement prices (US\$ per tonne)	8,408	8,594	(2)%	8,530

Average LME copper prices reduced by 2% compared with 1H FY2024 predominantly due to low demand in global Market.

Financial performance

(US\$ million, unless stated)

	1H FY2024	1H FY2023	% change	FY 2023
Revenue	1133	1049	8%	2179
EBITDA [◇]	(13)	(4)		(7)
EBITDA margin	(1)%	0%		(0)%
Depreciation and amortisation	12	10	41%	18
Operating profit before special items	(25)	(14)	77%	(25)
Share in Group EBITDA %	(1)%	0%		0%
Capital expenditure	2	3	(26)%	14
Sustaining	-	4		12
Growth	2	(1)		2

During 1H FY2024, revenue stood at US\$ 1,133 million, higher by 8% Y-o-Y driven by higher volume partly offset by lower prices and EBITDA was US\$ (13) million.

Projects

Feasibility studies & Market research is under progress for incorporating new entity for Rod Production in Kingdom of Saudi Arabia.

Strategic Priorities & Outlook

Over the following year our focus and priorities will be to:

- Engage with the Government and relevant authorities to enable the restart of operations at Copper India;
- Improve operating efficiencies, increase sales margin and reduce production costs
- Upgrade technology & digitalisation to ensure high-quality products and services that sustain market leadership and surpass customer expectations; and
- Continuous debottlenecking and upgrade our processing capacities for increased throughput
- Restart Tuticorin operations

PORT BUSINESS

Vizag General Cargo Berth (VGCB)

During 1HFY2024, VGCB operations showed a decrease of 8% in discharge. Dispatch in 1H FY2024 is kept intact compared to 1H FY2023.

The major reason for decrease in discharge is due to decrease in coal imports due to increase in coal production by Coal India Ltd, volatility in imported coal prices & ocean freights has deterred traders from importing, DRI producers are substituting imported coal with domestic coal thereby impacting the imports.

SUSTAINABILITY

In the first half of FY2024, we continued to work upon Vedanta’s ESG vision for “Transforming for Good”. With a strong governance and leadership focus on transformation, ESG integration is being driven across the business. The ESG vision aims to address key material concerns for the organization in the areas of, but not limited to decarbonization, social license to operate, health & safety and environmental management.

There is an ongoing focus to integrate ESG across business operations under three pillars and nine aims, the details of which are given in the sections below.

In 1H FY2024, we completed the business planning exercise to ensure that the ambitions dictated by our nine ESG aims are on-track across all our Business Units. The outcome is a detailed roadmap of actions to be taken by all Group companies to realize Vedanta’s ESG ambitions across FY24, FY25, and FY30.

Some of our key achievements in 1H FY2024 are:

- Vedanta’s CSA scores by S&P Global stood at 81, higher than 230+ global peers in metal & mining industry
- HZL becomes the first metal and mining company in India to receive SBTi validation for its 1.5°C target
- 38 members of the transgender community are now a part of the Vedanta workforce
- Vedanta Aluminium Jharsuguda received the certification ASI Certification
- 40% Increase in biomass consumption from 1H FY23

1H FY2024 highlights

Renewable Energy 3.36% of the Energy Mix (Target 5.2%)	Water Recycling Rate 29.69% (Target 33%)	HVLT Recycling Rate 82% (Target 100%)
LTIFR 0.51 (Target 0.51)	Fatal Incident / Fatalities 1 / 2 (Target 0/0)	Independent ESG rating agency score (CSA by S&P Global): Top 1 percentile

Pillar 1: Transforming Communities

We are guided by the Vedanta Sustainability Framework and its associated standards and policies while administering our corporate responsibility and philanthropic initiatives. In 1H FY2024, we progressed across all our key focus areas, impacting more than 4.4 million beneficiaries.

Aim 2 Families Skilled (as of 1H FY2024) 1 Mn	Aim 3 Women & Children Benefitted (as of 1H FY2024) 16.2 Mn
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Pillar 2: Transforming the planet

We have established a comprehensive plan that focuses on ensuring that Vedanta plays a significant role in the transition to a green economy while maintaining our commitment to responsible business practices. With a focus on transforming the planet as our core value, we have initiated several high impact projects aligned with our key material topics.

Key Metrics - 1H FY2024			
323 million GJ (1H FY2023: 273 million GJ) Energy consumption	35.1 million TCO _{2e} (1H FY2023: 31.9 million TCO _{2e}) GHG Emissions (Target 37.81 million tCO _{2e})	132.2 million m ³ (1H FY2023: 110.7 million m ³) Water consumption (Target 109 million m ³)	10.3 million MT (HVL) (1H FY2023: 8.7 million MT) Waste Generated

Aim 4: Net Zero Carbon by 2050 or sooner

The Energy & Carbon Community of Practice has been coordinating efforts across BUs to achieve a 25% reduction in absolute GHG emissions (FY2021 baseline) by 2030¹. It is also driving the short-term goal for the metals businesses to reduce their GHG emissions intensity by 20% by 2025 (FY2021 baseline)². In 1H, metals production intensity was at 6.48 TCO_{2e}/T of metal - a decrease of 0.46% from the baseline. The GHG intensity figure changes basis production and use of renewable energy. The GHG intensity tends to align towards the end of the year as that is the time when the energy saving/GHG reduction projects start yielding results. In FY23 the reported intensity was 6.25tCO_{2e}/MT metal produced.

Vedanta's decarbonization efforts are focused on four levers:

- i. Increasing the share of renewables in our energy mix
- ii. Switching to low carbon/alternate fuels
- iii. Improving the energy efficiency of our processes & equipment
- iv. Offsetting the residual GHG emissions

In alignment with our unwavering commitment to environmental sustainability, we wholeheartedly endorse the Paris Agreement's ambitious targets. Our pledge is clear: we aim to curtail the long-term global average temperature rise, aspiring to keep it well below 2°C and actively striving for the even more ambitious goal of limiting warming to 1.5°C. This commitment serves as the bedrock for our comprehensive strategy geared towards achieving Net Zero Carbon by 2050 or potentially even earlier.

Renewable Energy

- The company is on-track to bring on-line the 835MW of Round-The-Clock equivalent renewable energy. Work has entered the construction phase and we anticipate first power in FY25.

Fuel switch

- Vedanta Sesa Goa has signed a memorandum of understanding (MOU) with a major vehicle manufacturer to develop a comprehensive electromobility

¹ These targets are applicable for Scope 1 & Scope 2 emissions across all our operations.

² These targets are applicable for Scope 1 & Scope 2 emissions for our metals businesses.

solution. As part of the initial phase, Sesa Goa IOK has introduced electric-wheel-loaders and excavators for a trial run in their open-cast mine. Upon successful completion of the pilot, these electric wheel loaders will be integrated into IOK's fleet of wheel-loaders.

- Vedanta Aluminum Limited has added India's First 10-Ton Electric Lithium-ion Forklift to its forklift fleet. The business now operates a fleet of 35 electric forklifts, resulting in an annual reduction of 1.75 lakh liters of diesel consumption and 480 tCO₂e emissions
- ESL recently published an expression of interest (EOI) for the establishment of a biomass pellet plant within their premises, which will enable the CPP to gradually replace fossil fuels with biomass in the near future.
- 2nd Underground Battery Electric Vehicle joins convoy at Sindesar Khurd (HZL)
- Hindustan Zinc has also initiated a pilot program by introducing the first electric vehicle (EV) truck for the transportation of finished goods.

Energy Efficiency or GHG Emission Reduction

- ESL has achieved a reduction of approximately 2% in specific power consumption as compared to the FY 22-23, with a recorded value of 471.3 KWH/TCS.
- TSPL (Power Business) has shown reduction in GHG Emission Intensity (wrt FY23) by 2.5%. (Avoiding GHG emission of ~23 kgCo₂e/MWh Production)

Certifications / Associations

- Hindustan Zinc becomes the first metal and mining company in India to have validated Science Based Targets in line with 1.5° C.
- The Aluminium Sector (Val-Jharsuguda) SEZ smelter cast house has obtained "Environmental Product Declaration (EPD) Certification". This certification will allow/enable the Aluminium business access to those customers/markets that require the certification
- Hindustan Zinc is working with International Zinc association (IZA) and its climate action task force for standardization of Scope 3 reporting across the zinc sector.

GHG Emissions Trend

GHG emissions (million tCO ₂ e)	1H FY2024	FY2023	FY2022	FY2021	FY2020	FY2019	FY2018
Scope 1 (direct)	32.7 (Target 35.24)	57.2	59.5	59	58	55	51
Scope 2 (indirect)	2.5 (Target 2.58)	8.2	3.3	1.3	2	3.5	1.2
Total	35.2 (Target 37.81)	65.4	62.8	60.3	60	58.5	52.2

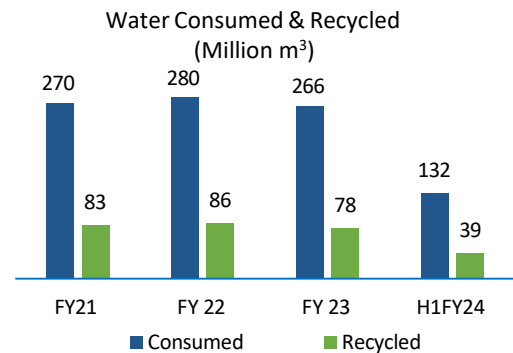
Aim 5: Achieving net water positivity by 2030

Recognizing the critical importance of water in the regions where our operations are situated, our commitment to responsible water management extends beyond mere efficiency measures. In water-stressed areas, we maintain an unwavering focus on optimizing water use while actively contributing to the replenishment of local water resources.

- BALCO has renovated 10 farm ponds and 1 community pond, which benefit 82 farmers directly and increase recharge potential and water holding capacity by 11,000+ m³.
- Cairn site recycling the DM & RO reject by taking into

feed for RO pass, which has reduced the consumption of 160,000 KL of water per annum

- HZL, Zawar mines inaugurated 4,000 KLD Zero Liquid Discharge Plant Phase 1 in collaboration with Ion Exchange (India) Ltd.
- Vedanta, Jharsuguda has successfully completed restoration of 9 community ponds with a water recharge potential of 100,000 KL of water.



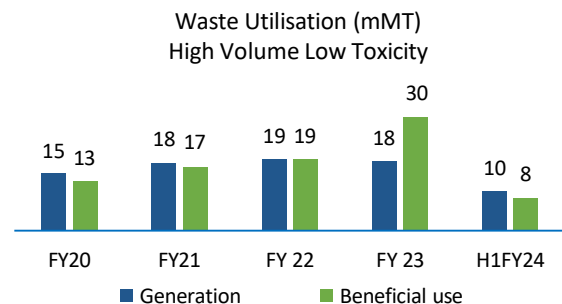
Aim 6: Innovations for greener business model

Biodiversity Policy has been revised to incorporate elements of nature-based risk. Work has been completed by an external expert agency on biodiversity assessment and associated risks, with an aspiration to achieve no net loss or net positive impact. A newly launched global biodiversity assessment metric tool (STAR – Species Threat Abatement and Restoration) has been used to evaluate Vedanta’s risk to biodiversity. This quantification will help us design our biodiversity management plans that will help reduce species-extinction risk across the world.

Waste management:

Waste management is material to Vedanta’s operations and we are committed to use innovation and develop circular economy centric solutions to responsibly manage our waste. The waste Community of Practice promotes various waste-to-wealth practices and ensure simultaneous implementation of good practices across all sites.

- 89% of the total fly-ash generated was utilized.
- Jarofix utilization stood at 207%
- Overall high volume low toxicity waste utilization remained at 82%



Biodiversity management:

We are currently evaluating Vedanta’s Biodiversity Framework to ensure its alignment with the latest developments in Global Change as discussed at COP 27-2022 United Nations Climate Change Conference and COP 15- United Nations Biodiversity Conference. Our activities in 1H FY2024 have been centred around several crucial tasks, including the completion of a Biodiversity Assessment of Vedanta’s 30 sites by an expert agency. This assessment will provide us with a roadmap for establishing No Net Loss (NNL) and/or Net Positive Impact (NPI) measures at the asset level. Moving forward, we will continue to prioritize these efforts.

- Hindustan Zinc has selected for their Readiness and Applicability, to set the first science-based targets for nature as part of the SBTN (Science Based Targets for Nature) Initial Target Validation.
- Around 450,000 trees have been planted across Vedanta in the quarter, out of total planned plantation of target of 1 million trees this year.

Pillar 3: Transforming the workforce

Aim 7: Prioritizing safety and health of all employees

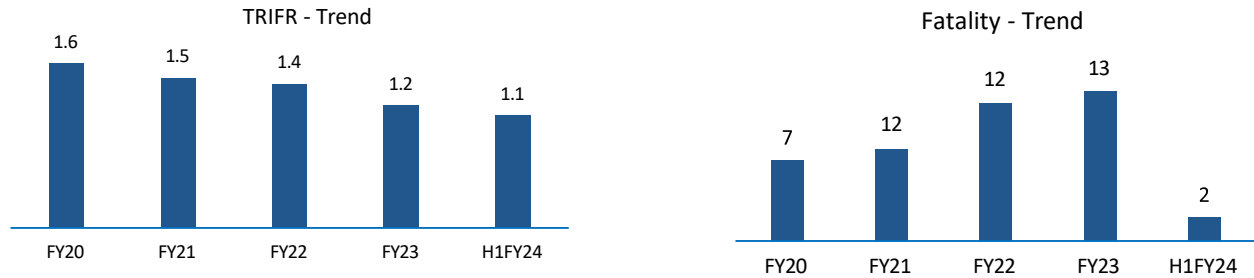
We are saddened to report the loss-of-life of two business-partner employees through burn injuries sustained in a single incident at FACOR in Q1.

The Incident has been investigated by a team of senior leaders who were nominated by the Group Exco. Findings from the investigation (ICAM Methodology) have been finalised and shared with all Vedanta sites to ensure horizontal deployment. Additionally, a dedicated team was deployed on the site for a Pre-Startup-Safety-Review before the restarting the furnace.

We are driving Zero Fatality initiatives across our operations and are working on following initiatives to improve our safety culture and performance:

- Critical Risk Management (CRM) Program across Vedanta sites: Design workshops for nine critical risks has been completed. As part of the program, controls for all nine risks have been launched across Vedanta. A team of external safety experts from Dupont have visited Balco, Lanjigarh, HZL-RDC, Cairn, ESL, VZI, VAL-J, VAB for capacity building and handholding on CRM principles.
- Infrastructure and Engineering Control Recommendation: Infrastructure Matrix for 4 critical risks i.e. Vehicle Pedestrian interaction, Entanglement, Contact with Electricity, Uncontrolled Release of Energy have been launched to ensure our sites are inherently safe. Vedanta-wide Management-In-Place has been established for timely completion of the exercise in a phased manner.
- Safety Webinars: Nine knowledge sharing webinars have been conducted by internal Subject Matter Experts (SMEs) covering topics identified as high-risk such as furnace eruption & electrical safety.
- Digitalization of HSE - V-Unified: Vedanta has implemented a unified and standardized reporting platform to enhance transparency on multiple aspects of HSE/ESG (including safety), which will in turn enable better decision-making, in our efforts to become a “ZERO HARM” organization. The following modules of the platform have been launched:
 - Incident Management
 - Observation Management
 - Process Hazard Analysis
 - Audit and Inspection Management
 - Management of Change
 - Data Management

Safety Statistics across Vedanta



Aim 8: Promoting diversity and inclusion at workplace

We are committed to promoting diversity in all forms at the workplace and by 1H FY2024, we have inducted 38 members from the transgender community into Vedanta’s workforce. Further, we are also committed to monetarily assisting members from the transgender community as they undergo medical procedures and providing them with month-long paid leave.

We are also continuously progressing on improving the gender-diversity of our decision-making-bodies. As of 1H FY2024, gender-diversity numbers are:

	% Female
Overall (Target 22%)	19%
Technical (STEM) Functions (Target 10%)	14%
Enabling Functions (Target 14%)	33%
Decision-making bodies (Target 18%)	10%

Aim 9: Adhere to global business standards of corporate governance

FY2023 Integrated report, Sustainability report and TCFD report (as per GRI standard and in alignment with BRSR format) have been released and have covered 136 disclosures, spread across multiple archetypes.

Our continuous focus on ESG coupled with increased reporting, and disclosures has led to improved ESG ratings; Vedanta Limited has entered in the exclusive club of top S&P Global Corporate Sustainability Assessment benchmarked (formerly known as Dow Jones Sustainability Index) global metals and mining companies; with a score of 81 which is higher than the global peers in metal & mining industry. We continue to work towards becoming the global best in ESG performance.

Business Updates

Zinc India

- **Environment**
 - Hindustan Zinc Collaborated with Inland EV Green Services Pvt Ltd (Enviiro Wheels) deploying 10 Electric Vehicles (EV) Trucks for green logistics, each with a 55-ton capacity.

- HZL team, in partnership with M/S Caterpillar, conceptualized world's first battery powered AC in underground mining vehicles. This reduced diesel dependency in these vehicles, making it a green ventilation process.
- **Safety**
 - Hindustan Zinc trained India's 1st ever all women mining rescue team to ensure utmost safety maintenance in mining operations. This initiative is one-of-its kind, aligning with the company's Sustainability Development Goals aimed at ensuring Zero Harm in operations.
 - HZL developed India's first spiral staircase emergency escape route, located 708 meters below the earth's surface reducing the average time of climbing from 30 minutes to 5-10 minutes.
- **Community**
 - Chanderiya Lead Zinc Smelter (CLZS) team laid an 8.5 km pipeline from abandoned Banasti Mines to Ghosunda Dam which will supply 10 MLD drinking water everyday for the citizens of Chittorgarh ensuring access to clean drinking water for the community.

Vedanta Aluminium Business

- **Environment**
 - Jharsuguda Aluminium achieved the full operationalization of the Jamkhani Coal Mine in Odisha. As Vedanta's first-ever greenfield coal mine, it will help drive greater fuel security for the Aluminium Business.
 - Vedanta Jharsuguda establishing a Material Recovery Facility (MRF) at its premises. It will help convert the waste into usable materials such as bio-manure for further utilization. The MRF will cater to approximately 3000 kgs/day of dry waste, 3000 kgs/day of horticulture waste, and 500 kg/day of food waste, eliminating around 5140 kg of CO₂ equivalent/day.
 - Vedanta Jharsuguda, Odisha has been awarded the Aluminium Stewardship Initiative's Performance Standard V2 (2017) Certification. The first-ever aluminium smelter in India to be ASI-certified, and among the few in the world to be ASI-certified for production of low carbon green aluminium.
 - BALCO has recently procured 60,510 Renewable Energy Certificates (RECs), making us India's first company to bilaterally procure them. RECs are market-based instruments which certify that the bearer owns 1 megawatt hour (MWh) of electricity generated from a renewable source.
 - BALCO was recently awarded the 'PAT Top Performer' award for its efforts towards energy conservation. The award was presented by Hon'ble Minister for Power, New & Renewable Energy Shri R. K Singh, recognizing BALCO as a Top Performer for the Aluminium Sector in PA/T Cycle-2, under the National Mission for Enhanced Energy Efficiency.
 - Jharsuguda Aluminium achieved a milestone in long-term power delivery agreements, by sourcing over 1335 MW of renewable energy. The initiative is expected to result in a reduction of greenhouse gas (GHG) emissions of ~3.2 million tCO₂e per year.

- **Safety**
 - In line with our keen focus on a Zero Harm workplace, Vedanta Jharsuguda has launched a critical risk management workshop – Vihaan - to increase awareness about safety protocols.
- **Community**
 - Jharsuguda Aluminium rolls out 'Project Panchhi' at its operations in Lanjigarh. Project Panchhi aims to support 1000 girls from underserved communities across India.
 - Vedanta Jharsuguda recruited seven transgender professionals into its security team, where they will help secure the operations.
 - BALCO celebrated International Women's Day with the theme 'Embrace Equity' through 'Unnati Utsav' event. Over 500 women from different Self-Help Groups (SHGs) were felicitated for outstanding work in state and national-level CSR schemes. across operations.
 - BALCO celebrated the occasion of International Women's Day with the inauguration of SHG Sanitary Pad Manufacturing Micro Enterprise "UnNaree". This is a leap towards ensuring good reproductive health and making our SHG women socially & economically empowered, while aiding the environment with Oxo degradable sanitary napkins.

TSPL

- **Environment**
 - TSPL received the Winners Award for being The Best Energy Efficient Unit (Private Sector) in IPP Coal above 500MW category by Council of Enviro Excellence.
 - TSPL developed 'Baba Labhdas Miyawaki mini forest' consisting of over 5000 saplings from 51 diverse flora species covering 1600 sqm of land at Mansa, Punjab.
- **Safety**
 - Comprehensive safety training was organized around Personal Protective Equipment for all employees and contract workers of TSPL and Meenakshi Energy.
- **Community**
 - TSPL continued its sustainable farming initiative "Navi Disha" where the local farmers embrace green farming, cultivating a future where environmental preservation and agricultural prosperity coalesce seamlessly also refraining from stubble burning.

ESL

- **Environment**
 - Waste to wealth digital park inaugurated at ESL
- **Health & Safety**
 - ESL CSR team conducted awareness program on World Mental Health Day
- **Community**
 - ESL organized project Arogya a mega healthcare camp

FACOR

- **Environment**
 - Awareness session on Hazardous waste management and general waste management was conducted. The session covered systematic handling, storage, treatment and disposal of hazardous wastes with its adverse impact on human health and environment.
- **Health & Safety**
 - FACOR observed World Menstrual Hygiene Day on 28th May 2023, with the theme of “Making Menstruation a Normal Fact of Life by 2030”.
- **Community**
 - FACOR Organized and participated in a Blood Donation Camp to support local blood banks for further aiding the relief efforts towards the tragic Balasore Train accident.
 - FACOR Won Great Place to Work Award

Cairn

- **Environment**
 - Cairn undertook project “Unnati”, a project with an objective to ensure enough water for farmers to irrigate, support livestock and recharge groundwater, 34 Nadis (farm ponds) have sprung to life with 56 Rainwater Harvesting Structures already completed.
- **Health & Safety**
 - Cairn’s RJ-North business unit was conferred with the prestigious Platinum Award in the Mining sector by Federation of Indian Chambers of Commerce & Industry (FICCI).
 - Cairn launched its own metaverse environment “Cairnverse” with an objective of familiarization and adaptation of the latest technology.
- **Community**
 - To conquer the challenges posed by the 'Surra' disease in camels. Cairn along with The Animal Care Organization (TACO) provided free consultations, treatments, and vaccinations for the camels.

RISK AND UNCERTAINTIES SECTION

Vedanta is one of the world's leading natural resources companies with interests in zinc-lead-silver, oil & gas, aluminium, power, iron ore, steel and copper, operating across India, South Africa and Namibia. Vedanta operates across the value chain, undertaking exploration, asset development, extraction, processing, and value addition. We are leaders in most of the segments we operate in, playing a key role in enabling resource sufficiency at scale. We believe that large-scale environment conservation and community empowerment make our business intrinsically strong and future ready.

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 risks at the individual business level for existing operations as well as for ongoing 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, changes in the nature and extent of major risks since the last assessment, control measures and further action plans. These meetings are chaired 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 Executive Director, Group Chief Financial Officer, and Director - Management Assurance. The Group Head - Health, Safety, Environment & Sustainability is invited to attend these meetings. The committee 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 of Executive Directors and an Independent Director 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.

In addition to the above, there are various group level ManCom such as Commercial ManCom, Finance ManCom, Sustainability - HSE / ESG 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:

- Access to capital
- Decarbonization and climate change
- Health, safety and environment
- Managing relationship with stakeholders
- Fluctuation in commodity prices (including oil) and currency exchange rates
- Tailings dam stability
- Shortfall in achievement of expansion projects stated objectives
- Major project delivery
- Reputation risk - market / public perception
- Challenges in ensuring envisaged returns in TSPL
- Regulatory and legal risk
- Tax related matters
- Cairn related challenges
- Discovery risk
- Operational Performance & Asset Integrity - Reliability, Productivity, Predictability
- Breaches in IT / cybersecurity
- Talent Management and Industrial Labour Relations
- Resource Nationalism / Transparency (regulatory scanner on resource companies)
- Loss of assets or profit due to natural calamities and manmade disaster
- Disruptions due to innovation / digitization
- 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

A R Narayanaswamy
(Director)

Deepak Kumar
(Company Secretary)



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Financial Statements for the Period Ended 30 September 2023

Vedanta Resources Limited
Interim results for the Six months ended 30 September 2023

CONDENSED CONSOLIDATED INCOME STATEMENT

(US\$ million)

	Note	Six months ended 30 September 2023 (Unaudited)			Six months ended 30 September 2022 (Unaudited)		
		Before Special items	Special items (Note 5)	Total	Before Special items	Special items (Note 5)	Total
Revenue		8,722	-	8,722	9,523	85	9,608
Cost of sales		(6,529)	-	(6,529)	(7,342)	(148)	(7,490)
Gross profit		2,193	-	2,193	2,181	(63)	2,118
Other operating income		109	-	109	130	-	130
Distribution costs		(234)	-	(234)	(238)	-	(238)
Administrative expenses		(288)	-	(288)	(247)	-	(247)
Impairment reversal		-	151	151	-	96	96
Operating profit		1,780	151	1,931	1,826	33	1,859
Investment revenue		92	-	92	99	-	99
Finance costs		(870)	-	(870)	(749)	-	(749)
Other gains and (losses) [net]	6	(31)	-	(31)	(80)	-	(80)
Profit before taxation (a)		971	151	1,122	1,096	33	1,129
Net tax (expense)/credit (b)	7	(441)	(824)	(1,265)	(491)	20	(471)
(Loss)/ Profit for the period (a+b)		530	(673)	(143)	605	53	658
Attributable to:							
Equity holders of the parent		149	(429)	(280)	117	37	154
Non-controlling interests		381	(244)	137	488	16	504
(Loss)/ Profit for the period		530	(673)	(143)	605	53	658

Sensitivity: Internal (C3)

Sensitivity: Public (C4)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<i>(US\$ million)</i>	
	Six months ended 30 September 2023 (Unaudited)	Six months ended 30 September 2022 (Unaudited)
(Loss)/ Profit for the period	(143)	658
Items that will not be reclassified subsequently to income statement:		
Remeasurement of net defined benefit plans	(5)	1
Tax effects on net defined benefit plans	2	0
Gain/ (loss) on fair value of financial asset equity investment	1	(4)
Total (a)	(2)	(3)
Items that may be reclassified subsequently to income statement:		
Exchange differences arising on translation of foreign operations	(58)	(594)
Gain on cash flow hedges	(6)	246
Tax effects arising on cash flow hedges	2	(79)
Gain/ (loss) on cash flow hedges recycled to income statement	(14)	(144)
Tax effects arising on cash flow hedges recycled to income statement	3	51
Gain/ (loss) on fair value of financial asset debt investment	-	(2)
Total (b)	(73)	(522)
Other comprehensive (loss) for the period (a+b)	(75)	(525)
Total comprehensive (loss)/ income for the period	(218)	133
Attributable to:		
Equity holders of the parent	(314)	(93)
Non-controlling interests	96	226
Total comprehensive (loss)/ income for the period	(218)	133

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(US\$ million)

	Note	As at 30 September 2023 (Unaudited)	As at 31 March 2023 (Audited)*
Assets			
Non-current assets			
Goodwill		12	12
Intangible assets		60	64
Property, plant and equipment		13,088	12,786
Exploration and evaluation assets		287	284
Financial asset investments		86	63
Non-current tax assets		453	382
Other non-current assets		1,476	1,680
Deferred tax assets		489	1,095
		15,951	16,366
Current assets			
Inventories		1,698	1,830
Trade and other receivables		2,609	2,279
Financial instruments (derivatives)		22	26
Current tax assets		79	45
Short-term investments		1,690	1,728
Cash and cash equivalents		454	1,037
		6,552	6,945
Total assets		22,503	23,311
Liabilities			
Current liabilities			
Borrowings		5,066	5,809
Operational buyer's credit/supplier's credit		1,874	1,667
Trade and other payables		4,685	5,513
Financial instruments (derivatives)		32	23
Retirement benefits		11	8
Provisions		36	38
Current tax liabilities		264	72
		11,968	13,130
Net current liabilities		(5,416)	(6,185)
Non-current liabilities			
Borrowings		9,604	9,549
Trade and other payables		234	219
Financial instruments (derivatives)		1	2
Deferred tax liabilities		1,255	866
Retirement benefits		30	27
Provisions		388	390
		11,512	11,053
Total liabilities		23,480	24,183
Net assets		(977)	(872)
Equity			
Share capital		29	29
Hedging reserve		(98)	(90)
Other reserves		(776)	(750)
Retained earnings		(2,492)	(2,537)
Equity attributable to equity holders of the parent		(3,337)	(3,348)
Non-controlling interests		2,360	2,476
Total equity		(977)	(872)

Restated. Refer note 1 (3)(b)(ii).

Interim Condensed Financial Statements of Vedanta Resources Limited with registration number 4740415 were approved by the Board of Directors on 14 December 2023 and signed on their behalf by

A R Narayanaswamy
(Director)

Deepak Kumar
(Company Secretary)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	(US\$ million)	
	Six months ended 30 September 2023 (Unaudited)	Six months ended 30 September 2022 (Unaudited)
Cash flows from operating activities		
Profit before taxation	1,122	1,128
Adjustments for:		
Depreciation and amortisation	616	650
Investment revenue	(92)	(99)
Finance costs	870	749
Other (gains) and losses (net)	31	80
Loss/ (Profit) on disposal of property, plant and equipment	2	(1)
Write-off of unsuccessful exploration costs	66	13
Share-based payment charge	7	6
Expected credit loss	27	20
Liabilities written back	(10)	(24)
Impairment reversal (net)	(151)	(104)
Operating cash flows before movements in working capital	2,488	2,418
Decrease/ (Increase) in inventories	89	(239)
Decrease/ (Increase) in receivables	498	(452)
(Decrease)/ Increase in payables	(1,064)	703
Cash generated from operations	2,011	2,430
Dividend received	3	0
Interest received	77	98
Interest paid	(902)	(708)
Income taxes paid (net of refunds)	(86)	(300)
Dividends paid	-	(11)
Net cash inflow from operating activities	1,103	1,509
Cash flows from investing activities		
Purchases of property, plant and equipment, intangibles, exploration and evaluation assets	(946)	(1,006)
Proceeds on disposal of property, plant and equipment, intangibles, exploration and evaluation assets	6	7
Proceeds from redemption of short-term investments	4,523	7,801
Purchases of short-term investments	(4,473)	(7,390)
Purchase of long-term investments	(23)	(16)
Proceeds from sale of stake in subsidiary	700	-
Net cash used in investing activities	(213)	(604)
Cash flows from financing activities		
Payment for acquiring non-controlling interest	-	(2)
Dividends paid to non-controlling interests of subsidiaries	(693)	(1,125)
Proceeds from working capital loan (net)	4	96
Proceeds from other short-term borrowings	1,222	862
Repayment of other short-term borrowings	(1,761)	(745)
Proceeds from long-term borrowings	2,843	2,562
Repayment of long-term borrowings	(2,908)	(2,834)
Refund of dividend distribution tax	-	11
Payment of lease liabilities	(11)	(8)
Net cash used in financing activities	(1,304)	(1,183)
Net decrease in cash and cash equivalents	(414)	(278)
Effect of foreign exchange rate changes	(9)	(67)
Cash and cash equivalents at beginning of the period	858	1,266
Cash and cash equivalents at end of the period	435	921

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Six months ended 30 September 2023 (Unaudited)

(US\$ million)

	Attributable to equity holders of the parent					Non-controlling Interests	Total equity
	Share capital	Hedging reserve	Other reserves ¹	Retained earnings	Total		
Balance as at 1 April 2023	29	(90)	(750)	(2,537)	(3,348)	2,476	(872)
Loss for the period	-	-	-	(280)	(280)	137	(143)
Other comprehensive loss for the period	-	(8)	(26)	-	(34)	(41)	(75)
Total comprehensive loss for the period	-	(8)	(26)	(280)	(314)	96	(218)
Dividend paid	-	-	-	-	-	(391)	(391)
Sale of stake in subsidiary ²	-	-	-	319	319	184	503
Change in fair value of put option liability/conversion option asset/derecognition of non-controlling interest	-	-	-	6	6	(7)	(1)
Exercise of stock options of subsidiary	-	-	-	-	-	2	2
Balance as at 30 September 2023	29	(98)	(776)	(2,492)	(3,337)	2,360	(977)

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's subsidiaries.
2. During the current period ended 30 September 2023, VRL, through its subsidiary Vedanta Netherlands Investment B.V. (VNIB) and Twinstar Holdings Limited (TSH) reduced its shareholding from 5,014,714 to 1,514,714 and from 1,724,805,858 to 1,564,805,858 equity shares of Vedanta Limited ("VEDL") respectively thereby decreasing its overall stake from 68.10% to 63.71% of the total paid-up share capital of VEDL.

For the year ended 31 March 2023

(US\$ million)

Attributable to equity holders of the parent

	Share capital	Hedging reserve	Other reserves ¹	Retained earnings	Total	Non-controlling Interests	Total equity
At 01 April 2022	29	(88)	(456)	(2,598)	(3,113)	4,648	1,535
Profit/ (Loss) for the year	-	-	-	(5)	(5)	843	838
Other comprehensive income/ (loss) for the year	-	(2)	(294)	-	(296)	(324)	(620)
Total comprehensive income/ (loss) for the year	-	(2)	(294)	(5)	(301)	519	218
Dividends paid/ payable	-	-	-	(18)	(18)	(2,825)	(2,843)
Exercise of stock options of subsidiary	-	-	-	7	7	8	15
Acquisition/sale of stake in Subsidiary ^{3,4}	-	-	-	63	63	137	200
Change in fair value of put option liability/conversion option asset/derecognition of non-controlling interest	-	-	-	7	7	(9)	(2)
Refund of Dividend Distribution Tax	-	-	-	7	7	3	10
Other changes in non-controlling interests ²	-	-	-	-	-	(5)	(5)
At 31 March 2023	29	(90)	(750)	(2,537)	(3,348)	2,476	(872)

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. During the previous year ended 31 March 2023, Ferro Alloys Corporation Limited (FACOR), wholly owned subsidiary of Vedanta Limited, acquired 20,000,000 shares in its subsidiary, Facor Power Limited (FPL), increasing its stake from 90% to 98.69%. On 21 November 2022, FPL amalgamated with Facor.
4. During the previous year ended 31 March 2023, VRL, through its subsidiary Vedanta Netherlands Investment B.V. (VNIB) reduced its shareholding from 63,514,714 shares to 5,014,714 equity shares of Vedanta Limited ("VEDL") thereby decreasing its overall stake from 69.68% to 68.10% of the total paid-up share capital of VEDL.

For the Six months ended 30 September 2022 (Unaudited)

(US\$ million)

	Attributable to equity holders of the parent						Non-controlling Interests	Total equity
	Share capital	Hedging reserve	Other reserves ¹	Retained earnings	Total			
Balance as at 1 April 2022	29	(88)	(456)	(2,598)	(3,113)	4,648	1,535	
Profit/(Loss) for the period	-	-	-	154	154	504	658	
Other comprehensive income/(loss) for the period	-	44	(291)	-	(247)	(278)	(525)	
Total comprehensive income/(loss) for the period	-	44	(291)	154	(93)	226	133	
Dividends paid/ payable (Note 9)	-	-	-	(13)	(13)	(1,125)	(1,138)	
Acquisition of stake in Subsidiary ³	-	-	-	(5)	(5)	7	2	
Exercise of stock options of subsidiary	-	-	-	0	0	1	1	
Change in fair value of put option liability/conversion option asset/derecognition of non-controlling interest	-	-	-	4	4	(8)	(4)	
Refund of Dividend Distribution Tax	-	-	-	8	8	3	11	
Other changes in non-controlling interests ²	-	-	-	-	-	2	2	
Balance as at 30 September 2022	29	(44)	(747)	(2,450)	(3,212)	3,754	542	

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.

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

3. During the six months ended 30 September 2022, Ferro Alloys Corporation Limited (FACOR), wholly owned subsidiary of Vedanta Limited, acquired 20,000,000 shares in its subsidiary, Facor Power Limited (FPL), increasing its stake from 90% to 98.69%.

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 13th Floor, One Angel Court, London, EC2R 7HJ. 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.

For further details on the Group’s various businesses, refer to the Group’s annual financial statements for the year ended 31 March 2023.

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 2023 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 2024 will be prepared in accordance with UK adopted International Financial Reporting Standards (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 2023, which were prepared in accordance with UK adopted IFRS in conformity with the requirements of Companies Act 2006. Certain financial information that is included in the audited annual financial statements but is not required for interim-reporting purposes has been condensed or omitted. 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 based on the statutory accounts for the financial year ended 31 March 2023. 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 XX.

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.

Prior to current period, the last going concern assessment carried out for the period ended 31 March 2023 was approved by the Board of Directors in Jun 2023. The Directors were confident that the Group will be able to operate within the levels of its current facilities for the foreseeable future, that the Group will be able to roll-over or obtain external financing as required and that prices will remain within their expected range.

While the mitigating actions as highlighted in the period ended 31 March 2023 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 a going concern;

Vedanta has raised new term loans for refinancing of US\$ 450 million

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 2025 ("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 31 March 2024.

The Directors of the Group are confident that the Group will be able to comply requisite covenants for the going concern period and will be able to execute mitigating actions as mentioned 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:

- Execution of an off-take agreement covering certain future production and amounting potentially to c. US\$ 1 billion. The Group is currently negotiating with a number of interested bidders for 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 2023, the Group had unutilised working capital facilities amounting to c. US\$ 1.0 billion and commercial papers in issue amounting to c. US\$ 0.1 billion. These facilities are not committed for the full duration of the going concern period to March 2025, 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.

- Access to buyer's/supplier's credit and customer advances: As at 30 September 2023, the Group had c. US\$ 1.9 billion of supplier's credit and c. US\$ 0.7 billion 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.

2(a) Accounting policies

The interim condensed consolidated financial statements are prepared using the same accounting policies and methods of computation as applied in the audited 31 March 2023 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 2023, 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. IFRS 17 Insurance Contracts;
2. Definition of Accounting Estimates - Amendments to IAS 8;
3. Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2;
4. Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12
5. International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12

Standards issued but not yet effective

The new and amended standards that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below:

New pronouncement	Effective date
Classification of Liabilities as Current or Non-current - Amendments to IAS 1	01 January 2024
Lease liability in a sale and lease back transactions - Amendments to IFRS 16	01 January 2024
Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7	01 January 2024
Non-Current Liabilities with Covenants - Amendments to IAS 1	01 January 2024

The amendments are not expected to have a material impact on the Group. The Group has not early adopted any amendments which has been notified but is not yet effective.

2(c) Foreign Exchange Rate

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

	Average rate for six months ended 30 September 2023	Average rate for six months ended 30 September 2022	As at 30 September 2023	As at 31 March 2023
Indian rupee	82.42	78.38	83.18	82.16

3(a) Significant Estimates:

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

The Group has carried forward tax losses and unabsorbed depreciation 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 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.

(ii) Copper operations in Tamil Nadu, India

Existing Plant:

The Group has a copper smelter plant in Tuticorin. The Group's application for renewal of Consent to Operate ("CTO") for the plant was rejected by the Tamil Nadu Pollution Control Board ("TNPCB") in April 2018. Subsequently, the Government of Tamil Nadu issued directions to close and seal the existing copper smelter plant permanently. The Principal Bench of National Green Tribunal ("NGT") ruled in favour of the Group but its order was set aside by the Supreme Court vide its judgment dated 18 February 2019, on the sole basis of maintainability. The Group had filed a writ petition before the Madras High Court challenging various orders passed against the Group. On 18 August 2020, the Madras High Court dismissed the writ petitions filed by the Group, which has been challenged by the Group in the Supreme Court.

The Interlocutory Applications filed by the Group seeking essential care and maintenance of the Plant and removal of materials from the plant premises were heard on 10 April 2023 where the Supreme Court allowed certain activities such as gypsum evacuation, operation of Secured Landfill (SLF) leachate sump pump, Bund rectification of SLF and green-belt maintenance. Progress on above activities is satisfactory. The SLP is now listed for hearing and final disposal.

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 2023 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 2026 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 2023 is US\$ 197 million (31 March 2023: US \$209 million).

Expansion Plant:

The Group was also in the process of expanding its capacities at an adjacent site ("Expansion Project"). The High Court of Madras, in a Public Interest Litigation, held that the application for renewal of the Environmental Clearance ("EC") for the Expansion Project shall be processed after a mandatory public hearing and in the interim, ordered the Company to cease construction and all other activities on the site with immediate effect. In the meanwhile, State Industries Promotion Corporation of Tamil Nadu ("SIPCOT") cancelled the land allotted for the Expansion Project, which was later stayed by the Madras High Court. Further, TNPCB issued an order directing the withdrawal of the Consent to Establish ("CTE") which was valid till 31 March 2023. The Group has also appealed this action before the TNPCB Appellate Authority and the matter is pending for adjudication and the matter is now being heard on merits. As per the Group's assessment, it is in compliance with the applicable regulations and hence there is no impact on the carrying value of the assets. Considering the delay in existing plant matter and delay in getting the required approval for expansion project, management considered to make provision for impairment for Expansion Project basis fair value less cost of disposal. The net carrying value of US\$ 2 million as at 30 September 2023 (31 March 2023: US\$ 2 million) approximates its recoverable value.

(iii) ESL- Consent to operate ("CTO")

ESL Steel Limited ("ESL"), had filed application for renewal of 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 JSPCB awaited response from the Ministry of Environment, Forests and Climate Change ('MoEFCC') over a 2012 show-cause notice. After a personal hearing towards the show cause notice, The MoEFCC revoked the Environment Clearance ("EC") on 20 September 2018. The 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. 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 Hon'ble Supreme Court, and on 22 September 2020, ESL was granted permission to run the plant till further orders.

The Forest Advisory Committee ("FAC") of the MoEFCC granted the Stage 1 clearance and the MoEFCC 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 by the EAC in its 41st meeting dated 29 and 30 July 2021. Vide letter dated 25 August 2021, the MoEFCC 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 which was issued by the MoEFCC for regularization of violation case on 07 July 2021. The Hon'ble Supreme Court vide order dated 09 December 2021 decided the matter by directing The MoEFCC to process the EC application of ESL as per the applicable law within a period of three months. The MoEFCC vide its letter dated 02 February 2022 has deferred the grant of EC till Forest Clearance ("FC") Stage-II is granted to ESL. ESL has submitted its reply against the MoEFCC letter vide letter dated 11 February 2022 for reconsidering the decision of linking EC with FC as the grant of FC Stage – II is not a condition precedent for grant of EC. As per Stage 1 clearance, the Group is required to provide non-forest land in addition to the afforestation cost.

ESL has so far procured substantial portion of land for compensatory afforestation as required for obtaining Stage- II clearance. In the meantime, MoEFCC vide its letter dated June 05, 2023 has

revoked the Stage 1 clearance granted earlier against which ESL has made representation for reconsideration and grant of time for ensuring expeditious action for compliances as substantial progress have been made in identification and procurement of forest land. The State Government of Jharkhand has also submitted its request letter to MoEFCC to reconsider the Forest Clearance Stage 1 revocation decision.

The Group, based on the report of an Environment Impact Assessment consultant, had recognised a provision of US\$ 26 million as part of special item during the year ended 31 March 2021 with respect to the costs to be incurred by it for obtaining EC and additional US\$ 1 million has been provided against final order relating to wildlife conservation plan received during the year ended 31 March 2022. Management believes no further provision is required.

(iv) Climate Change

The Group aims to achieve net carbon neutrality by 2050 and has outlined its climate risk assessment and opportunities in the ESG strategy. Climate change may have various impacts on the Group in the medium to long term. These impacts include the risks and opportunities related to the demand of products and services, impact due to transition to a low-carbon economy, disruption to the supply chain, risk of physical harm to the assets due to extreme weather conditions, regulatory changes etc. The accounting related measurement and disclosure items that are most impacted by our commitments, and climate change risk more generally, relate to those areas of the financial statements that are prepared under the historical cost convention and are subject to estimation uncertainties in the medium to long term.

The potential effects of climate change may be on assets and liabilities that are measured based on an estimate of future cash flows. The main ways in which potential climate change impacts have been considered in the preparation of the financial statements, pertain to (a) inclusion of capex in cash flow projections, (b) recoverable amounts of existing assets and (c) review of estimates of useful lives of property, plant and equipment.

The Group's strategy consists of mitigation and adaptation measures. The Group is committed to reduce its carbon footprint by limiting its exposure to coal-based projects and reducing its GHG emissions through high impact initiatives such as investment in Renewable Energy, fuel switch, electrification of vehicles and mining fleet and energy efficiency opportunities. During the period ended 30 September 2023, work has progressed towards the construction renewable power delivery agreements in accordance with the Board approved plan. Renewable sources have limitations in supplying round the clock power, so existing power plants would support transition and fleet replacement is part of normal lifecycle renewal. The group has also taken certain measures towards water management such as commissioning of sewage treatment plants, rainwater harvesting, and reducing fresh water consumption. Collectively these measures have led to an increase of our water positivity to 0.7 (FY23: 0.63). These initiatives are aligned with the group's ESG strategy and no material changes were identified to the financial statements as a result.

As the Group's assessment of the potential impacts of climate change and the transition to a low-carbon economy continues to mature, any future changes in Group's climate change strategy, changes in environmental laws and regulations and global decarbonisation measures may impact the Group's significant judgments and key estimates and result in changes to financial statements and carrying values of certain assets and liabilities in future reporting periods. However, as of the balance sheet date, the Group believes that there is no material impact on carrying values of its assets or liabilities.

3(b) Discontinued operations and acquisitions

(i) 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 the designated authority for 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.

Proceedings in 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 2022, On 07 September 2022, Vedanta Resources Limited ("VRL"), Vedanta Resources Holdings Limited ("VRHL"), ZCCM and the Official Receiver (who is currently acting as KCM's PL) entered into a further legal and arbitration proceedings suspension agreement for an initial period of 6 months. The arbitration hearing which was to commence on 09 January 2023 has been vacated.

A court date for the hearing of the judicial review application, as to whether a vacancy in the office of the Provisional Liquidator can automatically be filed by the Official Receiver without the requisite Court Order, has not yet been allocated. In light of the further legal and arbitration proceedings suspension agreement that was entered into on 07 September 2022, the judicial review application with regards to the Official Receiver will only resume if settlement talks between the parties fail.

KCM has recently instituted legal proceedings against the PL and his legal firm in the High Court of Zambia in which KCM aims to recover monies improperly drawn by the PL from KCM's accounts and damages for the PL's breach of fiduciary and statutory duties vis-à-vis KCM.

VRL, VRHL, ZCCM, the Official Receiver and KCM entered into an Extension and Amendment to the Legal Suspension Agreement on 14 February 2023, whereby the Parties agreed to an Additional Postponement Period in the suspension of legal proceedings up to 31 March 2023. The Legal Suspension Agreement has post 31 March 2023, been extended multiple times.

On 06 November 2023, the parties have signed a new shareholder agreement for KCM as well as an Implementation Agreement that sets out the terms for VRHL's re-entry and new investment into KCM.

The next steps include finalisation and execution of various ancillary agreements and filing necessary documents to launch the Creditor Scheme of Arrangement in the High Court of Zambia. The Parties have agreed that the creditor scheme should be sanctioned by the High Court of Zambia within 3 months of the Signature Date of the Implementation Agreement or such other date as may be agreed in writing between the parties. Once the creditor scheme has been approved by the Court, the provisional liquidator shall be removed and the Board of KCM shall be re-instated.

At the date of approval of these financial statements, the PL remains in office and the Petition remains stayed. The date on which KCM Board is re-instated shall be the date which can be considered of VRHL getting back effective control of KCM.

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, subject to impairment.

The Group has total exposure of US\$ 1,887 million (31 March 2023: 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 impairment assessment on 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 2023. During the period ended 30 September 2023, the Company is not having physical access to the plant in the current period and control is not established over KCM. Once the Company gains control over KCM, the management will be performing fresh R&R assessment, capex assessment for restart/ramp up, due diligence and other key activities which cannot be performed currently. During the period ended 30 September 2023, since there is no significant change in assumptions management believe that the fair valuation as at 31 March 2023 still holds good and no change in carrying value is required as at 30 September 2023 from the previous year carrying value of USD 682 million. Therefore, carrying value as at 30 September 2023 remain unchanged at US\$ 682 million (31 March 2023: US\$ 682 million).

Profit/(loss) from discontinued operations is Nil for the six-month periods ended 30 September 2023 and 30 September 2022.

(ii) Athena Chhattisgarh Power Limited

On 21 July 2022, Vedanta Limited acquired Athena Chhattisgarh Power Limited ("ACPL"), an unrelated party, under the liquidation proceedings of the Insolvency and Bankruptcy Code, 2016, for a consideration of US\$ 69 million, subject to approval by the National Company Law Tribunal ("NCLT"). ACPL is building a 1,200 MW coal-based power plant located in India. The plant is expected to meet the power requirements for the Vedanta's aluminium business.

Vedanta Limited filed a resolution application with the NCLT in July 2022 and further amended the application in November 2022 praying for merger of ACPL with Vedanta Limited. Vedanta Limited also sought various reliefs from certain legal and regulatory provisions as part of these applications. Pending receipt of NCLT approval, Vedanta Limited had recorded the above transaction as an acquisition of property, plant and equipment at the purchase consideration paid during the year ended 31 March 2023.

The NCLT approved the Vedanta's resolution application with an appointed date of 21 July 2022 ("appointed date"), in its July 2023 order ("NCLT Order"). In accordance with applicable standards, the Group has restated its financial statements as at and for the year ended 31 March 2023 to record this merger.

Consequent to the implementation of the merger, the carrying values of deferred tax assets (MAT credit) in the consolidated balance sheet as at 31 March 2023 was lower by US\$ 173 million with a corresponding reduction in income tax liabilities by US\$ 119 million and an increase in income tax assets by US\$ 54 million, on account of the lower MAT charge. These restated balances of 31 March 2023 have been carried to FY 2023-24.

(iii) Meenakshi Energy Limited

Meenakshi Energy Limited ("Meenakshi") is a 1,000 MW coal-based power plant located in India. NCLT vide its order dated 10 August 2023 has granted its approval for the Resolution Plan as submitted by Vedanta Limited for acquisition of Meenakshi under Corporate Insolvency Resolution Process in accordance with the provisions of Insolvency and Bankruptcy Code (IBC), 2016 for a total consideration of US\$ 173 million. Pursuant to the approval of Resolution Plan, Vedanta Limited commenced the implementation of the approved Resolution Plan and subsequently on 10 October 2023, Vedanta has made a payment of upfront consideration of US\$ 38 million through inter-corporate loan. Further, on 16 October 2023, zero coupon, secured,

unlisted non-convertible debentures ("NCDs") of aggregate face value of US\$ 135 million have been issued by Meenakshi to its financial creditors, redeemable in 5 equal annual instalments starting from 16 October 2025. The perfection of security and filing of creation of charges with Registrar of Companies in relation to the NCDs is currently ongoing, post which the control of Meenakshi shall be transferred to Vedanta Limited. The acquisition shall enhance the Group's power portfolio.

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, ferro alloys, steel, cement, and commercial power and has 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.

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

- Zinc- India (comprises zinc and lead India)
- Zinc-International
- Oil & Gas
- Iron Ore
- Copper-India/Australia
- Aluminium
- Power

'Others' segment mainly comprises port/berth, steel, glass substrate, ferro alloys and cement 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 Earnings Before Interest, Taxes, Depreciation, and Amortization ("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 2023 and 30 September 2022 and certain asset and liability information regarding the Group's reportable segments as at 30 September 2023 and year ended 31 March 2023. Items after operating profit are not allocated by segment.

Vedanta Resources Limited
Interim results for the Six months ended 30 September 2023

(a) Reportable segments

For the Six months ended 30 September 2023

(US\$ million)

	Zinc- Zinc-India	Oil International	Iron and gas	Copper-India/ Ore	Australia	Aluminium	Power	Others	Elimination	Total operations
REVENUE										
Sales to external customers	1,652	265	1,345	490	1,133	2,891	389	557	-	8,722
Inter-segment sales	-	-	-	10	-	4	-	34	(48)	-
Segment revenue	1,652	265	1,345	500	1,133	2,895	389	591	(48)	8,722
Segment Result										
EBITDA ⁽¹⁾	775	69	851	58	(13)	459	65	196	-	2,460
Depreciation and amortisation ⁽²⁾	188	29	158	17	12	139	33	38	-	614
Other expense	-	-	66*	-	-	-	-	-	-	66
Operating profit / (loss) before special items	587	40	627	41	(25)	320	32	158	-	1,780
Investment revenue										92
Finance costs										(870)
Other gains and (losses) [net]										(31)
Special items (Refer Note 5)										151
Profit before tax										1,122
Segment assets	2,575	845	3,484	632	688	7,069	1,728	1,291	-	18,312
Financial asset investments										86
Deferred tax assets										489
Short-term investments										1,690
Cash and cash equivalents										454
Tax assets										532
Others										940
TOTAL ASSETS										22,503
Segment liabilities	712	147	1,760	314	854	2,500	255	479	-	7,021
Borrowings										14,670
Current tax liabilities										264
Deferred tax liabilities										1,255
Others										270
TOTAL LIABILITIES										23,480
Other segment information										
Impairment charge/(reversal) (Refer note 5)	-	-	(157)	6	-	-	-	-	-	(151)

*Exploration costs written off

Vedanta Resources Limited
Interim results for the Six months ended 30 September 2023

For the Six months ended 30 September 2022

	(US\$ Million)									
	Zinc- India	Zinc- International	Oil and gas	Iron Ore	Copper-India/ Australia	Aluminium ⁽⁶⁾	Power ⁽⁶⁾	Others	Elimination	Total operations
REVENUE										
Sales to external customers	2,201	370	1,015	330	1,049	3,606	434	518	-	9,523
Inter-segment sales	-	-	-	35	-	3	24	6	(68)	-
Segment revenue	2,201	370	1,015	365	1,049	3,609	458	524	(68)	9,523
Segment Result										
EBITDA ⁽¹⁾	1,221	150	525	74	(4)	365	30	126	-	2,487
Depreciation and amortisation ⁽²⁾	186	33	190	17	10	140	36	36	-	648
Other expense	-	-	13*	-	-	-	-	-	-	13
Operating profit / (loss) before special items	1,035	117	322	57	(14)	225	(6)	90	-	1,826
Investment revenue										99
Finance costs										(749)
Other gains and (losses) [net]										(80)
Special items (Refer Note 5)										33
Profit before tax										1,129

* Exploration costs written off

Vedanta Resources Limited
Interim results for the Six months ended 30 September 2023

Year ended 31 March 2023

(US\$ million)

	Zinc-India	Zinc- International	Oil and gas	Iron Ore	Copper- India/ Australia	Aluminium ⁽⁵⁾	Power ⁽⁵⁾	Others	Elimination	Total operations
Segment assets	2,617	833	2,896	679	610	6,947	1,875	1,323	-	17,780
Financial asset investments										63
Deferred tax assets*										1,095
Short-term investments										1,728
Cash and cash equivalents										1,037
Tax assets*										427
Others										1,181
TOTAL ASSETS										23,311
Segment liabilities	625	131	1,809	312	632	2,867	248	445	-	7,069
Borrowings										15,358
Current tax liabilities*										72
Deferred tax liabilities										866
Others										818
TOTAL LIABILITIES										24,183
Other segment information										
Additions to property, plant and equipment, exploration and evaluation assets and intangible assets	475	158	433	70	18	708	74	182	-	2,121
Impairment charge/(reversal) ⁽⁶⁾	-	-	157	(82)	-	-	-	(14)	-	61

*Restated. Refer note 1 (3)(b)(ii).

(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) Included under special items

(4) Additions to property, plant and equipment, exploration and evaluation assets and intangible assets includes US\$ 3 million not allocated to any segment.

(5) Pursuant to conversion of one of the 300 MW Captive Power Plant ("CPP") unit to Independent Power Plant ("IPP") with effect from 01 April 2023, and considering the usability of units interchangeably as IPP or CPP based on the annual declaration to Chief Electricity Inspector and the annual consumption criteria as per the Electricity Act, 2003 and the Electricity Rules, 2005, the Chief Operating Decision Maker (CODM) has decided to review the operating results of aluminium and power segments together in a combined manner for one of its subsidiaries, Bharat Aluminium Company Limited ("BALCO"). Consequently, with effect from 01 April 2023, these have been reported as a single Operating Segment, i.e., "Aluminium Segment". Corresponding segment information of earlier periods i.e., external segment revenue of US\$ 3 million, inter-segment revenue of US\$ 3 million and EBITDA of US\$ 1 million for the six months ended 30 September 2022, and Segment assets of US\$ 12 million and Segment liabilities of US\$ 1 million as at 31 March 2023, have been restated accordingly in accordance with IFRS 8 "Operating Segments".

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Disaggregation of revenue

Below table summarises the disaggregated revenue from contracts with customers:

(US\$ million)

Particulars	Six months ended 30 September 2023 (Unaudited)	Six months ended 30 September 2022 (Unaudited)
Zinc metal	1,311	1,692
Lead metal	308	321
Silver metal and bars	327	280
Oil	1,153	851
Gas	166	177
Iron ore	267	89
Pig iron	271	252
Metallurgical coke	11	33
Copper products	1,104	1,039
Aluminium products	2,772	3,610
Power	286	328
Steel products	380	377
Ferro alloys	37	47
Others	296	228
Revenue from contracts with customers	8,689	9,324
Revenue from contingent rents	89	92
Gain/(loss) on provisionally priced contracts under IFRS 9	(56)	107
Total Revenue	8,722	9,523

5. Special items

(US\$ million)

	Six months ended 30 September 2023			Six months ended 30 September 2022		
	Special items	Tax effect	Special items after tax	Special items	Tax effect	Special items after tax
SAED on Oil and Gas business ¹	-	-	-	(63)	25	(38)
Gross profit special items	-	-	-	(63)	25	(38)
Impairment (charge)/reversal						
- oil & gas assets ²	157	(51)	106	-	-	-
- iron ore assets	(6)	1	(5)	-	-	-
- asset under construction	-	-	-	14	(5)	9
Reversal of previously recorded impairment of assets in Liberia on commencement of mining operations ³	-	-	-	82	-	82
Total impairment reversal/ (charge) (net)	151	(50)	101	96	(5)	91
Net tax expense on account of adoption of new tax rate ⁴	-	(774)	(774)			
Operating special items	151	(824)	(673)	33	20	53
Total of Special items	151	(824)	(673)	33	20	53

- The Government of India ("Gol") vide its notification dated 30 June 2022 levied Special Additional Excise Duty ("SAED") on production of crude oil, i.e., cess on windfall gain triggered by increase in crude oil prices which was effective from 01 July 2022. The consequential net impact of the said duty of US\$ 63 million was presented as an exceptional item (Revenue US\$ 85 million and Cost of sales US\$ 148 million) for the period ended 30 September 2022. SAED is continuing as levy like other duty of excise, that forms part of ordinary business of production of crude oil and hence, consequential impact of the said duty has been presented as an ordinary item in the six months ended 30 September 2023.
- Gol, acting through the Directorate General of Hydrocarbons (DGH), had raised demand up to 14 May 2020 for Government's additional share of Profit Oil, based on its computation of disallowance of cost incurred over retrospective re-allocation of certain common costs between Development Areas (DAs) of Rajasthan Block and certain other matters aggregating to US\$ 1,162 million and applicable interest thereon representing share of Vedanta Limited and its subsidiary. The Group had disputed the aforesaid demand. The Group has received the final partial arbitration award dated 22 August 2023 from Arbitration Tribunal, dismissing the Government's contention of additional Profit Petroleum in relation to allocation of common development costs across Development Areas and certain other matters in accordance with terms of the Production Sharing Contract for Rajasthan Block, while disallowing some matters. Further, Tribunal has decided that the Group is allowed to claim cost recovery of exploration cost for the purpose of computation of Profit Oil. Pursuant to the award, the Group has recognized a benefit of US\$ 578 million in revenue from operations and reversed previously recognized impairment in Property, Plant and Equipment of US\$ 157 million. The Group has adjusted the liability for the six months ended 30 September 2023 of US\$ 127 million against the aforesaid benefits recognized per the Arbitration award. DGH has responded vide letter dated 19 October 2023 ("DGH Letter") to withhold such adjustment in light of Gol's response to the Tribunal. Gol has sought an additional award or interpretation/ clarification on certain matters decided by the Tribunal under the Indian Arbitration and Conciliation Act, 1996 ("the Act") ("Gol Application"). The management based on independent legal opinion, merits of the case and prevailing law, anticipates a positive order. Pending Arbitration Tribunal's response to Gol's Application, no consequential adjustments are deemed necessary in the financial statements. The Arbitration tribunal vide order dated 15 November 2023 dismissed the Gol's interpretation application on disagreement of recovery of exploration cost beyond exploration period in favour of the Group.
- During the previous six months ended 30 September 2022, WCL had signed a Memorandum of Understanding with the Government of Liberia to re-start its mining operations and commenced commercial production at its Bomi Mines from July 2022. Consequently, the net recoverable value of assets and liabilities of WCL had been assessed at US\$ 108 million based on the value-in-use approach, using the Discounted Cash Flow Method, a level 3 valuation technique in the fair value hierarchy as it more accurately reflects the recoverable amount. The impairment assessment was based on a range of estimates and assumptions, including long-term selling price as per the consensus report, volumes based on the mine planning and concentrate plant setup and a post-tax nominal discount rate of 14.45%. Any subsequent changes to cash flows due to changes in the above-mentioned factors could impact the carrying value of the assets. Based on the sensitivities carried out by the Group, a decrease in the long-term selling price by 1% would lead to a decrease in the recoverable value by US\$ 6 million and an increase in the discount rate by 1% would lead to a decrease in the recoverable value by US\$ 9 million. Accordingly, the impairment recorded in previous periods had been reversed, to an extent of US\$ 82 million pertaining only to the assets of the Bomi Mine which is presented as a special item for the six months ended 30 September 2022.

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4. Pursuant to the introduction of Section 115BAA of the Income-tax Act, 1961 (New Tax Regime), Vedanta Limited has an option to pay corporate income tax at a lower rate of 22% plus applicable surcharge and cess, as against the currently applicable rate of 30% plus surcharge and cess. Under New Tax Regime, provisions of Section 115 JB-Minimum Alternate Tax (MAT) is no longer applicable. In the six months ended 30 September 2023, Vedanta Limited has elected to adopt New Tax Regime from FY 2022-23 onwards due to business plans and economic benefits and the first tax return under the New Tax Regime will be filed for FY 2022-23 on or before the due date of 30 November 2023. Upon adoption of New Tax Regime for FY 2022-23, the current tax charge is lower by US \$ 220 Million (mainly on account of section 80M benefit not available under MAT in old regime) and the deferred tax charge is higher by US \$ 47 Million. Further, the MAT credit balance of US \$ 947 Million, for periods up to 31 March 2023, has been written off. Consequently, the net tax impact of US \$ 774 Million is accounted for as special item in the current period ended 30 September 2023. Current period tax expense is not comparable with the six months ended 30 September 2022.

6. Other gains and (losses) (net)

	<i>(US\$ million)</i>	
	Six months ended 30 September 2023	Six months ended 30 September 2022
Foreign exchange gains/(loss) (net)	(27)	(93)
Net (loss)/ gain arising on qualifying hedges and non-qualifying hedges	(4)	13
Total	(31)	(80)

7. Tax

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

	<i>(US\$ million)</i>	
	Six months ended 30 September 2023	Six months ended 30 September 2022
Current tax:		
Current tax on profit for the period	460	596
Expense in respect of special items (note 5)	(219)	(192)
Total current tax expense (a)	241	404
Deferred tax		
Reversal of temporary differences	(19)	(105)
Expense in respect of Special items (note 5)	1,043	172
Total deferred tax expense (b)	1,024	67
Total Income tax expense ((a)+(b))	1,265	471
Profit before tax from continuing operations	1,122	1,129
Effective Income tax rate (%)	112.7%	41.7%

Tax expense

	<i>(US\$ million)</i>	
Particulars	Six months ended 30 September 2023	Six months ended 30 September 2022
Tax effect of special items (Note 5)	824	(20)
Tax expense – others	441	491
Net tax expense	1,265	471

(b) The tax department had issued demands on account of remeasurement of certain tax incentives, 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 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 FY 2017-18 (for AY 2009-10 to AY 2012-13) and in FY 2023-24 (for AY 2017-18 and AY 2018-19) 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 a high probability that the case will go in favour of the Group. The amount involved in this dispute as of 30 September 2023 is US\$ 1,496 million (31 March 2023: US\$ 1,515 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.

		<i>(US\$ million)</i>	
	Note	Six months ended 30 September 2023	Six months ended 30 September 2022
Profit/ (Loss) for the period attributable to equity holders of the parent		(280)	154
Loss on Special items	5	(151)	(33)
Other (gains)/losses [net]	6	31	80
Tax effect of special items (including taxes classified as special items) and other gains/ (losses) [net]		818	(36)
Non-controlling interest on special items and other gains/ (losses)		(257)	(5)
Underlying attributable profit for the period		161	160

9. Dividends

	<i>(US\$ million, unless stated otherwise)</i>	
	Six months ended 30 September 2023	Six months ended 30 September 2022
Amounts recognised as distributions to equity holders:		
Equity dividends on ordinary shares:		
First Interim Dividend for 2022-23: 2.28 US cents per share	-	6
Second Interim Dividend for 2022-23: 2.45 US cents per share	-	7

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10. Movement in net debt ⁽¹⁾

(US\$ million)

	Short term		Total cash and short-term investments	Debt due within one year	Debt due after one year*	Total Net Debt
	Cash and cash equivalents	Investments and Non-current Bank Deposits		Debt carrying value	Debt carrying value	
Balance as at 1 April 2023	858	1,770	2,628	(1,616)	(13,742)	(12,730)
Cash flow from continuing operations	(414)	(50)	(464)	535	65	136
Other non-cash changes ⁽¹⁾	-	19	19	77	(123)	(27)
Foreign exchange currency translation differences	(9)	(18)	(27)	32	101	106
Balance as at 30 September 2023	435	1,721	2,156	(972)	(13,699)	(12,515)

* Includes current maturities of long-term borrowings of US\$ 4,093 million as at 30 September 2023.

(US\$ Million)

	Short term		Total cash and short-term investments	Debt due within one year	Debt due after one year*	Total Net Debt
	Cash and cash equivalents	Investments and Non-current Bank Deposits		Debt carrying value	Debt carrying value	
Balance as at 1 April 2022	1,266	3,130	4,396	(1,350)	(14,732)	(11,686)
Cash flow from continuing operations	(278)	(411)	(689)	(213)	272	(630)
Other non-cash changes ⁽¹⁾	-	30	30	97	(93)	34
Foreign exchange currency translation differences	(67)	(201)	(268)	239	503	474
Balance as at 30 September 2022	921	2,548	3,469	(1,227)	(14,050)	(11,808)

* Includes current maturities of long-term borrowings of US\$ 3,459 million as at 30 September 2022.

(1) Other non-cash changes comprise amortisation of borrowing costs, foreign exchange difference on net debt. It also includes US\$ 19 million (30 September 2022: US\$ 30 million) of fair value movement in investments and accrued interest on investments.

Sensitivity: Internal (C3)

Sensitivity: Public (C4)

Debt securities issued/repaid during the period

In September 2020, Hindustan Zinc Limited issued unsecured NCDs of US\$ 478 million (INR 35,200 million) at an interest rate of 5.35%. 20% of these i.e., US\$ 96 million (INR 7,040 million) were repaid in September 2021, another 20% of these i.e., US\$ 90 million (INR 7,040 million) were repaid by September 2022 and the remaining NCDs US\$ 256 million (INR 21,120 million) were fully repaid by September 2023.

In April 2019, Vedanta Resources Finance 2 Limited issued bonds of US\$ 400 million at an interest rate of 8.00%. The bonds were due for repayment in April 2023. As of 31 March 2023, bonds having value of US\$ 399.87 million were outstanding which were fully repaid during the six months ended 30 September 2023.

In June 2013, Vedanta Resources Limited issued bonds of US\$ 500 million at an interest rate of 7.125%. The bonds were due for repayment in May 2023. As of 31 March 2023, bonds having value of US\$ 499.76 million were outstanding which were fully repaid during the six months ended 30 September 2023.

Movement in lease liabilities is as follows:

(US\$ million)

At 01 April 2023	62
Payments made	(11)
Other non-cash changes:	
Net additions during the year	25
Interest on lease liabilities	2
At 30 September 2023	78

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 2023 and 31 March 2023:

(US\$ million)

As at 30 September 2023	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)	9	-	13	-	22	22
Financial asset investments held at fair value	56	30	-	-	86	86
Short term investments						
- Bank deposits	-	-	-	181	181	181
- Other investments	998	511	-	-	1,509	1,509
Cash and cash equivalents	-	-	-	454	454	454
Other non-current assets and trade and other receivables	20	-	-	3,286	3,306	3,402
Total	1,083	541	13	3,921	5,558	5,654

(US\$ million)

As at 30 September 2023	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)	17	16	-	-	33	33
Trade and other payables**	55	-	5,410	29	5,494	5,494
Borrowings	-	-	14,670	-	14,670	13,893
Total	72	16	20,080	29	20,197	19,420

*Represents put option liability accounted for at fair value

**Includes operational buyers' credit/suppliers' credit of US\$ 1,874 million

(US\$ million)

As at 31 March 2023	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)	11	-	15	-	26	26
Financial asset investments held at fair value	35	28	-	-	63	63
Short term investments						
- Bank deposits	-	-	-	161	161	161
- Other investments	1,051	516	-	-	1,567	1,567
Cash and cash equivalents	-	-	-	1,037	1,037	1,037
Other non-current assets and trade and other receivables	47	-	-	3,072	3,119	3,215
Total	1,144	544	15	4,270	5,973	6,069

(US\$ million)

As at 31 March 2023	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)	9	16	-	-	25	25
Trade and other payables**	120	-	5,673	30	5,823	5,823
Borrowings	-	-	15,358	-	15,358	14,024
Total	129	16	21,031	30	21,206	19,872

*Represents put option liability accounted for at fair value

**Includes operational buyers' credit/suppliers' credit of US\$ 1,667 million

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 2023 and 31 March 2023 measured at fair value:

	<i>(US\$ Million)</i>		
	As at 30 September 2023		
	Level 1	Level 2	Level 3
Financial assets			
At fair value through profit or loss			
- Short term investments	478	520	-
- Financial asset investments held at fair value	-	-	56
- Financial instruments (derivatives)	-	9	-
- Other non-current assets and trade and other receivables	-	20	-
At fair value through other comprehensive income			
- Financial asset investments held at fair value	9	531	1
Derivatives designated as hedging instruments			
- Financial instruments (derivatives)	-	13	-
Total	487	1,093	57
Financial liabilities			
At fair value through profit or loss			
- Financial instruments (derivatives)	-	17	-
- Trade and other payables	-	55	-
Derivatives designated as hedging instruments			
- Financial instruments (derivatives)	-	16	-
Trade and other payables- Put option liability with non- controlling interest	-	-	29
Total	-	88	29

	<i>(US\$ million)</i>		
	As at 31 March 2023		
	Level 1	Level 2	Level 3
Financial assets			
At fair value through profit or loss			
- Short term investments	556	495	-
- Financial asset investments held at fair value	-	-	35
- Financial instruments (derivatives)	-	11	-
- Other non-current assets and trade and other receivables	-	47	-
At fair value through other comprehensive income			
- Financial asset investments held at fair value	9	534	1
Derivatives designated as hedging instruments			
- Financial instruments (derivatives)	-	15	-
Total	565	1,102	36
Financial liabilities			
At fair value through profit or loss			
- Financial instruments (derivatives)	-	9	-
- Trade and other payables	-	120	-
Derivatives designated as hedging instruments			
- Financial instruments (derivatives)	-	16	-
Trade and other payables- Put option liability with non- controlling interest	-	-	30
Total	-	145	30

(US\$ million)

	As at 30 September 2023			As at 31 March 2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Loans, receivables and obligations of KCM towards the Group	-	-	751	-	-	751
Total	-	-	751	-	-	751

The changes in fair value of Level 3 items for the six months ended 30 September 2023 and for the year ended 31 March 2023 are set out in the table below:

Loans, receivables and obligations of KCM towards the Group	(US\$ million)	
	As at 30 September 2023	As at 31 March 2023
Opening balance	751	720
Fair value change during the year	-	31
Closing balance	751	751

The below table summarizes the fair value of borrowings which are carried at amortised cost as at 30 September 2023 and 31 March 2023:

	(US\$ million)			
	As at 30 September 2023		As at 31 March 2023	
	Level 1	Level 2	Level 1	Level 2
Borrowings	2,782	11,111	3,306	10,718
Total	2,782	11,111	3,306	10,718

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 2023 and 31 March 2023 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 2023	As at 31 March 2023
Capital commitments contracted but not provided	2,815	2,730

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

(US\$ million)

	As at 30 September 2023	As at 31 March 2023
Oil & Gas sector		
Cairn Oil & Gas	172	172
Aluminium sector		
Lanjigarh Refinery (Phase II)	254	297
Jharsuguda 1.25 MTPA smelter	99	154
BALCO Smelter Expansion from 0.57 MTPA to 1 MTPA	752	816
Zinc sector		
Zinc India (mines expansion, solar and smelter)	248	213
Gamsberg mining and milling project (Phase II)	254	237
Copper sector		
Tuticorin Smelter 400 KTPA*	371	373
Others	665	468
Total	2,815	2,730

*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 30 September 2023	As at 31 March 2023
Oil & Gas sector		
Cairn Oil & Gas (OALP blocks)	622	631

B. Guarantees

The aggregate amount of indemnities and other guarantees on which the Group does not expect any material losses, was US\$ 996 million (31 March 2023: US\$ 1,031 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\$ 121 million (31 March 2023: US\$ 163 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\$ 362 million (31 March 2023: US\$ 334 million).
- c) Guarantees of US\$ 20 million (31 March 2023: US\$ 10 million) issued under bid bond for placing bids.
- d) Bank guarantees of US\$ 14 million (31 March 2023: US\$ 14 million) has been provided by the Group on behalf of Vedanta Incorporated (formerly known as Volcan Investments Limited) to Income tax department, India as a collateral in respect of certain tax disputes.
- e) Other guarantees worth US\$ 479 million (31 March 2023: US\$ 510 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 Oil and Gas 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\$ 165 million (31 March 2023: US\$ 168 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\$ 38 million (31 March 2023: US\$ 39 million) plus applicable interest.

The Group has given bonds of US\$ 101 million (31 March 2023: US\$ 98 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 ('HZL'): Department of Mines and Geology

The Department of Mines and Geology of the State of Rajasthan issued several show cause notices to HZL in August, September and October 2006, aggregating US\$ 40 million as at 30 September 2023 (31 March 2023: US\$ 41 million) claiming 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. In response, HZL filed a writ petition against these show cause notices before the High Court of Rajasthan in Jodhpur. In October 2006, the High Court issued an order granting a stay and 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 orders 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. The Group believes it is unlikely that the claim will lead to a future obligation and thus no provision has been made in the financial statements.

Ravva Joint Operations arbitration proceedings

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 (erstwhile 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 is now being heard.

While the Group does not believe the GOI will be successful in its challenge, if the Arbitral Awards in above matters are reversed and such reversals are binding, Group would be liable for approximately US\$ 64 million plus interest (31 March 2023: 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) challenged the constitutional validity of the local statutes and related notifications in the states of 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. Consequent to 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 heard 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.

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 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.

The total claims against Vedanta Limited and its subsidiaries (net of provisions made) are US\$ 97 million (31 March 2023: US\$ 100 million) including interest and penalty till the date of order. Further interest and penalty if any, would be additional.

BALCO: Challenge against imposition of Energy Development Cess

BALCO challenged the imposition of Energy Development Cess levied on generators and distributors of electrical energy @ 10 paise 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 captive power plants (“CPPs”) are required to pay @ 10 paise while the State Electricity Board is required to pay @ 5 paise. 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 Cess paid till March 2006 amounting to US\$ 4 million.

The State of Chhattisgarh moved a Special Leave Petition in the Honorable Supreme Court (the SC) and the SC whilst issuing notice has stayed the refund of the Cess already deposited and the Supreme Court has also directed the State of Chhattisgarh to raise the bills, 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\$ 136 million (31 March 2023: US\$ 133 million). As at 30 September 2023, an amount of US\$ 141 million relating to principal has been considered as a contingent liability (31 March 2023: US\$ 137 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\$ 107 million (INR 8,880 million) and US\$ 71 million (INR 5,880 million) respectively for the period March 2015 to March 2021.

The Group carries an accrual for electricity duty of US\$ 66 million (31 March 2023: US\$ 77 million), net of US\$ 91 million (31 March 2023: US\$ 69 million) paid under protest. The Group has requested the CIE to allow payment of the principal amount over a period of 5 years along with a waiver of interest demand. BALCO has received a reply from CIE that the matter will be discussed with appropriate authorities. As at 30 September 2023, no confirmation has been received on this matter and therefore, amount of US\$ 119 million (INR 9,890 million) (31 March 2023: US\$ 111 million (INR 9,160 million)) relating to interest has been considered as a contingent liability.

ESL: MDPA

Mine Development and Production Agreement (MDPA) entered into by ESL with respect to the Nadidih Iron Ore Block (74.50 Ha) and the Nadidih Iron & Manganese Ore Block (117.206 Ha) in Orissa obligates certain minimum despatch requirement for each year from the commencement of mining, as prescribed under Sub Rule-1 of Rule 12(A) of the Minerals (other than Atomic and Hydrocarbon Energy Minerals) Concession Rules, 2016 (MCR 2016).

ESL has received demand notices dated 03 December 2022 aggregating US\$ 205 million towards penalty for annual shortfall in minimum despatch required under Sub Rule-1 of Rule 12(A) of MCR 2016, for the first year of the lease for both the mines. Management believes that the aforesaid demands are unreasonable and arbitrary to the law on various grounds including the fact that the State Government has erroneously considered the wrong period to calculate the MDPA requirement as per Sub Rule 1 of Rule 12 (A) of MCR 2016. Further, ESL was unable to carry out mining operation for significant part of the first year owing to reasons beyond its control (Force Majeure) and for the said the period, is entitled to be afforded an additional period in terms of Section 12(1)(ff) of the

Mineral (Other than Atomic and Hydrocarbons Energy Minerals) Concession Rules, to meet the said minimum despatch requirement. Based on aforesaid grounds that are supported by a legal opinion obtained in this regard, Interalia, the Group has filed the Revision Application under Section 30 of the Mines and Minerals (Development and Regulation) Act, 1957 (MMDR Act) to keep the above demand notice in abeyance during the pendency of the proceedings before the Revisional Authority, Ministry of Mines and the same has been informed to Office of the Deputy Director of mines through intimation letter. The Revisional Authority vide its order dated 14 March 2023 has put stay on the impugned demand notices and directed the State Government not to take any coercive action to realize the demand till further orders.

Also, ESL has received the demand notices dated 11 April 2023 aggregating US\$ 6 million for the first quarter of the second-year lease period from 20 November 2022 till 19 November 2023 for both the mines, to which ESL has replied stating that these demand notices shall be kept in abeyance till the pendency of the proceedings before the Revisionary Authority, Ministry of Mines as the similar contentions were taken by the Management in the revision application filed against the earlier demand notices for shortfall in the first year of lease period. Management believes that the aforesaid demands are unreasonable and arbitrary to the law on various grounds including the fact that the State Government has erroneously considered the wrong period to calculate the MDPA requirement as per Sub Rule 1 of Rule 12 (A) of MCR 2016.

Basis MDPA and legal opinion received, any obligation in this regard can be termed as a remote. As a matter of prudence, aforesaid demand notices of US\$ 211 million (31 March 2023: US\$ 210 million) have been disclosed as contingent liability in the financial statements.

Miscellaneous disputes- Income tax

The Group is involved in various tax disputes amounting to US\$ 176 million (31 March 2023: US\$ 177 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 disallowances of tax holidays and depreciation under the Income-tax Act, 1961 and interest thereon which are pending at various appellate levels. Penalties, if any, may 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 on the results of operations, cash flows or the financial position of the Group is expected.

Miscellaneous disputes- Others

The Group is subject to various claims and exposures which arise in the ordinary course of its operations, from indirect tax authorities and others pertaining the assessable values of sales and purchases or incomplete documentation supporting the Group's returns or other claims.

The approximate value of claims (excluding the items as set out separately above) against the Group companies total US\$ 568 million (31 March 2023: US\$ 598 million).

Based on evaluations of the matters and legal advice obtained, the Group believes that it has strong merits and no material adverse impact on the results of operations, cash flows or financial position of the Group is expected. Accordingly, no provision is considered at this stage.

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 2023.

Holding Company

-Vedanta Incorporated[#]

-Volcan Investments Cyprus Limited

Fellow Subsidiary (with whom transactions have taken place)

-Twin Star Technologies Limited

-Sterlite Technologies Limited

-Sterlite Power Transmission limited

-Sterlite Iron and Steel Company Limited

-Sterlite Power Grid Ventures Limited

-Sterlite Grid 16 Limited

- STL Digital Limited

ASSOCIATE OF ULTIMATE PARENT (with whom transactions have taken place)

*-Serentica Renewables India 1 Private Limited**

*-Serentica Renewables India 3 Private Limited**

*-Serentica Renewables India 4 Private Limited**

*-Serentica Renewables India 5 Private Limited**

*-Serentica Renewables India 6 Private Limited**

*-Serentica Renewables India 7 Private Limited**

*-Serentica Renewables India 8 Private Limited**

*-Serentica Renewables India 9 Private Limited**

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

-RoshSkor Township (Pty) Ltd.

-Gaurav Overseas Private Limited

-Goa Maritime Private Limited

-Madanpur South Coal Company Limited

-Gergarub Exploration and Mining (Pty) Limited

OTHERS

Post-retirement benefit plans

-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

-HZL Employee Group Gratuity Trust

- HZL Superannuation Trust
- BALCO Employees Provident Fund Trust
- FACOR Superannuation Trust
- FACOR Employees Gratuity Scheme

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

- Anil Agarwal Foundation
- Cairn Foundation
- Caitlyn India Private Limited
- Fujairah Metals LLC
- Janhit Electoral Trust
- Minova Runaya Private Limited
- Runaya Refining LLP
- Runaya Green Tech Limited
- Runaya Private Limited
- Sesa Community Development Foundation
- Vedanta Foundation
- Vedanta Limited ESOS Trust
- Radha Madhav Investments Private Limited
- Vedanta Medical Research Foundation
- Voorspoed Trust

With effect from 13 October 2023, Volcan Investments Limited has changed its name to Vedanta Incorporated.

* During the previous year ended 31 March 2023, due to change in shareholding of the intermediate holding company of Serentica group companies, the relationship of Group with these companies has changed from fellow subsidiaries to associates of Vedanta Incorporated (formerly known as Volcan Investments Limited).

Details of transactions for the period ended 30 September 2023 are as follows:

		(US\$ million)			
Particulars	Holding Company/Fellow Subsidiaries	Associates/ Joint Ventures	Others	Total	
Income:					
(i) Revenue from operations	94	-	3	97	
(ii) Dividend income	0	-	-	0	
(iii) Net interest received	2	-	-	2	
Expenditure:					
(i) Purchases of goods/services	4	0	19	23	
(ii) Management fees paid	0	-	1	1	
(iii) Reimbursement for other expenses (net of recovery)	0	-	1	1	
(iv) Donation	-	-	3	3	
(v) Interest paid	1	-	-	1	

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Interim results for the Six months ended 30 September 2023

(vi)	Dividend paid	-	-	0	0
(vii)	Contribution to post retirement employees benefit trust/fund	-	-	6	6
	Other transactions during the period:				
(i)	Investments made during the period (refer note 12)	-	-	23	23
(ii)	Loan given during the period	0	-	-	0
(iii)	Loan taken during the period	1	-	-	1
(iv)	Bonds issued/(redeemed) during the period	7	-	-	7

Details of balances as at 30 September 2023 are as follows:

(US\$ million)

	Particulars	Holding Company/Fellow Subsidiaries	Associates/ Joint Ventures	Others	Total
(i)	Net amounts receivable at period end	1	1	1	3
(ii)	Net amounts payable at period end	2	-	14	16
(iii)	Investments equity Share and OCRPS	11	-	53	64
(iv)	Value of bonds held by Vedanta Incorporated (formerly known as Volcan Investments Limited)	16	-	-	16
(v)	Interest payable	1	-	-	1
(vi)	Dividend payable	2	-	-	2
(vii)	Net advance given at period end	1	1	3	5
(viii)	Financial guarantee given *	14	-	-	14
(ix)	Loans given**	-	1	-	1
(x)	Loan Taken	1	-	-	1

Details of transactions for the period ended 30 September 2022 are as follows:

(US\$ million)

	Particulars	Holding Company/Fellow Subsidiaries	Associates/ Joint Ventures	Others	Total
	Income:				
(i)	Revenue from operations	115	-	1	116
(ii)	Dividend income	0	-	-	0
(iii)	Net interest received	2	-	-	2
(iv)	Guarantee commission income	-	-	0	0
	Expenditure:				
(i)	Purchases of goods/services	2	-	16	18
(ii)	Management fees paid	0	-	0	0
(iii)	Reimbursement for other expenses (net of recovery)	(0)	-	(0)	(0)
(iv)	Donation	-	-	5	5

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(v)	Interest paid	0	-	-	0
(vi)	Dividend paid	13	-	-	13
(vii)	Contribution to post retirement employees benefit trust/fund	-	-	4	4
Other transactions during the period:					
(i)	Guarantees given during the period (net of relinquishment)	-	-	(0)	(0)
(ii)	Investments made during the period	16	-	-	16
(iii)	Net Advances given/(received) during the period	-	-	2	2

Details of balances as at 31 March 2023 are as follows:

(US\$ million)

Particulars	Holding Company/Fellow Subsidiaries	Associates/ Joint Ventures	Others	Total
(i) Net amounts receivable at year end	2	-	0	2
(ii) Net amounts payable at year end	2	-	9	11
(iii) Investment in equity Share and OCRPS	10	-	30	40
(iv) Value of bonds held by Vedanta Incorporated (formerly known as Volcan Investments Limited)	9	-	-	9
(v) Interest payable	0	-	-	0
(vi) Dividend payable	2	-	-	2
(viii) Net advance given at year end	-	1	4	5
(ix) Financial guarantee given *	14	-	-	14
(x) Loans given**	-	1	-	1

* Bank guarantee has been provided by the Group on behalf of Vedanta Incorporated (formerly known as Volcan Investments Limited) in favour of Income tax department, India as collateral in respect of certain tax disputes of Vedanta Incorporated. The guarantee amount is US\$ 14 million (31 March 2023: US\$ 14 million).

** During the previous year ended 31 March 2023, the Group has renewed loan provided to Sterlite Iron and Steel Company Limited for a further period of 12 months. The loan balance as at 30 September 2023 is US\$ 1 million (31 March 2023: US\$ 1 million). The loan is unsecured in nature and carries an interest rate of 11.13% per annum. The said loan including accrued interest thereon have been fully provided for in the books of accounts.

The Group has executed Power Delivery Agreements ("PDA") with Serentica group companies (Serentica Renewables India 1 Private Limited, Serentica Renewables India 3 Private Limited, Serentica Renewables India 4 Private Limited, Serentica Renewables India 5 Private Limited, Serentica Renewables India 6 Private Limited, Serentica Renewables India 7 Private Limited, Serentica Renewables India 8 Private Limited and Serentica Renewables India 9 Private Limited), which are associates of Volcan, for procuring renewable power over twenty five years from date of commissioning of the combined renewable energy power projects ("the Projects") on a group

captive basis. These Serentica group companies were incorporated for building the Projects of approximately 1,826 MW (31 March 2023: 1,626 MW). During the current period, the Group has invested US\$ 23 million (31 March 2023: US\$ 30 million) in Optionally Convertible Redeemable Preference shares (“OCRPS”) of US\$ 0.12 (INR 10) each of Serentica group companies. These OCRPS will be converted into equity basis conversion terms of the PDA, resulting in Vedanta Group holding twenty six percent stake in its equity. As at 30 September 2023, total outstanding commitments related to PDA with Serentica Group Companies are US\$ 183 million (31 March 2023: US\$ 194 million).

14. Subsequent events

The Company has executed an Extension and Amendment to the Legal Suspension Agreement on 06 November 2023 with KCM. The Company is currently in the process of finalisation and execution of various ancillary agreements and filing necessary documents to launch the Creditor Scheme of Arrangement in the High Court of Zambia. Once the creditor scheme has been approved by the Court, the provisional liquidator shall be removed and the Board of KCM shall be re-instated. For further details, please refer note 3(b) of the financial statements.

INDEPENDENT REVIEW REPORT TO VEDANTA RESOURCES LIMITED

Conclusion

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 2023 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.

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 2023 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted for use in the United Kingdom and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Emphasis of matter – Valuation of Konkola Copper Mines Plc (KCM)

We draw attention to note 3 (b)(i) 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"). The note described developments during the period ended 30 September 2023 and subsequently, on liquidation proceedings, notably that the company has executed a new shareholder agreement for KCM as well as an Implementation Agreement that sets out the terms for VRHL's re-entry and new investment into KCM. As at 30 September 2023, the carrying value of KCM related receivables was \$682 million (30 September 2022: \$682 million) and the equity interest in KCM was \$Nil (30 September 2022: \$Nil).

Our conclusion is not modified in respect of this matter.

Basis for Conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued 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.

As disclosed in Note 1a, the annual financial statements of the group are prepared in accordance with UK adopted International Financial Reporting Standards (IFRS). The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard ('IAS') 34 "Interim Financial Reporting", as adopted for use in the United Kingdom.

Conclusions Relating to Going Concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis of Conclusions section of this report, nothing has come to our attention to suggest that management have inappropriately adopted the going concern basis of accounting or that management have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with the ISRE, however future events or conditions may cause the entity to cease to continue as a going concern.

Responsibilities of directors

The directors are responsible for preparing the half-yearly financial report in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted for use in the United Kingdom.


In preparing the half-yearly financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the review of the financial information

In reviewing the half-yearly report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statement in the half-yearly financial report. Our conclusion, including our conclusions relating to going concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report

This report is made solely for the Company in accordance with guidance contained in International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. Our review work has been undertaken so that we might state to the company those matters we are required to state to them in a review report and for no other purposes. 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.



MHA, Statutory Auditor

London, United Kingdom 14
December 2023

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

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 \diamond where applicable.

\diamond 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 business
Adjusted EBITDA	Operating profit/(loss) before special items	EBITDA Less: EBITDA of custom smelting operations at our Copper 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 FY2024 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 2023
Operating Profit Before Special Items	3,150
Less: Cash Tax Outflow	521
Operating Profit before special Items less Tax outflow (a)	2,629
Opening Capital Employed (b)	11,858
Closing Capital Employed (c)	11,537
Average Capital Employed (d)= (a+b)/2	11,697
ROCE (a)/(d)	22%

Adjusted Revenue, EBITDA & EBITDA Margin for H1 FY 2024 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 2023
Revenue	8,722
Less: Revenue of Custom smelting operations	1,133
Adjusted Revenue(a)	7,589
EBITDA	2,460
Less: EBITDA of Custom smelting operations	(13)
Adjusted EBITDA(b)	2,473
Adjusted EBITDA Margin (b)/(a)	33%

GLOSSARY AND DEFINITIONS

Adapted Comparator Group

The new comparator group of companies used for the purpose of comparing TSR performance in relation to the LTIP, adopted by the Remuneration Committee on 1 February 2006 and replacing the previous comparator group comprising companies constituting the FTSE Worldwide Mining Index (excluding precious metals)

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

Board Committees

The committees reporting to the Board: Audit, Remuneration, Nominations, and Sustainability, each with its own terms of reference

Businesses

The Aluminium Business, the Copper Business, the Zinc, lead, silver, Iron ore, 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

Company financial statements

The audited financial statements for the Company for the year ended 30 September 2023 as defined in the Independent Auditors' Report on the individual Company Financial Statements to the members of 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 consolidated financial statements for the Company and the Group for the year ended 30 September 2023 as defined in the Independent Auditor's 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