

14 December 2022

## Vedanta Resources Limited Interim results for the six months ended 30 September 2022

### Financial highlights

- Revenue before special items for the period increased by 21% to US\$ 9,523 million (1H FY2022: US\$ 7,870 million). This was mainly driven by higher commodity prices and higher volumes at Aluminium Business, Zinc Business and Copper Business, partially offset by lower volumes at Oil & Gas and Iron Business.
- EBITDA before special items at US\$ 2,487 million, down 13%YoY (1H FY2022: US\$ 2,868 million)
- Operating Profit before special items at US\$ 1,826 million, down 21%YoY (1H FY2022: US\$ 2,301 million) primarily due to higher input commodity price and depreciation partially offset by higher commodity prices and higher volumes.
- Adjusted EBITDA margin<sup>1</sup> of 29% (1H FY2022: 42%)
- ROCE at 29% in 1H FY2023 (1H FY2022: 29%)
- Profit after tax from continuing operations at US\$ 658 million (1H FY2022: US\$ 1,093 million) primarily due to lower operating profit and higher net interest cost.
- The free cash flow post-capex for the period was US\$ 875 million (1H FY2022: US\$ 959 million).
- In 1H FY2023, gross debt decreased to US\$ 15.3 billion (FY2022 US\$ 16.1 billion), driven by deleveraging at Vedanta Resources Limited standalone, Cairn, TSPL and Zinc India partially offset by additional borrowings at Vedanta Standalone.
- At 1H FY2023 end, net debt stood US\$ 11.8 billion (FY2022 US\$ 11.7 billion)
- Liquidity position with cash and liquid investments of US\$ 3.5 billion (FY2022: US\$ 4.4 billion)
- Contribution to the exchequer of c. \$ 4.9 billion in 1H FY2023
- Net Debt/ EBITDA ratio at 2x (FY2022 at 1.9x)

### Business highlights

#### Aluminium

- Alumina production at 939 kt, down 5%YoY due to scheduled maintenance in 2Q FY2023
- Aluminium production at 1,149 kt, increased by 3%YoY
- Completed Jharsuguda capacity ramp-up to 1.8 Mtpa; total aluminium capacity reached 2.4 Mtpa
- Hot metal production cost stood at US\$ 2,541 per tonne, up 60%YoY mainly due to higher energy cost and headwinds in input commodity prices

#### Zinc India

- Mined metal production at 507kt, up 8%YoY

- Refined metal production at 506kt, up 13%YoY
- Silver production at 11.9 million ounces, up 19%YoY
- Zinc cost of production before royalty was \$1,260 per tonne, up 15%YoY majorly due to input commodity inflation partially offset by higher mining grade, operational efficiencies and better acid realizations

### **Zinc International**

- Achieved highest ever Gamsberg metal in concentrate production at 108kt up 27%YoY
- BMM metal in concentrate production for 1H FY2023 was 33kt, up 8%YoY
- ZI cost of production was at \$1,582 per tonne, up 20%YoY mainly driven by higher TCRC

### **Oil & Gas**

- Average gross operated production of 144 kboepd, down 13%YoY, owing to natural field decline. The decline has been partially offset by new infill wells brought online across all assets.
- Key growth projects update:
  - Signed 10-year extension upto 2030 for the Rajasthan block Production Sharing Contract (PSC)
  - Secured 8 blocks in Discovered Small Fields (DSF)-III bid round and one block in special Coal Bed Methane (CBM) round 2021
  - First Shale well spudded in Rajasthan block to unlock the unconventional potential in Barmer Basin

### **Power**

- TSPL Plant availability factor (PAF) in 1H FY2023 improved to 82% vs 59% last year
- The 600 MW Jharsuguda IPP operated at plant load factor (PLF) of 61% in 1H FY2023

### **Iron Ore**

- Iron ore sales at 2.6 million tonnes in 1H FY2023, down 12%YoY
- The pig iron margin stood at \$68 per tonne, down 56%YoY, primarily on account of imposition of export duty
- Commenced commercial production at Nicomet – India's only Nickel Cobalt operations
- At Goa, there was no production as mining remained suspended pursuant to the Hon'ble Supreme Court judgement dated 7<sup>th</sup> February 2018.

### **Steel**

- Hot metal production 629kt, flat YoY. Successfully completed debottlenecking activities in Blast furnace 3 in 1Q FY2023 and enhanced hot metal capacity by 0.2 Mtpa.
- Margins at \$19/t decreased YoY amidst softening of steel prices post imposition of export duty and higher coking coal prices

### **Copper India**

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

### **FACOR**

- Half yearly Chrome Ore Production increased by 18%YoY
- Half yearly Ferro Chrome production was at 29kt, down 22%YoY in line with planned maintenance shutdown of furnace in 2Q FY2023

## ESG highlights

- Vedanta Limited has entered in the exclusive club of top 10 S&P Global Corporate Sustainability Assessment benchmarked (formerly known as Dow Jones Sustainability Index) global metals and mining companies; ranked 6<sup>th</sup> globally with strong 14 points score improvement
- 1<sup>st</sup> Indian metals and mining company to pledge 7 million trees as part of WEF '1 trillion trees' campaign
- On track to achieve 2.5 GW renewal energy target; Signed 580 MW RE power delivery agreement in 1Q FY2023 and issued EOI for additional 500 MW RE procurement in 2Q
- HZL Pantnagar became our 1st unit to run entirely on Renewable Energy
- Cairn and IOB achieved third party assurance for water positive operations
- Recycled 77% High Value Low Toxic waste
- Balco Medical Centre signed MoU with Tata Memorial Centre to drive excellence in cancer care
- 3,609 Nand Ghars (women and childcare centre) created for social welfare
- Rolled out internal carbon pricing, completed climate risk assessment and reported scope -3 emission for FY2022 and FY2021
- Jharsuguda deployed India's largest fleet of electric forklifts; HZL's Zawar mine introduced India's 1st Battery Electric Vehicle (BEV) in UG Mine
- Cairn signed contract to harness geothermal energy from its repurposed Oil and Gas wells
- Signed agreements with more cement companies to use High Volume Low Toxicity (HFLT) waste streams (Fly-ash; Red-Mud) as raw material
- Indicator of industry leading people practices:
  - Certified Great place to work
  - 28% women in decision making bodies

## Consolidated Group results

(US\$ million, unless stated)

	Six months to 30 September 2022	Six months to 30 September 2021 <sup>2</sup>	% change	Year ended 31 March 2022
Revenue <sup>3</sup>	9,523	7,870	21%	17,619
EBITDA <sup>3</sup>	2,487	2,868	(13)%	6,255
EBITDA margin	26%	36%	-	36%
Adjusted EBITDA margin <sup>1</sup>	29%	42%	-	40%
Operating profit <sup>3</sup>	1,826	2,301	(21)%	5,027
Profit/(loss) attributable to equity holders of the parent	154	374	(59)%	1,002
Underlying attributable profit/(loss)	160	400	(60)%	844
ROCE %	29%	29%	-	32%

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

Our five strategic focus areas reflect our integrated thinking that connects our purpose with our performance. They help us leverage our strengths, take advantage of opportunities, manage risks and navigate business cycles while taking into consideration the material concerns of our heterogeneous stakeholders. We map the progress we have made against each focus area and the way forward.

We continually strive to improve our existing operations and proactively adopt more efficient processes for new operations, to achieve benchmark performance, optimise costs and improve realisations.

- We have completed capacity ramp up at Jharsuguda to 1.8 Mtpa, reaching the total aluminium production capacity of 2.4 Mtpa. We are investing in expanding capacity of BALCO smelter to 1 Mtpa. We are also investing in expanding our Alumina refinery by 3 Mtpa, along with coal and bauxite security, moving us towards our vision to be vertically integrated across entire value chain.
- Our Zinc India operations have overcome quarterly variation and are now operating sustainably at 1 Mtpa plus production run rate. Our next focus is to achieve 1.2 Mtpa run rate.
- Our Zinc International is now operating at about 280-300 Ktpa run rate as we have successfully passed the learning curve to handle the difficult ore at Gamsberg. We are now focusing on Gamsberg phase 2 expansion. With this expansion, it will be among the largest operations globally at 500 Ktpa plus size of operations.
- At Oil & Gas, we have received approval for 10-year extension of production sharing contract to operate Rajasthan Oil block. We are focusing on projects to increase production volume to 300 mmboe and augment R&R.
- In Western cluster, Liberia, we have successfully started Ore production in July and first shipment is planned in the December 2022 quarter.

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 businesses by debottlenecking our assets to enhance production, supported by improved digital and technology solutions. Our efforts are focused on enhancing profitability by optimising our cost and improving realisations through prudent marketing strategies.

#### ***Continue focus on world-class ESG performance:***

We operate as a responsible business committed to 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. Our new ESG purpose has become our Group tagline as well, indicating to both our internal and external stakeholders that sustainability will be embedded in every decision we make and every action we take as an organisation. This new purpose is supported by a well-established framework of three pillars and nine aims, each with a set of quantifiable goals and commitments. Substantial capital investments, resources and policies have been engaged to ensure that our progress on these commitments fructify within our target years and contribute to the larger aspirations under the UN SDGs. We promote social inclusion across our operations to promote inclusive growth. We are also determined to become a net-zero carbon footprint company by 2050 and are taking numerous initiatives to be future ready sustainably.

***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 inorganic) based on our rigorous capital allocation framework to maximise shareholder returns.

***Delivering on growth opportunities:***

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

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

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

## **FINANCE REVIEW**

### **Executive summary**

We delivered strong performance in 1H FY2023 through operational efficiency further supported by higher commodity prices despite inflationary macro environment. The performance was augmented through several other initiatives across businesses for optimizing cost of production, working capital and marketing.

The first half of FY2023 saw a decrease in EBITDA by 13% (1H FY2023: US\$ 2.5 billion) with an adjusted EBITDA margin of 29% (1H FY2022: US\$ 2.9 billion, adjusted EBITDA margin: 42%).

As demonstrated in the consolidated operating profit variance analysis, higher cost of production due to input commodity inflation negatively impacted EBITDA. This was offset by higher output commodity prices and increased volumes at Aluminium and Zinc Business.

Regulatory factor resulted in decrease in EBITDA by US\$ 13 million compared to 1H FY2022.

The adjusted EBITDA margin for 1H FY2023 was at 29% mainly on account of change in business mix in our profit pool.

Gross debt reduced by \$0.8 Bn to US\$ 15.3 billion as on 30 September 2022 (FY2022: US\$ 16.1 billion). Net Debt stood at US\$ 11.8 billion as on 30 September 2022 (FY2022: US\$ 11.7 billion) and liquidity position with cash and liquid investments stood at US\$ 3.5 billion as on 30 September 2022 (FY2022: US\$ 4.4 billion).

At the Group level, we have been proactively managing our debt maturities by refinancing at Vedanta Resources Limited and various operating entities and have been able to maintain the average maturity period of c. 2.6 years for the entire debt portfolio.

The balance sheet of Vedanta Limited, the Indian-listed subsidiary of Vedanta Resources, continues to remain strong with cash and liquid investments of c.US\$ 3.2 billion and net debt to EBITDA ratio at 0.7x (FY2022: 0.5x).

### **Consolidated operating profit before special items**

Operating profit before special items decreased by US\$ 0.48 billion to US\$ 1.83 billion in 1H FY2023. This was primarily driven by higher cost of production due to input commodity inflation and depreciation partially offset by higher output commodity prices and increased volumes at Aluminium and Zinc business.

**Consolidated operating profit summary before special items**

(US\$ million, unless stated)

Consolidated operating profit before special items	1H FY2023	1H FY2022	% change	FY2022
Zinc	1,152	804	43%	1,930
-India	1,035	742	39%	1,793
-International	117	62	89%	137
Oil & Gas	322	205	57%	502
Aluminium	227	1,009	(78)%	2,058
Power	(8)	44	-	68
Iron Ore	57	163	(65)%	272
Steel	(11)	22	-	56
Copper Business	(14)	(29)	(52)%	(35)
Others	101	83	22%	176
<b>Total Group operating profit before special items</b>	<b>1,826</b>	<b>2,301</b>	<b>(21)%</b>	<b>5,027</b>

**Consolidated operating profit bridge before special items**

(US\$ million)

<b>Operating profit before special items for 1H FY2022</b>	<b>2,301</b>
<b>Market and regulatory: US\$ (509) million</b>	
a) Prices, premium/discount	595
b) Direct raw material inflation	(1,204)
c) Foreign exchange movement	113
d) Regulatory changes	(13)
<b>Operational: US\$ (124) million</b>	
f) Volume	151
g) Cost & Marketing	(275)
<b>Others</b>	<b>239</b>
<b>Depreciation and amortisation</b>	<b>(81)</b>
<b>Operating profit before special items for 1H FY2023<sup>1</sup></b>	<b>1,826</b>

**a) Prices**

Commodity price fluctuations have a significant impact on the Group's business. Comparing 1H FY2023 vs 1H FY2022, we saw a positive impact of price on Operating Profit of ~ \$ 595 million.

**Zinc:** Operating Profit was positively impacted by ~ \$209 million because of higher zinc prices by 21%, as compared to 1H FY2022.

**Aluminium:** Average aluminium LME prices increased to US\$ 2,604 per tonne in 1H FY2023, up 3%, positively impacting Operating Profit by ~\$18 million.

**Oil & Gas:** Oil Realisations for 1H FY2023 was US\$107.3 per barrel, up by 51% compared with US\$71.2 per barrel during 1H FY2022, positively impacting Operating Profit by ~\$253 million.

**Iron & steel:** Higher realizations positively impacted operating profit at ESL by \$91 million.

**b) Direct raw material inflation**

Prices of key raw materials such as alumina, coal and carbon increased significantly in 1H FY2023, with negative impact on Operating Profit of ~ \$1,204 million.

**c) Foreign exchange fluctuation**

Key exchange rates against the US dollar:

	Avg. half- year ended 30 September 2022	Avg. half- year ended 30 September 2021	% change	As at 30 September 2022	As at 30 September 2021	As at 31 March 2022
Indian rupee	78.38	73.89	(6)%	81.50	74.21	75.59
South African rand	16.30	14.38	(13)%	18.01	15.11	14.55

**d) Regulatory and Capex Recovery at Oil & Gas**

The Operating Profit was negatively impacted by ~\$13 million due to higher RPO at aluminium.

**e) Volumes**

Higher volumes increased the Operating Profit by \$151 million, mainly because of these key Group businesses:

**VAL:** Higher aluminium sales (~5%) positively impacted Operating Profit by ~\$43 million.

**HZL:** Higher Zinc and lead sales (~13%) has positively impacted the Operating Profit by ~\$133 million.

**f) Cost & Marketing**

Cost of production in 1H FY2023 decreased the Operating Profit by ~\$430 million, mainly due to higher power cost. Marketing has impacted the Operating Profit positively by ~\$ 155 million mainly due to better premia realisations at Aluminium.

**Depreciation and amortisation**

Depreciation and amortization increased by US\$ 81 million against the previous period mainly due to higher depletion charge in Oil & Gas and amortization at Zinc India.



## Income statement

(US\$ million, unless stated)

	1H FY2023	1H FY2022 <sup>1</sup>	% change	FY2022 <sup>1</sup>
Revenue	9,523	7,870	21%	17,619
EBITDA	2,487	2,868	(13)%	6,255
EBITDA margin (%)	26%	36%		36%
Adjusted EBITDA margin <sup>∠</sup> (%)	29%	42%		40%
Special items (Impairment reversal/charge - Net)	33	(44)		408
Depreciation and Amortisation	(648)	(567)	14%	(1,228)
Other expenses*	(13)			
Operating profit	1,859	2,257	(18)%	5,435
Operating profit without special items	1,826	2,301	(21)%	5,027
Net interest expense	(650)	(582)	12%	(1,249)
Interest income-related special items	-	-		-
-Other gains /(losses)	(80)	(22)		(38)
Profit before taxation	1,129	1,653	(32)%	4,148
Profit before taxation without special items	1,096	1,697	(35)%	3,740
Income tax (expense)/credit	(491)	(575)	(15)%	(1,400)
Income tax (expense)/credit (special items)	20	15	33%	(170)
Effective tax rate (%)	42%	34%		38%
Profit for the period /year	658	1,093	(40)%	2,578
Profit for the period /year without special items	605	1,122	(46)%	2,340
Non-controlling interest	504	719	(30)%	1,576
Non-controlling interest without special items	488	732	(33)%	1,515
Attributable profit/(loss)	154	374	(59)%	1,002
Attributable profit/loss without special items	117	390	(70)%	825
Underlying attributable profit/(loss)	160	400	(60)%	844

\* 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 increased by 21% to US\$ 9,523 million (1H FY2022: US\$ 7,870 million). This was mainly driven by higher commodity prices, higher volumes at Aluminium Business, Zinc Business and Copper business partially offset by lower volumes at Oil and Gas and Iron business.

(US\$ million, unless stated)

Consolidated revenue	1H FY2023	1H FY2022	Net revenue	
			% change	FY2022
Zinc	2,571	1,947	32%	4,446
- India	2,201	1,654	33%	3,844
- International	370	293	26%	602
Oil & Gas	1,015	728	39%	1,669
Aluminium	3,606	3,023	19%	6,833
Power	434	335	30%	783
Iron Ore	330	413	(20)%	852
Steel	439	363	21%	869
Copper Business	1,049	955	10%	2,035
Others <sup>1</sup>	79	106	(25)%	132
Revenue	9,523	7,870	21%	17,619

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 FY2023	1H FY2022	% Change	FY2022	Key drivers	EBITDA margin % 1H FY2023	EBITDA margin % 1H FY2022
Zinc	1,371	1,014	35%	2,376		53%	52%
-India	1,221	919	33%	2,170	Higher Zinc, Lead LME and Silver prices & higher volumes	55%	56%
-International	150	95	58%	206	Higher Zinc, Lead LME & higher volumes	41%	32%
Oil & Gas	525	334	57%	809	Higher Brent price	52%	46%
Aluminium	367	1133	(67)%	2,328	Higher input commodity prices	10%	37%
Power	28	83	(66)%	145		6%	25%
Iron Ore	74	179	(59)%	304	Higher input commodity prices	22%	43%
Steel	10	40	(75)%	94	Higher input commodity prices	2%	11%
Copper Business	(4)	(19)	(79)%	(15)		-	(2)%
Others <sup>1</sup>	116	104	10%	214		-	
<b>Total</b>	<b>2,487</b>	<b>2,868</b>	<b>(13)%</b>	<b>6,255</b>	<b>EBITDA margin</b>	<b>26%</b>	<b>36%</b>
					<b>Adjusted EBITDA margin<sup>◇</sup></b>	<b>29%</b>	<b>42%</b>

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

### EBITDA and EBITDA margin

EBITDA for 1H FY2023 decreased to US\$ 2,487 million, lower by 13%YoY primarily due to higher input commodity prices like coal and carbon cost majorly at Aluminium Business, Iron & Steel Business partially offset by higher output commodity prices and higher volumes. (See 'Operating profit variance' for more details)

The adjusted EBITDA margin was at 29% mainly on account of change in profit mix across businesses.

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

In 1H FY2022 special items stood at positive US\$ 33 million which includes: -

- The GOI levied Special Additional Excise Duty (SAED) on production of Crude Oil. The consequential net impact of the said duty is \$ 63 million for the period ended 30 Sep 2022.
- Gain of \$96 million was booked for the period ended 30 Sep 2022 for impairment reversal. This mainly includes impairment of assets in Liberia on commencement of mining operations (\$82 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 12 %YoY at US\$ 749 million in 1H FY2023 (1H FY2022: US\$ 670 million). This was primarily driven by increase in blended cost of borrowings (8.3% vs 8%) and one-time expenses.

Investment revenue in 1H FY2023 increased to US\$ 99 million (1H FY2022: US\$ 88 million).

The average post-tax return on the Group's investments during the first half was 2.8% (1H FY2022: 3.2%).

This combination of higher finance costs and higher investment revenues led to an increase of US\$ 68 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 FY2023 amounted to US\$ (80) million, compared to US\$ (22) million in 1H FY2022 majorly on account of forex loss.

### Taxation

The normalised ETR for 1H FY2023 is 42% as compared to 34% in 1H FY2022.

### Attributable profit/(loss)

The attributable profit before special items for the period was US\$ 117 million (1H FY2022: US\$ 390 million).

### Fund flow post-capex

The free cash flow post-capex for the period was US\$ 875 million (1H FY2022: US \$ 959 million).

### Debt, maturity profile and refinancing

In 1H FY2023, gross debt decreased to US\$ 15.3 billion compared with US\$ 16.1 billion at 31 March 2022, driven by deleveraging at Vedanta Resources Limited standalone, Cairn, TSPL and Zinc India partially offset by additional borrowings at Vedanta Standalone.

Our total gross debt of US\$ 15.3 billion comprises:

- US\$ 13.9 billion as term debt (March 2022: US\$ 15.2 billion);
- US\$ 1.0 billion of short-term borrowings (March 2022: US\$ 0.7 billion);
- US\$ 0.4 billion of working capital loans (March 2022: US\$ 0.2 billion).

The Group has been proactively managing its debt maturities by refinancing at Vedanta Resources Limited and the various operating entities and has been able to maintain the average maturity period of c. 2.6 years for the entire debt portfolio.

The maturity profile of term debt of the Group (totalling US\$ 13.9 billion) is summarised below:

Particulars	As at	As at	FY2023	FY2024	FY2025	FY2026 & Beyond
	30 September 2022	30 September 2021				
Debt at Vedanta Resources Limited	7.8	8.7	0.6	3.0	2.9	1.3
Debt at subsidiaries	6.1	6.5	0.6	1.1	1.0	3.4
<b>Total term debt</b>	<b>13.9</b>	<b>15.2</b>	<b>1.2</b>	<b>4.1</b>	<b>3.9</b>	<b>4.7</b>

Term debt at our subsidiaries was US\$ 6.1 billion, with the balance at Vedanta Resources Limited.

Also, during 1H FY2023, net debt increased from US\$ 11.7 billion at 31 March 2022 to US\$ 11.8 billion at 30 September 2022.

Cash and liquid investments stood at US\$ 3.5 billion at 30 September 2022 (31 March 2022: US\$ 4.4 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 2022 was approved by the Board of Directors in May 2022. 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 March 31, 2022 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 Sep 2022.

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 ratings was maintained at "B- "with stable outlook during 1H FY2022. S&P also issued a short positive bulletin in July 2022 recognizing \$950 fund raising in 1Q as credit positive.

On 31st October 2022, Moody's downgraded the CFR to 'B3' from 'B2' and bond ratings to 'Caa1' from 'B3' with negative outlook as the Company has yet to obtain funding for its bonds maturing in April / May 23 by October 2022 as expected by Moody's and their concerns over Vedanta Resources Ltd (VRL) refinancing needs over next 15-18 months period.

However, VRL remains in a very comfortable position to address all its debt maturities with a strong balance sheet, robust liquidity at its operating subsidiaries and strong track record of raising funds through relationship banks. Meanwhile, on 3<sup>rd</sup> November 2022, VRL has given notice to Moody's for discontinuation of all its outstanding ratings.

## Balance sheet

(US\$ million, unless stated)

<b>Balance Sheet</b>	<b>Six months to 30 September 2022</b>	<b>Six months to 30 September 2021</b>	<b>For Year Ended 31 March 2022</b>
Goodwill	12	12	12
Intangible Assets	79	97	90
Property, Plant and Equipment	12,878	12,809	13,484
Exploration and Evaluation Assets	299	367	220
Other Non - Current Assets	2,984	3,056	2,961
Cash and liquid investments	3,489	4,317	4,476
Other Current Assets	4,789	3,520	4,411
<b>Total Assets</b>	<b>24,530</b>	<b>24,179</b>	<b>25,654</b>
Gross Debt	(15,277)	(15,542)	(16,082)
Other Current and Non-Current Liabilities	(8,711)	(6,930)	(8,037)
<b>Net Assets</b>	<b>542</b>	<b>1,707</b>	<b>1,535</b>
Shareholders' equity/(deficit)	(3,212)	(3,318)	(3,113)
Non- controlling interests	3,754	5,025	4,648
<b>Total equity</b>	<b>542</b>	<b>1,707</b>	<b>1,535</b>

Shareholders' (deficit)/equity was US\$ (3,212) million at 30 September 2022 compared with US\$ (3,113) million at 31 March 2022, mainly driven by change in attributable profit and dividend paid on ordinary shares.

Non-controlling interests decreased to US\$ 3,754 million at 30 September 2022 (from US\$ 4,648 million at 31 March 2022).

### Property, plant and equipment (PPE)

During 1H FY2023, PPE stood at US\$ 12,878 million (March 31, 2022: US\$ 13,484 million). The decrease was primarily driven by depreciation charge of US\$ 648 million and FCTR loss which is partly offset by additions.

## Project capex

(US\$ million)

Capex in progress	Status	Total capex approved <sup>2</sup>	Spent up to FY2022 <sup>3</sup>	Spent in 1H FY2023	Unspent as on 30 September 2022 <sup>4</sup>
<b>Cairn India<sup>1</sup></b>					
Mangala infill, Bhagyam & Aishwarya Polymer, Liquid handling, ASP, OALP, Tight oil & gas etc.		3,070	1,178	204	1,688
<b>Aluminium Sector</b>					
Jharsuguda 1.25mtpa smelter, 550ktpa VAP capacity expansion	In Progress	3,280	3,035	69	176
Lanjigarh Refinery- 5mtpa	In Progress	1,563	964	85	513
Balco smelter and Rolled product capacity expansion	In Progress	935	70	24	841
<b>Zinc India</b>					
Mine expansion		2,077	1,809	23	245
Others		630	156	7	467
<b>Zinc International</b>					
Gamsberg Phase II project	In Progress	466	-	20	446
Iron Ore project	In Progress	37	9	11	17
<b>ESL</b>					
1.5 to 3 MTPA hot metal		349	24	31	294
<b>Avanstrate Inc (ASI)</b>					
Furnace Expansion and Cold Repair		189	80	28	81
<b>Capex flexibility</b>					
<b>Metals and Mining</b>					
Tuticorin Smelter 400ktpa	Project is under Force Majeure	717	198	1	518
Skorpion refinery conversion	Currently deferred till Pit 112 extension	156	17	-	139

1 Capex approved for Cairn represents Net Capex; Gross capex US\$ 4.2 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 2022.

## OPERATIONAL REVIEW

### ZINC INDIA

#### Summary

In FY2023 Zinc India has delivered record first half performance with highest ever metal in concentrate, refined metal and silver production. During 1H FY2023 our underground mines had ore production of 7.97 Mn MT, up by 5%YoY. We delivered 506kt of refined metal and 11.9 million ounces silver.

#### Production performance

Production (kt)	1H FY2023	1H FY2022	% change	FY2022
Total mined metal	507	470	8%	1,017
Refinery metal production	506	445	13%	967
- Refined zinc – integrated	395	350	13%	776
- Refined lead – integrated <sup>1</sup>	110	95	16%	191
Production – silver (million ounces) <sup>2</sup>	11.9	10.1	19%	20.8

1. Excluding captive consumption of 4,246 tonnes in H1 FY2023 vs. 3,588 tonnes in 1H FY2022

2. Excluding captive consumption of 713 thousand ounces in H1 FY2023 vs. 626 thousand ounces in 1H FY2022

#### Operations

First half mined metal production at 507kt was 8% higher YoY, on account of increase in ore production, further supported by better grades & improved operational efficiency. First half refined metal production at 506kt, was up 13%YoY, resulting from consistent mined metal flow from mines and better plant availability partly offset by acid storage tank breakdown at Chanderiya plant in 2Q FY2023.

1H FY2023 integrated zinc production was at 395kt, up 13%YoY and refined lead production was at 110kt, up 16%YoY. Saleable silver production was 11.9 moz, up 19%YoY in-line with lead metal production.

#### Prices

	1H FY2023	1H FY2021	% change	FY2022
Average zinc LME cash settlement prices US\$/t	3,580	2,955	21%	3,257
Average lead LME cash settlement prices US\$/t	2,083	2,237	(7)%	2,285
Average silver prices US\$/ounce	20.9	25.5	(18)%	24.6

Commodity prices witnessed severe volatility due to macro-economic factors such as rising energy prices, hardening interest rates and supply constraints among others. Zinc prices were up 21% compared to 1H FY 2022 to average \$3580 per tonne during the period. Across the world, several smelters went into care and maintenance due to increasing energy prices. The LME stocks stand at 54 kt at the end of Sept'22, down from 140 kt on 1<sup>st</sup> Apr'22.

The total tonnage of Zinc in Shanghai Futures Exchange (SHFE) warehouses fell to 38 kt on 30<sup>th</sup> Sept'22, from 176 kt on 1<sup>st</sup> Apr'22. The refined zinc imports of China fell by 84%YoY to 54 kt in January-August 2022, and the August imports fell by 88%YoY to 3,149t. Imports are expected to pick up in 3Q FY2023 due to the demand recovery and depletion of stocks.

On similar lines, lead prices dropped by 7% in 1H FY2023 YoY to average \$2,083 per tonne. The prices of lead are expected to remain subdued for second half of the year, as the automobile sector is facing constraints in production but in the long run, the usage of refined lead in the automobile industry is expected to grow.

Silver demand witnessed an uptick owing to lowering of prices and upcoming festive season. Silver prices were down by 18% during 1H FY2023 YoY to average \$20.9 per troy ounce.

### Unit costs

	1H FY2023	1H FY2022	% change	FY 2022
Unit costs (US\$ per tonne)				
- Zinc (including royalty)	1,751	1,495	17%	1,567
- Zinc (excluding royalty)	1,260	1,096	15%	1,122

For the six-month period, reported zinc cost of production (COP) before royalty was \$1,260, up 15%YoY. The COP has been majorly hit on account of input commodity inflation partially offset by higher mining grade, operational efficiencies and better acid realizations.

Of this figure, government levies amounted to US\$ 531 per tonne (1H FY2022: US\$ 429 per tonne), comprising mainly of royalty payments, Clean Energy Cess, electricity duty and other taxes.

### Financial performance

*(US\$ million, unless stated)*

	1H FY2023	1H FY2022	% change	FY 2022
Revenue	2,201	1,654	33%	3,844
EBITDA <sup>◇</sup>	1,221	919	33%	2,170
EBITDA margin (%)	55%	56%	-	56%
Depreciation and amortisation	186	177	6%	377
Operating profit before special items	1,035	742	39%	1,793
Share in Group EBITDA (%)	49%	32%	-	35%
Capital expenditure	254	175	45%	378
Sustaining	225	156	44%	339
Growth	29	19	53%	39



The revenue for 1H FY2023 stood at US\$ 2,201 million, up 33%YoY, and EBITDA was US\$ 1,221 million, up 33%YoY. The increase in revenue is primarily driven by increase in zinc prices and better volumes. The increase in EBITDA is in line with revenue.

## Projects

- For Hindustan Zinc Alloys Private Limited (HZAPL) all orders have been placed and civil jobs are in advanced stage at the site. We expect the commissioning to be completed by 4Q FY2023.
- Rajpura Dariba Mill civil construction is in advance stage & Mechanical and E&I works have already started and commissioning is expected to be completed by early 4Q FY2023.
- For the Fumer commissioning, NFC team arrived at site and cold commissioning of the equipment was completed. Few experts are already at site & further visa process for few of the OEM & NFC experts is under advanced stage. We expect Fumer commissioning to be completed by end of 3Q FY2023.
- A wholly owned subsidiary 'Hindustan Zinc Fertilisers Private Limited' was formed during 2Q FY2023 in line with the board approval received last quarter.

## Outlook

In FY2023, mined metal is expected to be between 1,050-1,075 kt and Refined metal production is expected in the range of 1,000-1,025 kt. FY2023 saleable silver production is projected to be between 700-725 MT.

Zinc cost of production excluding royalty in FY2023 is expected to be between US\$ 1,225-1,275 per MT. The project capex for the year is expected to be in the range of US\$ 125-150 million.

## ZINC INTERNATIONAL

### Summary

During 1H FY2023, Zinc International produced 141kt of zinc and lead metal in concentrate. Gamsberg achieved highest ever production of 108kt, and Black Mountain production increased from 31kt to 33kt. Skorpion zinc has remained under Care and Maintenance since 1H FY2021.

### Production performance

	1H FY2023	1H FY2022	% Change	FY2022
Total production (kt)	141	116	22%	223
Production – metal in concentrate (kt)				
Gamsberg	108	85	27%	170
BMM	33	31	8%	52

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

### Operations

During 1H FY2023, total production for Zinc International was at 141,000 tonnes, higher by 22%YoY. Gamsberg production improved significantly by 27% (108kt vs 85kt). The performance was enabled by factors such as lower mill stops and increased mill-run time, higher zinc recoveries and better concentrate grade.

Black Mountain production was higher by 8% (33kt vs 31kt) mainly due to higher head grades of lead (3.3% vs 2.4%). Significant production improvement initiatives will be implemented which include advance process control (APC) to improve recovery, blend optimization and compliance, continued focus on drilling to unlock blast inventory and mine plan optimization to maximize grades.

At Skorpio Zinc, the business is still evaluating options to restart the mining operations.

### Unit costs

	1H FY2023	1H FY2022	% Change	FY 2022
Zinc (US\$ per tonne) unit cost	1,582	1,321	20%	1,442

The unit cost of production increased by 20% to \$1,582/t from \$1,321/t in 1H FY2022. This was mainly driven by higher TCRC (Zinc \$270/dmt vs \$92/dmt), higher energy and fuel prices, lower copper production (2.6kt vs 3.2kt) & credits, partly offset by higher zinc & lead production and exchange rate depreciation (ZAR16.3/\$ vs ZAR14.4/\$).

### Financial Performance

(US\$ million, unless stated)

	1H FY2023	1H FY2022	% Change	FY2022
Revenue	370	293	26%	602
EBITDA	150	95	58%	206
EBITDA margin	41%	32%	-	34%
Depreciation	33	33	1%	69
Operating profit before special items	117	62	89%	137
Share in group EBITDA %	6%	3%	-	3%
Capital expenditure	65	82	(21)%	133
Sustaining	29	82	(65)%	133
Growth	37	-	-	-

During the period, revenue increased by 26% to US\$ 370 million, driven by higher production and sales volumes and higher LME prices (\$3,580/t vs \$2,955/t) in 1H FY2023 compared to same period in previous financial year. Higher EBITDA in 1H FY2023 vs 1H FY2022 is a result of higher production and LME prices, offset partly by higher cost of production.

### Outlook

In FY2023, we expect production volumes from BMM to be between 60 – 70kt and for Gamsberg to be between 200 – 225kt. The cost of production for Zinc International in 2H FY2023 is expected to be between \$1,300/t - \$1,400/t for both units.

## OIL & GAS

### Summary:

During 1H FY2023, Oil & Gas business delivered gross operated production of 144 kboepd. The company's production from the Rajasthan block was 124,291 boepd and from the offshore assets, was at 19,902 boepd.

In OALP blocks, we have secured 8 blocks in DSF-III round and one Coal Bed Methane (CBM) Block in special CBM round 2021.

### Production performance

	Unit	1H FY2023	1H FY2022	% change	FY2022
Gross operated production	Boepd	144,267	165,114	(13%)	160,851
Rajasthan	Boepd	124,291	140,787	(12%)	137,723
Ravva	Boepd	10,468	14,471	(28%)	14,166
Cambay	Boepd	9,434	9,856	(4%)	8,923
OALP	Boepd	73	-	-	39
Oil	Bopd	122,264	139,044	(12%)	135,662
Gas	Mmscfd	132	156	(15%)	151
Net production – working interest	Boepd	93,676	106,288	(12%)	103,737
Oil*	Bopd	79,354	89,749	(12%)	87,567
Gas	Mmscfd	86	99.2	(13%)	97.0
Gross operated production	Mmboe	26.4	30.2	(13%)	58.7
Net production – working interest	Mmboe	17.1	19.5	(12%)	37.9

\* Includes net production of 470 boepd in 1H FY2023 and 538 boepd in 1H FY2022 from KG-ONN block, which is operated by ONGC. Cairn holds a 49% stake.

### Operations

Average gross operated production across our assets was 13% lower YoY at 144,267 boepd. The company's production from the Rajasthan block was 124,291 boepd, 12% lower YoY and from the offshore assets, was at 19,902 boepd, 18% lower YoY, primarily driven by natural reservoir decline at the MBA fields. The decline was partially offset by addition of volumes from new infill wells brought online in Mangala, Bhagyam and Raageshwari Deep Gas field. Production details by block are summarized below.

#### Rajasthan block

Gross production from the Rajasthan block averaged 124,291 boepd, 12% lower YoY. The natural decline in the MBA fields has been partially offset by infill wells brought online in Mangala, Bhagyam, ABH and RDG fields.

Gas production from Raageshwari Deep Gas (RDG) averaged 136 million standard cubic feet per day (mmscfd) in 1H FY2023, with gas sales, post captive consumption, at 113 mmscfd.

On 26<sup>th</sup> October 2018, the Government of India, acting through the Directorate General of Hydrocarbons (DGH), Ministry of Petroleum and Natural Gas, granted its approval for a ten-year extension of the PSC for the Rajasthan block, RJ-ON-90/1, subject to certain conditions, with effect from 15<sup>th</sup> May 2020. The Division Bench of the Delhi High Court in March 2021 set aside the single judge order of May 2018 which allowed extension of PSC on same terms and conditions. We have filed a Special Leave Petition (SLP) in Supreme Court against this Delhi High court judgement.

We have served notice of Arbitration on the Gol in respect of the audit demand raised by DGH based on PSC provisions. The final hearing and arguments were concluded in September 2022. Post hearing briefs would be filed by the parties on 11<sup>th</sup> November 2022. It is our position that there is no liability arising under the PSC owing to these purported audited exceptions. The audit exceptions do not constitute demand and hence shall be resolved as per the PSC provisions.

Pursuant to GOI's approval for extension vide letter dated 26 October 2018, the parties have now executed the addendum for PSC extension for 10 years from 15 May 2020 to 14 May 2030 on 27<sup>th</sup> October 2022.

### Ravva block

The Ravva block produced at an average rate of 10,468 boepd, lower by 28%YoY, owing to natural field decline. Previous year production included gains from infill drilling campaign.

### Cambay block

The Cambay block produced at an average rate of 9,434 boepd, lower by 4%YoY. This was primarily due to natural field decline partially offset by well interventions and production optimization measures.

### Prices

Particulars	1H FY2023	1H FY2022	% change	FY2022
Average Brent prices –US\$/barrel	107.3	71.2	51%	81.15

Crude oil price averaged US\$107.3 per barrel, compared to US\$71.2 per barrel in 1H FY2022. The continuous upward movement is mostly driven by supply constraints following Russia's invasion of Ukraine.

However, faltering economic backdrop and weakening outlook for consumption caused a notable fall in the oil prices early in the year. Interest rate hike by central banks around the world weighted on demand outlook and series of rate hikes by US Fed caused dollar to spiral to two decades high to make oil more expensive to the buyers holding currency other than dollar. COVID-19 restrictions in China and US administration releasing oil inventories from strategic reserve further eased the prices.

Prices got stabilized during mid-half year amid tight supply and fears of a demand slowdown, after a build in U.S. crude and gasoline stocks, limited spare capacity of OPEC and downfall in supply from Caspian Pipeline Consortium. Demand outlook remains clouded by increasing worries about an economic slump in the United States and Europe, debt distress in emerging market economies.

However, decision by OPEC and allies to slash October production by 100,000 bopd in a bid to arrest the slump in prices provided floor to the prices. Although it fell short to market expectation but belief of further steps from oil cartel supported the market. Also, scepticism about the revival of the nuclear deal between Western countries and Iran, which would delay the expected return of around 1 mboe of Iranian crude to the market further weighted on worries on supply side.

## Financial performance

(\$m, unless stated)

Particulars	1H FY2023	1H FY2022	% change	FY2022
Revenue	1,015	728	39%	1,669
EBITDA	525	334	57%	809
EBITDA margin	52%	46%	-	48%
Depreciation and amortisation	190	129	48%	307
Operating profit before special items	322	205	57%	502
Share in Group EBITDA %	21%	12%	-	13%
Capital expenditure	240	98	-	233
Sustaining	5	1	-	9
Growth	235	97	-	225

Revenue for 1H FY2023 was 39% higher YoY at \$1,015 million (after profit petroleum and royalty sharing with the Government of India), resulting from increase in oil prices. EBITDA for 1H FY2023 was at \$525 million, higher by 57%YoY in line with the higher revenues.

The Rajasthan operating cost was US\$13.6 per barrel in 1H FY2023 compared to US\$8.8 per barrel in the 1H FY2022, primarily driven by increase in polymer commodity index owing to oil price rally 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 11 infill producers and injector wells in FB3 layers and three horizontal wells in the bio-degraded zone.

As of September 30, 2022, 8 wells have been drilled, of which 2 wells are hooked up.

##### **Aishwarya**

Based on the success of 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.

Early acceleration of first well was completed during first half of fiscal year 2023. Drilling is expected to re-commence from third quarter of fiscal year 2023.

##### **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. Drilling has commenced during second quarter for fiscal year 2023.

## **Tight Gas (RDG)**

In order to realize the full potential of the gas reservoir, an infill drilling campaign of 27 wells has commenced during fiscal year 2022. As of September 30, 2022, 17 wells have been drilled of which 9 wells are online.

## **Satellite Fields**

In order to monetise the satellite fields, an integrated contract for the appraisal and development activity through global technology partnership is ongoing. As of September 30, 2022, 14 wells have been drilled. They are being progressively hooked up to ramp up volumes.

## **Cambay (Offshore)**

Infill program in Cambay over the last few years has resulted in incremental recovery. New opportunities have been identified basis integration of advanced seismic characterization, well and production data. Project has been completed during the second quarter of fiscal year 2023 and two wells are online.

## **Ravva (Offshore)**

To augment reserve base and manage natural decline, infill opportunities were identified in Ravva asset. The project entails drilling of four exploration wells and 1 development well. As of Sep 30, 2022, two exploration wells have been drilled. Success in one exploration well which has been put to production. No hydrocarbons were observed in 2<sup>nd</sup> well and has been declared dry.

## **Discovered Small Field (DSF)**

**Hazarigaon:** Well intervention and testing activities was carried out in Hazarigaon-1 well and monetisation is underway. Production is expected to commence from third quarter of fiscal year 2023.

## **B. Exploration and Appraisal**

### **Rajasthan Exploration and Appraisal**

To unlock the potential of unconventional resources, we commenced drilling of the first shale exploration well in Rajasthan during the second quarter of fiscal year 2022.

### **Open Acreage Licensing Policy (OALP)**

Under the Open Acreage Licensing Policy (OALP), revenue-sharing contracts have been signed for 51 blocks located primarily in established basins, including some optimally close to existing infrastructure, of which 5 onshore blocks in the KG region have been relinquished.

Early monetization for Jaya discovery in Cambay region is in progress and production is expected to commence from third quarter of fiscal year 2023. Drilling is ongoing in the North-East region, and we intend to continue the exploration across Rajasthan, Cambay, and North-east in FY23 to unlock the full potential of the OALP blocks.

## **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 project across producing fields to add volume in near term
- Unlock the potential of the exploration portfolio comprising of OALP and PSC blocks
- Drilling pilot wells for shale to establish potential for unconventional
- Continue to operate at a low cost-base and generate free cash flow post-capex

In FY2023, we expect average gross production volumes to be between 145,000 – 155,000 boepd. The operational cost of production in 2H FY2023 is expected to be between \$13/boe - \$14/boe.

## ALUMINIUM

### Summary

Our Lanjigarh Alumina Refinery recorded half yearly production at 939 kt and Aluminium smelters produced 1,149 kt. We have completed Jharsuguda capacity ramp up to 1.8 Mtpa, with this our total Aluminium production reached to 2.4 Mtpa.

### Production performance

Production (kt)	1H FY2023	1H FY2022	% change	FY2022
Alumina – Lanjigarh	939	993	-5%	1,968
Total aluminium production	1,149	1,118	3%	2,268
Jharsuguda I	276	275	0%	550
Jharsuguda II	590	553	7%	1,137
BALCO I	128	133	-4%	266
BALCO II	155	158	-2%	355

### Alumina refinery: Lanjigarh

At Lanjigarh, production was at 939kt, down by 5%YoY due to severity of monsoon, Bauxite quality and planned maintenance activities. We achieved the lowest ever specific consumption of steam and lime 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 which is on track. We have started production from Chotia coal mine in Sep 2022 and working towards operationalization of Jamkhani coal mine in FY2023.

### Aluminium smelters

Production for 1H FY2023 stood at 1,149 kt, increased by 3%YoY. We have completed Jharsuguda capacity ramp up to 1.8 Mtpa, with this our total Aluminium production reached to 2.4 Mtpa.

### Jharsuguda I & II smelter

Production from the Jharsuguda I smelter stood at 276kt, flat YoY and Jharsuguda-II smelter stood at 590kt tonnes, increased by 7%YoY.

### BALCO I & II smelters

Production from the Balco I smelter stood at 128kt, down by 4%YoY and Balco-II smelter stood at 155KT, down by 2%YoY.

### Prices

	1H FY2023	1H FY2022	% change	FY2022
Average LME cash settlement prices (US\$ per tonne)	2,604	2,528	3%	2774

Average LME prices for aluminium in 1H FY2023 stood at US\$ 2,604 per tonne, an increase of 3%YoY. LME witnessed a sharp decline in 1H FY2023 over FY2022, due to reduction in demand affected by ongoing energy crises in Europe, which is further expected to aggravate because of

incoming heating seasons and hence uncertainty among the consumers regarding energy supply industry. This coupled with increasing interest rates and dollar appreciation resulted in LME decline.

### Unit costs

(US\$ per tonne)

	1H FY2023	1H FY2022	% change	FY2022
Alumina cost (ex-Lanjigarh)	387	270	43%	291
Aluminium hot metal production cost	2,541	1,588	60%	1,858
Jharsuguda CoP	2,509	1,550	62%	1,839
BALCO CoP	2,641	1,696	56%	1,913

During 1H FY2023, the Cost of Production (CoP) of Alumina at Lanjigarh refinery was 43% up YoY at US\$ 387 per tonne, due to commodity price increase. In 1H FY2023, the total Bauxite requirement was met from Odisha (66%) and imports (34%), against 1H FY2022 of Odisha (59%) and imports (41%).

The Cost of production (CoP) of hot metal at Jharsuguda in 1H FY2023 was US\$ 2,509 per tonne, increased from US\$ 1,550 in 1H FY2022. The CoP at BALCO increased to US\$ 2,641 per tonne in 1H FY2023 from US\$ 1,696 in 1H FY2022. The increase in costs for both smelters were majorly due to increase in power cost driven by high coal cost and headwinds in input commodities mainly coke and pitch.

### Financial performance

(US\$ million, unless stated)

	1H FY2023	1H FY2022	% change	FY2022
Revenue	3,606	3,023	19%	6,833
EBITDA	367	1,133	(68)%	2,328
EBITDA margin	10%	37%	-	34%
Depreciation and amortisation	140	124	13%	270
Operating profit before special items	227	1,009	(77)%	2,058
Share in group EBITDA (%)	15%	40%	-	37%
Capital expenditure	275	184	49%	460
Sustaining	93	80	17%	166
Growth	182	104	75%	293

Revenue for 1H FY2023 stood at US\$ 3,606 million, higher by 19%YoY driven primarily by higher Aluminium LME prices and increased production.

EBITDA was at US\$ 367 million (1H FY2021: US\$ 1,133 million) due to higher input commodity prices and increased cost of production partly offset by better Aluminium LME prices and increased production.



## Outlook

In the wake of recession threats and symptoms in Europe coupled with reducing demand of primary aluminium due to ongoing energy crises globally, the demand is expected to be extremely volatile and subdued. The ongoing geopolitical situation and the decisions it may force globally will also play a very vital role in price determination of aluminium globally.

The LME has already witnessed a sharp decline over last 6 months.

The input commodity prices continue to be high. However, we are continuously working on optimizing our controllable costs, while also increasing price realization in order to improve profitability in a sustainable way.

We are working towards improving our local bauxite sourcing to feed the alumina refinery. Lanjigarh refinery capacity expansion from 2 MTPA to 5 MTPA, subject to bauxite availability, will improve captive alumina production and support our structural cost reduction. We are also focusing on operationalization of our captive coal mines.

In FY2023 we expect our Alumina production to be between 2.0 – 2.1 Mn MT and Aluminium production to be between 2.2- 2.3 Mn MT. We expect hot metal cost of production at our smelters together to be between \$2,150/t - \$2,250/t in 2H FY2023.

## POWER

### Summary

In 1H FY2022, Talwandi Sabo Power Plant (TSPL) achieved availability of 82%. Further, plant load factors for the Jharsuguda IPP was considerably higher YoY basis.

### Production performance

	1H FY2023	1H FY2022	% change	FY2022
<b>Total power sales (MU)</b>	7,192	5,621	28%	11,872
- Jharsuguda 600 MW	1,471	1,305	13%	2,060
- BALCO 300 MW	14	608	(98)%	1,139
- MALCO <sup>1</sup>	-	-	-	-
- HZL wind power	274	289	(5)%	414
- TSPL	5,433	3,418	59%	8,259
- TSPL – availability	82%	59%	-	76%

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

### Operations

Power sales from TSPL were 5,433 million units, 59% up YoY. The power purchase agreement with the Punjab state compensates us based on the availability of the plant. TSPL operated at plant availability factor of 82% in 1H FY2023.

The Jharsuguda 600MW power plant operated at a higher plant load factor (PLF) of 61% in 1H FY2023 (1Q FY2023: 69%, 2Q FY2023: 53%, 1H FY2022: 55%).

## Unit sales and costs

	1H FY2023	1H FY2022	% change	FY2022
Sales realisation ex TSPL (US cent/kWh) <sup>1</sup>	3.8	4.3	(11)%	4.2
Cost of production ex TSPL (US cent/kWh) <sup>1</sup>	3.0	3.0	(1)%	3.2
TSPL sales realisation (US cent/kWh) <sup>2</sup>	5.8	5.1	13%	4.9
TSPL cost of production (US cent/kWh) <sup>2</sup>	4.9	4.0	22%	3.7

<sup>1</sup> Power generation excluding TSPL

<sup>2</sup> 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 11%YoY. Power generation cost was at US cents 3.0 per kWh, up 1%YoY.

TSPL's average sales price was higher at US cents 5.8 per kWh in 1H FY2023 compared to US cents 5.1 per kWh in 1H FY2022, higher by 13%YoY. Power generation cost at TSPL was higher at US cents 4.9 per kWh in 1H FY2023 compared with US cents 4.0 per kWh in the previous year.

## Financial performance

(US\$ million, unless stated)

	1H FY2023	1H FY2022	% change	FY2022
Revenue	434	335	30%	783
EBITDA	28	83	(66)%	145
EBITDA margin	6%	25%	-	19%
Depreciation and amortisation	36	39	(8)%	77
Operating profit before special items	(8)	44	-	68
Share in group EBITDA%	1%	3%	-	2%
Capital expenditure	1	6	-	6
Sustaining	1	5	-	6
Growth	-	2	-	-

EBITDA for the period at US\$ 28 million lower 66%YoY.

## Outlook

We will remain focused on achieving higher plant load factors at our BALCO 300 MW IPP and Jharsuguda 600MW IPP.

In FY2023, we expect plant availability factor (PAF) at TSPL to be more than 85%.

## IRON ORE

### Summary

At Goa Iron Ore, there was no production as mining remained suspended pursuant to the Hon'ble Supreme Court judgement dated 7th February 2018.

The production from Iron Ore Karnataka in 1H FY2023 is 2.3 dry million tonnes (DMT).

### Production performance

	1H FY2023	1H FY2022	% change	FY2022
Production (dmt)				
Saleable ore	2.3	2.8	(15%)	5.4
Goa	-	-	-	-
Karnataka	2.3	2.8	(15%)	5.4
Pig iron (kt)	309	410	(24%)	790
Sales (dmt)				
- Iron ore	2.6	3.0	(12%)	6.8
- Goa	0.4	0.5	(18%)	1.1
- Karnataka	2.2	2.5	(11%)	5.7
- Pig iron (kt)	295	404	(27%)	790

### Operations

Iron ore purchased in the previous auctions held by Goa Government helped us to cover our fixed cost at Goa and to cater requirement of our pig iron plant at Amona.

At Karnataka, production was 2.3 million tonnes in 1H FY2023, sales stood at 2.2 million tonnes, down by 11%YoY majorly due to delay in implementation of procedural changes by DMG for sale of material.

During the half-year, pig iron production was 309 kt lower by 24%YoY due to planned shutdown taken at the smaller blast furnaces.

Commercial production has commenced in Sesa Nickel plant during Sep'22. We have also started ore production from Western Clusters, Liberia Iron ore mines in July'22 and material transportation from mine to port started on 16<sup>th</sup> Sep'22.

### Prices

The pig iron margin decreased from US\$ 154 per tonne in 1H FY2022 to US\$ 68 per tonne in 1H FY2023, primarily on account of imposition of export duty.

## Financial performance

(US\$ million, unless stated)

	1H FY2023	1H FY2022	% change	FY2022
Revenue	330	413	(20%)	852
EBITDA	74	179	(59%)	304
EBITDA margin	23%	43%	-	36%
Depreciation	17	16	8%	32
Operating (loss) before special items	57	164	(65%)	272
Share in group EBITDA %	3%	6%	-	5%
Capital expenditure	43	(1)	-	22
Sustaining	5	(1)	-	9
Growth	38	0	-	12

In 1H FY2023, Revenue was at US\$ 330 million, down by 20%YoY mainly due to lower sales volumes at Karnataka and value-added business. Iron ore Karnataka sales have reduced by 11%YoY.

In 1H FY2023, EBITDA was US\$ 74 million compared with US\$ 179 million in 1H FY2022, lower by 59%YoY. This was mainly due to imposition of export duty on pig iron and increase of duty on Iron Ore which impacted both the export and domestic prices.

### Outlook

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

In FY2023 we expect production at Karnataka to be between 5.0 – 5.5 WMT and pig iron production to be between 750 - 800 kt.

## STEEL

### Summary

In 1H FY2023, the hot metal production was 629 kt, flat YoY. We have successfully completed debottlenecking of blast furnace 3 in 1Q FY2023 to enhance the hot metal production capacity by 0.2 Mtpa as part of the overall capacity expansion plan of 3 Mtpa from present level of 1.5 Mtpa.

### Production performance

Particulars	1H FY2023	1H FY2022	% Change	FY2022
<b>Production (Kt)</b>	593	582	2%	1,260
Pig iron	80	90	-11%	186
Billet	9	84	-90%	91
TMT bar	224	155	47%	399
Wire rod	188	183	2%	421
Ductile iron pipes	92	72	30%	164

### Operations

ESL achieved 593,000 tonnes of saleable production during 1H FY2023, up by 2%YoY.

The priority remains to enhance production of value-added products (VAP) as part of realisation improvement initiatives. During 1H FY2023, VAP production was 504 kt compared to 410 kt last year.

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

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

Meanwhile, MoEF vide its letter dated August 25, 2021 has rejected for the time being the above proposal for granting of EC pending resolution of the matters in another such cases lying before certain high courts whereby SOPs issued for the purpose have been stayed and matters are pending for final decision. SLP filed on September 25, 2021 before Hon'ble Supreme Court of India against the said decision of MoEF and Hon'ble Supreme Court vide order dated 09.12.21 decided the case with following directions: (i) allowed the SLP (ii) set aside the impugned order against which the SLP was filed by ESL (iii) directed MoEF to process the EC Application of ESL as per the applicable law within a period of three months. However, 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 is in the process of identifying the land to be provided as compensatory afforestation and has so far procured substantial portion of land for handing over as such to the authorities in compliance of the requirement for granting Stage- II clearance by them.

## Prices

(US\$ per tonne)

	1H FY2023	1H FY2022	% change	FY2022
Pig iron	613	506	21%	546
Billet	592	616	-4%	612
TMT	733	640	15%	687
Wire rod	754	670	12%	706
DI pipe	801	569	41%	628
Average sales realisation	731	615	19%	659

Average sales realisation increased 19%YoY from US\$ 615 to US\$ 731 per tonne in 1H FY2023. This was majorly due to increase 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 FY2023	1H FY2022	% change	FY2022
Steel (US\$ per tonne)	713	545	31%	585

The cost of production stood at US\$ 713 per tonne in 1H FY2023, increased by 31%. This was majorly impacted by Coking coal prices in line with increase in index prices (Platt). We took shutdown in blast furnace 3 in 1Q FY 2023 for enhancing its capacity by 0.2 MnT through debottlenecking as part of overall 3 MnT capacity expansion plan which impacted input commodity consumption as well.

## Financial performance

(US\$ million, unless stated)

	1H FY2023	1H FY2022	% change	FY2021
Revenue	439	363	21%	630
EBITDA	10	40	(74)%	117
EBITDA margin	2%	11%	-	19%
Depreciation and amortisation	21	18	19%	37
Operating profit before special items	(11)	22	-	80
Share in group EBITDA%	0%	1%	-	3%
Capital expenditure	33	21	59%	(21)
Sustaining	3	6	(45)%	14
Growth	30	15	-	(36)

Revenue for the period 1H FY2023, stood at US\$ 439 million, higher by 21%YoY. This is mainly driven by higher NSR.

EBITDA for the period stood at US\$ 10 million in 1H FY2023 against US\$ 40 million in 1H FY2022. There was an increase in Input commodity prices and cost of production which was largely offset by increase in sales realisation.

### Outlook

With the domestic demand picking up & steel price scenario looking good due to neutralizing impact of export duty, the company is confident of a strong performance in 2H FY2022.

We expect Hot metal production to be around 1.5 Mtpa in FY2023.

## COPPER – INDIA / AUSTRALIA

### Summary

Tuticorin smelting operations remain halted since April 2018. However, our Silvassa refinery continue to operate and produced 80 kt of copper cathode in 1H FY2023.

### Production performance

	1H FY2023	1H FY2022	% Change	FY2022
Production (Kt)				
- India – cathode	80	58	37%	125

### Operations

Our Silvassa refinery and wire rod plant continue to operate. This enables us to cater to the domestic market. Production from Silvassa refinery increased by 37%YoY in line with continuous debottlenecking activities and improved operational efficiencies.

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

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

The Company had filed SLP on 26th Aug 2020, before the Supreme court challenging the Madras HC judgement dated 18.08.20. Case was listed on 31.08.20. Court was pleased to issue notice to the respondents on the SLP and the Prayer for Interim Relief. Counter affidavits and rejoinder were filed thereafter.

The Matter was then listed on 2<sup>nd</sup> December 2020 before Supreme Court. after having heard both the sides concluded that at this stage the interim relief in terms of trial run could not be allowed. Further, considering the voluminous nature of documents and pleadings, the matter shall be finally heard on merits. The case will be listed once physical hearing resumes in Supreme court.

The main matter was mentioned on 18th March 2021 and upon mentioning the matter was then posted for hearing on 17th Aug 2021.

The company moved an IA for running of oxygen plant in April 2021. On 27 April 2021, the SC was pleased to allow the operation of oxygen plant on a standalone basis till 31st July 2021. The company then moved an application on 30 June 2021 for extension of the oxygen plant by 6 months. The IA was not heard; and thus, the Oxygen plant was shut down on 31st July 2021

The company has filed applications for listing and hearing of the matter on grounds of urgency. Additional Affidavit filed in Supreme Court seeking urgent listing in Nov 2021.

The Supreme Court has on 20.05.2022, ordered for the interlocutory application that was filed by Vedanta Limited before the Supreme Court for the maintenance of status quo as on 15 March 2022



consequent to an order passed by the Collector of Tuticorin requiring Vedanta employees to vacate the plant premises to be listed for hearing along with the main matter on the next date of listing.

On 21.07.22, the matter was released from part heard & listed for 06.09.22. The matter was however not heard on the said date & was listed for 20.09.22 again the matter could come up before the Bench. The matter is next listed for 30.11.22.

Furthermore, the High Court of Madras in a Public Interest Litigation held that the application for renewal of the Environmental Clearance (EC) for the Expansion Project shall be processed after a mandatory public hearing and in the interim ordered the Company to cease construction and all other activities on the site with immediate effect.

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

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

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

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

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

## Financial performance

*(US\$ million, unless stated)*

	1H FY2023	1H FY2022	% change	FY2022
Revenue	1,049	955	67%	2,035
EBITDA <sup>◇</sup>	(4)	(19)	-	(15)
EBITDA margin	0%	(2)%	-	(1)%
Depreciation and amortisation	10	10	-	20
Operating profit before special items	(14)	(29)	-	(35)
Share in Group EBITDA %	0%	(1)%	-	0%
Capital expenditure	3	(3)	-	21
Sustaining	4	0	-	0
Growth	(1)	(2)	-	21

During 1H FY2023, revenue stood at US\$ 1,049 million and EBITDA was US\$ (4) million.

## Outlook

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

## PORT BUSINESS

### Vizag General Cargo Berth (VGCB)

During 1H FY2023, VGCB operations showed an increase of 29% in discharge and 40% in dispatch compared to 1H FY2022. This was attributable to increase in steam coal imports by Power houses which in turn resulted into increase in coal dispatches by rail.

### Ferro Alloys Corporation Limited (FACOR)

#### Summary

In 1H FY2023, the ore production from mines were stood at 174 kt and Ferro Chrome production was 29kt.

#### Production Performance

Particulars	1H FY2023	1H FY2022	% Change	FY2022
Ore Production (kt)	174	147	18%	250
Ferrochrome Production (kt)	29	38	-22%	75
Ferrochrome Sales (kt)	29	39	-25%	77
Power Generation (MU)	54	143	-62%	294

**At Mining division**, we recorded Chrome Ore production of 174kt, up 18%YoY in line with operational efficiencies.

**At Charge Chrome Plant (CCP)**, We recorded Ferrochrome metal volume of 29 kt in 1H FY2023 down 22%YoY due to planned maintenance shutdown in 2Q FY2023. We also reduced our specific Power consumption up to levels of 3,347 Kwh/T against 3,450 Kwh /T and specific Ore consumption up to 2.4 against 2.5 in FY2022.

## Financial Performance

(US\$ million, unless stated)

	1H FY2023	1H FY2022	% change	FY2022
Revenue	47	51	(8)%	111
EBITDA◇	10	21	(52)%	44
EBITDA margin	41%	41%	-	39%
Depreciation and amortisation	2	5	(60)%	6
Operating profit before special items	8	16	(50)%	38
Share in Group EBITDA %	0%	1%	-	1%
Capital expenditure	17	2	-	15
Sustaining	6	2	-	15
Growth	11	-	-	-

Revenue for the period 1H FY2023, stood at US\$ 47 million, lower by 8%YoY due to planned maintenance shutdown activities carried in 2Q FY2023.

EBITDA for the period stood at US\$ 10 million in 1H FY2023 against US\$ 21 million in 1H FY2022. The reduction in EBITDA was impacted due to input commodity inflation and planned maintenance shutdown activities carried in 2Q FY2023.

### Outlook

We expect our new furnace of 60kt to be commissioned by Dec'22.

## SUSTAINABILITY

In the first half of FY2023, we continued to work upon Vedanta’s refreshed 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.

Work to integrate ESG across business operations has been structured under three pillars and nine aims, the details of which are given in the sections below.

Some of our key achievements till date are as follows:

- 1<sup>st</sup> Green aluminium product line (Restora and Restora Ultra – catering to sustainability conscious customers in Europe)
- 1<sup>st</sup> 100% RE run plant -HZL’s Pantnagar plant (Sourcing 100% renewable energy)
- 1<sup>st</sup> South Asian & Indian Metal & Mining company to Submit a pledge of 7 million Growing/tree planting for Resilient Communities
- 1<sup>st</sup> Commissioning of EVs in underground mines & shopfloor (HZL & VAL partnering with multiple OEMs to introduce utility electric vehicles)
- Members of Transgender community join our workforce at BALCO and HZL
- Cross-BU dedicated ESG forums; formed 13 corporate Communities of Practice (CoPs)

### 1H FY2023 highlights

Renewable Energy <b>1.5% of the Energy Mix</b>	Water Recycling Rate <b>33%</b>	HVLT Recycling Rate <b>95%</b>
TRIFR <b>1.35</b>	Fatal Incident / Fatalities <b>3 / 8</b>	DJSI Scoring <b>Under Top 3 percentile</b>

### 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 FY2023, we progressed across all our key focus areas, impacting more than 2.4 million beneficiaries, with an expenditure of INR147+ crore.

Highlights of works done in 1H FY2023 include:

- BALCO Medical Centre (BMC) has signed an MoU with the Tata Memorial Centre, Mumbai, to drive excellence in cancer care in India.
- 3,600+ Nandghar have been established across India.

Key focus areas and impact:

<b>Healthcare</b> >30 initiatives	<b>Drinking water and sanitation</b> >17 initiatives
<b>Community Infrastructure</b> 15 initiatives	<b>Children's well-being and education</b> >26 initiatives
<b>Environment protection &amp; restoration</b> > 5 Initiatives	<b>Women Empowerment</b> > 7 Initiatives
<b>Sports and culture</b> > 12 Initiatives	<b>Agriculture and animal husbandry</b> > 11 Initiatives

## Pillar 2: Transforming the planet

A well thought out plan is in place to realize the role Vedanta will play in transition to green economy in a responsible manner. Driven by the objective of transforming the planet, several high impact projects are underway under the key material topics

<b>Key Metrics – 1H FY2023</b>			
273 million GJ (1H FY2022: 289 million GJ)	31.9 million TCO <sub>2e</sub> (1H FY2022: 31.7 million TCO <sub>2e</sub> )	110.7 million m <sup>3</sup> (1H FY2022: 145.1 million m <sup>3</sup> )	8.7 million MT (HVLT) (1H FY2022: 9.8 Million MT)
<b>Energy consumption</b>	<b>GHG Emissions</b>	<b>Water consumption</b>	<b>Waste Generated</b>

## 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 2030<sup>1</sup>. It is also driving the short-term goal for the metals businesses to reduce their GHG emissions intensity by 20% by 2025 (FY2021 baseline)<sup>2</sup>. In 1H, metals production intensity was at 6.35 TCO<sub>2e</sub>/T of metal - a decrease of 1.6% from the baseline.

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, and (iv) Offsetting the residual GHG emissions.

**Renewable Energy Deployment:** We have taken actions for 1.1 GW renewal power sourcing; we have signed a 580 MW renewable power delivery agreement and have also issued expression of interest for additional 500 MW RE-RTC power. Further, HZL's Pantnagar unit has become first facility to run on 100% renewable power. The power delivery agreement will bring renewable power for

<sup>1</sup> These targets are applicable for Scope 1 & Scope 2 emissions across all our operations.

<sup>2</sup> These targets are applicable for Scope 1 & Scope 2 emissions for our metals businesses.

smelting and associated operations, and meeting power requirements of capacity expansion at Vedanta Aluminium Limited- Jharsuguda, Balco and Hindustan Zinc. Renewable energy now forms ~1.5% of our overall energy mix.

- **Fuel Switch:** In 1H FY2023, HZL co-fired ~27,000 tonnes of biomass in its thermal power plants. BALCO completed a successful trial of biodiesel for preheating of ladles of its potline.
- **Energy Efficiency:** At VAB, we have completed a turbine refurbishment project that will enhance waste heat-based turbine generator capacity from 30 MW to 35 MW.

Additionally, the company has taken steps to further mature its alignment with TCFD recommendations. We have rolled out an Internal Carbon Pricing, implementation of which shall commence from 2H FY2023. The Internal Carbon Pricing (ICP) shall be used as shadow pricing in capex finalisation and enabling adoption of low carbon technological options. A desktop study of physical risks of climate change has identified “Drought” and “High temperatures” as the most critical physical risks from climate change. A detailed evaluation of the findings to determine steps to de-risk the operations will begin in 2H FY2023.

### GHG Emissions Trend

GHG emissions (million tCO <sub>2</sub> e)	1H FY2023	FY2022	FY2021	FY2020	FY2019	FY2018
Scope 1 (direct)	27.4	59.5	59	58	55	51
Scope 2 (indirect)	4.5	3.3	1.3	2	3.5	1.2
<b>Total</b>	<b>31.9</b>	<b>62.8</b>	<b>60.3</b>	<b>60</b>	<b>58.5</b>	<b>52.2</b>

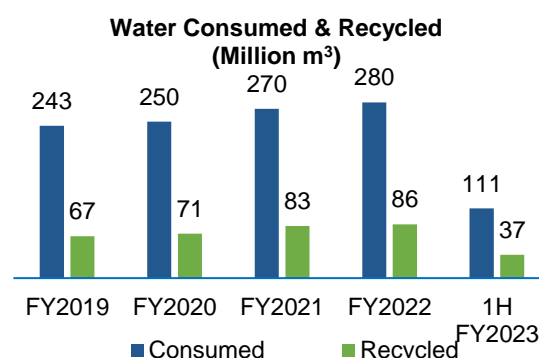
### **Aim 5: Achieving net water positivity by 2030**

During 1H FY2023, Cairn and IOB joined HZL as net water-positive businesses. This has been validated by an independent third-party assessment. Work is underway at the other businesses such as the Aluminium, Power and Copper businesses to progress on this goal.

Water recycling rate stands at 35%.

Key activities/ achievements for 1H include:

- Water risk assessment completed at all locations.
- JSG Smelter-1 becomes national benchmark in water efficiency



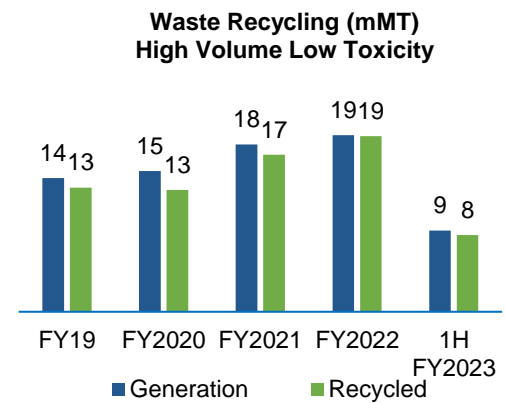
### **Aim 6: Innovations for greener business model**

**Tailings management:** In 1H FY2023, we kick-started the “Tailings Community of Practice” (CoP) for effective governance and monitoring of tailings dam management across Vedanta locations. It is the 13<sup>th</sup> CoP within the CoP framework and supports the organization’s overall journey of improved ESG management.

**Waste management:** The Waste to Wealth CoP is leading 50+ projects to achieve zero legacy waste by FY35.

Key activities/ achievements for this half year include:

- TSPL has signed MOU to set up the grinding unit for fly ash utilization
- Jharsuguda has signed MOU with cement companies to co-process 75,000 MT SPL (spent potline carbon waste); disposed of 613 MT in 1H FY2023



**Biodiversity management:** In alignment with our policy objectives, we have begun work to refresh our biodiversity risks across our sites. The outcome of this work will be used to refresh our Biodiversity Management Plans (BMPs) across the business. Key activities included:

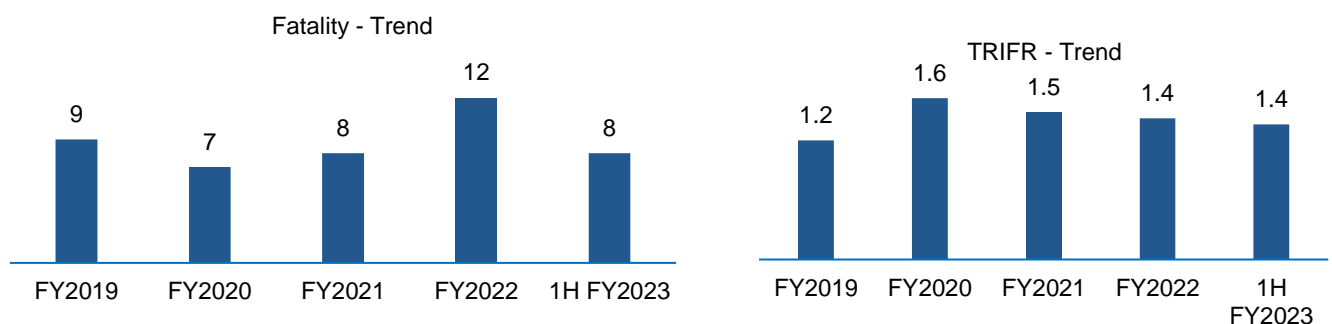
- Biodiversity risk assessment using IBAT tool & STAR matrix activities completed for all businesses.
- Vedanta has joined the World Economic Forum’s 1 trillion tree initiative and pledged to plant 7 million trees between 2020-2030. It is the first Indian company to make this commitment and will use this program to collectively address its climate, biodiversity, water-security, and social upliftment goals.

### Pillar 3: Transforming the workforce

#### Aim 7: Prioritizing safety and health of all employees

We are deeply saddened to report the loss of 1 Vedanta employee and 7 business partner employees in two incidents (6 BP and 1 Vedanta Executive at HZL CLZS and 1 BP at ESL) across our operations in 1H FY2023. The incidents were investigated by Senior Leadership team nominated by Group Exco and findings from the investigation (ICAM Methodology) have been shared with all Vedanta sites to ensure horizontal deployment.

#### Safety Statistics across Vedanta



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 Program across Vedanta sites:** Design workshops for 7 critical risks is completed. As part of CRM, top 3 risks controls launched across Vedanta.
- **Infrastructure and Engineering Control Recommendation:** Infrastructure Matrix for Preventing Man/Machine interaction and Entanglement Risk to ensure our sites are inherently safe have been launched. Vedanta-wide Management-In-Place established along with target dates for completion in phased manner.

- **Fatal Potential Observation Tracking-** Fatal potential observations are being tracked for closure within 24 hours across BUs. Across Vedanta we identified more than 3,000 such FPOs were able to close 95% of the observations.
- **Safety Webinars-** Knowledge sharing webinars were conducted by internal Subject Matter Experts, thereby enhancing overall awareness of critical fatal risk factors.
- **Digitalization of Safety:** V-Unified – For Transparent reporting and ensuring Data-based decision-making in safety, we have started the implementation of Incident Management Module in V-Unified (HSE Software) across Vedanta.

**Aim 8: Promoting diversity and inclusion at workplace**

We are committed to promote diversity in all forms at workplace. Key activities / achievements for 1H include:

- Hiring of Transgenders Employees in BALCO and HZL. (1<sup>st</sup> transgender employee deployed as a lab technician at CLZS)
- Continuously progressing on improving Diversity in Decision Making Bodies, current mix is as below:

Governance Body	% Female
ManCom	31
ExCom	26
Decision-making bodies (overall)	28

**Aim 9: Adhere to global business standards of corporate governance**

FY2022 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, which include 50+ new disclosures and 12+ new policies.

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 10 S&P Global Corporate Sustainability Assessment benchmarked (formerly known as Dow Jones Sustainability Index) global metals and mining companies; ranked 6<sup>th</sup> globally with a strong 14-point score improvement. We continue to work towards becoming the global best in ESG performance.

**Business Updates**

Zinc India

Environment update

**Studies / Assessments –**

- **During 1H, Reassessment of Materiality Matrix completed –**
  - Leadership interview conducted (11 leaders at Corporate and 11 leaders at Site)
  - Site assessment conducted at 2 sites – RAM and RDC
  - **483 stakeholders** were consulted using multiple channels
- **Sustainability Roadmap for HZL with digital solutions (SAP)-**



- Discovery workshop completed with all sustainability communities
- Playback of Recommendations & Next Steps workshop conducted
- Harmonized group level Sustainability roadmap presentation and validation with all community Leads - planned in Oct'22
- Published our 2<sup>nd</sup> TCFD report
- **Environment Product Declaration** (a Type 3 Ecolabel) for Zinc Product, Project kick-off done and Life Cycle Assessment mapping is underway
- **SBTi Target Validation in process** – 90% reduction in Scope 1, Scope 2 and Scope 3 emission targeted by 2050 and 50% reduction in Scope 1 & 2 by 2030
- **Under IUCN Engagement –**
  - Ecosystem Service review conducted across the Rajasthan based locations
  - Biodiversity risk assessment and site visit by IUCN team members planned from Oct'22 onwards
- **ICMM Membership –**
  - Vedanta ESG Advisors imparted training on Environment and Social modules of ICMM framework to all the relevant SPOCs across Vedanta

#### **Other Initiatives –**

- Pantnagar Metal Plant becomes the first unit of Vedanta to source 100% green power supply
- To achieve our 2050 goal, towards renewable energy, we have signed PDA agreement for sourcing 200 MW renewable energy, which will avoid 1.2 million MT of carbon emission.
- Procured 2 UG BEVs from Normet at SKM (Charmec, Agitator)
- HZL confirms its COP 27- Business leader working group participation
- Public hearing was conducted successfully at CLZS for proposed enhancement of Zinc Production Capacity from 504 to 630 kt and Installation of Induction Furnace, Slab Casting Line, RZO Unit, Change in Product Mix in Pyro Unit on total metal basis & Installation of Lead Refinery, Expansion of CPP, & Minor Metal Complex etc.
- CGWA NOC granted for Kayad and Rampura Agucha Mines
- Miyawaki Afforestation one hectare area each in CLZS and DSC initiated
- Jarofix utilization in 1H is at 46% (151442 MT)
- Biomass utilization as a substitute to coal in CPPs for power generation – ~27,000 Ton in 1H

#### **Safety Management**

It is with deep sorrow we report the loss of 5 business partner employees and 1 Vedanta employee at HZL. This happened despite our continuous efforts to improve risk perception amongst employees and eliminate fatalities. A thorough investigation has been carried out by an independent team and actions have been initiated based on their recommendations.

LTIFR (Lost time injury frequency rate) for 1H FY2023 is 0.94 as compared to 0.77 for 1H FY2022

### **Major Safety initiatives for 1H include:**

- CEO Connect with Business Partner Safety Professionals
- Second Party EHS Audit at Zawar, PMP, CLZS & KAYAD

### **Governance –**

- Sustainability 101 Module: HZL's 22 leaders L1 Certified, and 81 Line managers trained
- Project kick-off - **Internal Carbon pricing calculation for suppliers**
- 3 days certified training imparted by UNDP in collaboration with CII on **Business and Human Rights and Human rights Due- Diligence** – 6 HZL employees participated

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

#### **Jharsuguda**

- SPL Waste Management:
  - First ever SPL Mixed fines around 613.22 MT disposed to Dalmia Cement, Rajgangpur for further Co-processing
  - MOU signed with Ambuja Cement, Bhatapara for co-processing of 5,000 tonnes of SPL in Cement plant annually
  - 1,000 MT SPL disposed to Dalmia Cement for trial run
  - Finalization of contract with Dalmia Cement for disposal of 75,000 MT SPL

#### **BALCO:**

- 79 MW of RE power purchase in 1H
- Trial run of biodiesel for ladle preheating furnace for reduction of carbon emissions
- 177 % fly ash utilization has been achieved during the 1H FY2023

#### **Lanjigarh:**

- Specific water consumption for 1H: 2.09 m<sup>3</sup>/T
- Successfully taken the trial run of 20 MT Bio-mass co-firing in Boiler-3
- Specific energy consumption for 1H: 7.15 GJ/T

#### TSPL

##### **Safety:**

- 3 monthly Safety campaign conducted (PTW & LOTO, Crane & Lifting and Machine Guarding)
- ISO 39001:2012 Road Traffic Safety Management System Renewed

##### **Environment:**

##### **Carbon:**

- Biomass Cofiring trial operation completed.
- Lower RPM Motor at Cooling Water Pump at Unit#01 is installed.

##### **Water Management:**

- Rainwater harvested – 207,326 m<sup>3</sup>

## **Waste Management:**

- MOU Signed for Grinding Unit Setup at TSPL
- Ash utilization via rail – Successfully completed fly ash distribution through 59 rakes containing 226,605 MT of fly ash

## ESL

### **Waste and Circular Economy**

- 100% utilization of Blast Furnace Slag and Fly Ash by sending it to Cement Industries
- Bottom Ash and sand mould core is being sent to underground mines for stowing purpose and a long-term MOU is signed with them
- LD Slag is utilised by road construction companies which will help us in 100% utilisation along with the legacy waste lying at site.

### **Climate Change**

- Reduction in False Air/Air leakages in Sinter Plant, Sinter Plant bed depth control and improvement in fuel crushing index resulting in reduction of close to 3,488, 1,797 and 30,908 tCO<sub>2</sub>e respectively
- LD gas recovery project has been undertaken by repairing and revamping the Gas Holder facility, leading to an estimated reduction of 18,480 tCO<sub>2</sub>e.

## FACOR

### **Health and Safety**

- Covid 19 booster dose vaccination for all 1090 staff and family members done on site
- Internal illumination survey conducted at mine sites
- AI based Safety System “T-Pulse” installed in CCTV Cameras of CCP to detect UA/UCs

Sterlite Copper:

### **Energy & Carbon and Water**

- **Solar Power Plant Commissioning & Generation-**
  - a. **826 kWp Ground mounted Solar Power plant** commissioned.

### **Biodiversity/Plantation**

- One season study for Biodiversity re-assessment completed at Silvassa

### **Community**

- Creation of micro enterprises amongst women-Trainings imparted to SHGs for setting up oyster mushroom cultivation units (9 units) impacting 80+ Women
- SRI Cultivation initiated with 50+ farmers for increase in crop production

## Cairn

- LD gas recovery project has been undertaken by repairing and revamping the Gas Holder facility, which has led to an estimated decrease of 18,480 T CO<sub>2</sub>e

- Revival of Khejari in Thar Ecosystem through Agro forestry: Distributed 3,000 saplings of Thar Shobha Khejari to community farmers

#### IOB

- Desilting of 6,000 m<sup>3</sup> of silt from check dams and settling pond was done, IOK
- 100% slag disposed to cement plants

#### VZI

##### **Studies / Assessments –**

- **Under IUCN Engagement –**
  - Biodiversity Offset Agreement signed and agreed upon by Vedanta & the Department of Nature Conservation of the Northern Cape

##### **Other Initiatives –**

- Received Environmental Authorizations for 30MW solar PV plant
- GISTM: Tailings Standard, whilst implementing digitalization of TSF monitoring

##### **Safety**

We have not incurred a fatality during this financial year at VZI. LTIFR (Lost time injury frequency rate) for 1H is 0.27.

## RISK AND UNCERTAINTIES SECTION

Vedanta Limited (VEDL) is one of the world's leading natural resources companies with interests in zinc-lead-silver, oil & gas, aluminum, 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.

The group has a multi-layered risk management framework aimed at effectively mitigating the various risks which our businesses are exposed to during the course of 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 takes place in business level review meetings at least once in a quarter. Every business division in the Group has developed its own risk matrix which gets reviewed at Business Management Committee level. In addition, business divisions have developed their own risk registers.

Respective businesses review the risks, changes in the nature and extent of major risks since the last assessment, control measures and further action plans. The control measures stated in the risk matrix are also periodically reviewed by the business management teams to verify their effectiveness. These meetings are chaired by business CEOs and attended by CXOs, senior management and concerned functional heads. Role of risk officers at each business and at group level is to create awareness on risks at senior management level and to develop and nurture a risk management culture within the businesses. Risk mitigation plans form an integral part of KRAs / KPIs of process owners. Governance of risk management framework in the businesses is anchored with the leadership teams.

The Audit & Risk Management Committee aids the Board in the risk management process by identification and assessment of any changes in risk exposure, review of risk control measures and by approval of remedial actions, where appropriate. The Committee is in turn supported by the Group Risk Management Committee which helps the Audit & Risk Management Committee in evaluating the design and operating effectiveness of the risk mitigation program and the control systems. The Risk Management Committee meets at least four times in a year to discuss risks and mitigating measures. The committee reviews robustness of framework at individual businesses and progress against actions planned for key risks.

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

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

In addition to the above, there are various group level ManCom such as Procurement ManCom, Sustainability - HSE ManCom, CSR ManCom, etc. who work on identifying risks in those specific areas and mitigating them.

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

Listing of risks:

- Decarbonization and climate change
- Health, safety and environment
- Managing relationship with stakeholders
- Fluctuation in commodity prices (including oil) and currency exchange rates
- Access to capital
- Tailings dam stability
- Challenges in Aluminum & Power business - raw material security (availability, supply chain and price), waste utilization / disposal
- Major project delivery
- Regulatory and legal risk
- Tax related matters
- Discovery risk
- Operational Performance & Asset Integrity – Reliability, Productivity, Predictability
- Breaches in IT / cybersecurity
- Loss of assets or profit due to natural calamities and manmade disaster
- 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)**

# **Financial Statements for the Period Ended 30 September 2022**



## CONDENSED CONSOLIDATED INCOME STATEMENT

(US\$ million)

	Note	Six months ended 30 September 2022 (Unaudited)			Six months ended 30 September 2021 (Unaudited)*		
		Before Special items	Special items (Note 5)	Total	Before Special items	Special items (Note 5)	Total
Revenue		9,523	85	9,608	7,870	-	7,870
Cost of sales		(7,342)	(148)	(7,490)	(5,219)	(38)	(5,257)
<b>Gross profit</b>		<b>2,181</b>	<b>(63)</b>	<b>2,118</b>	<b>2,651</b>	<b>(38)</b>	<b>2,613</b>
Other operating income		130	-	130	105	-	105
Distribution costs		(238)	-	(238)	(233)	-	(233)
Administrative expenses		(247)	-	(247)	(222)	-	(222)
Impairment (charge)/reversal		-	96	96	-	(6)	(6)
<b>Operating profit</b>		<b>1,826</b>	<b>33</b>	<b>1,859</b>	<b>2,301</b>	<b>(44)</b>	<b>2,257</b>
Investment revenue		99	-	99	88	-	88
Finance costs		(749)	-	(749)	(670)	-	(670)
Other gains and (losses) [net]	6	(80)	-	(80)	(22)	-	(22)
<b>Profit/ (loss) before taxation (a)</b>		<b>1,096</b>	<b>33</b>	<b>1,129</b>	<b>1,697</b>	<b>(44)</b>	<b>1,653</b>
<b>Net tax (expense)/credit (b)</b>	7	<b>(491)</b>	<b>20</b>	<b>(471)</b>	<b>(575)</b>	<b>15</b>	<b>(560)</b>
<b>Profit/ (loss) for the period (a+b)</b>		<b>605</b>	<b>53</b>	<b>658</b>	<b>1,122</b>	<b>(29)</b>	<b>1,093</b>
Attributable to:							
Equity holders of the parent		117	37	154	390	(16)	374
Non-controlling interests		488	16	504	732	(13)	719
<b>Profit/ (loss) for the period</b>		<b>605</b>	<b>53</b>	<b>658</b>	<b>1,122</b>	<b>(29)</b>	<b>1,093</b>

\*Restated 1(d)(ii)

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<i>(US\$ million)</i>	
	Six months ended 30 September 2022 (Unaudited)	Six months ended 30 September 2021 (Unaudited)
<b>Profit for the period</b>	658	1,093
<b>Items that will not be reclassified subsequently to income statement:</b>		
Remeasurement of net defined benefit plans	1	0
Tax effects on net defined benefit plans	0	(0)
(Loss)/gain on fair value of financial asset investment -Equity	(4)	6
<b>Total (a)</b>	<b>(3)</b>	<b>6</b>
<b>Items that may be reclassified subsequently to income statement:</b>		
Exchange differences arising on translation of foreign operations	(594)	(100)
Gains/ (loss) on cash flow hedges	246	(27)
Tax effects arising on cash flow hedges	(79)	9
(Gains)/ loss on cash flow hedges recycled to income statement	(144)	27
Tax effects arising on cash flow hedges recycled to income statement	51	(9)
(Loss)/gain on fair value of financial asset investment -Debt	(2)	-
<b>Total (b)</b>	<b>(522)</b>	<b>(100)</b>
<b>Other comprehensive income/ (loss) for the period (a+b)</b>	<b>(525)</b>	<b>(94)</b>
<b>Total comprehensive income for the period</b>	<b>133</b>	<b>999</b>
Attributable to:		
Equity holders of the parent	(93)	333
Non-controlling interests	226	666
<b>Total comprehensive income for the period</b>	<b>133</b>	<b>999</b>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(US\$ million)

	Note	As at 30 September 2022 (Unaudited)	As at 31 March 2022 (Audited)*
<b>Assets</b>			
<b>Non-current assets</b>			
Goodwill		12	12
Intangible assets		79	90
Property, plant and equipment		12,878	13,484
Exploration and evaluation assets		299	220
Financial asset investments		30	20
Financial Instruments (derivatives)		8	-
Non-current tax assets		350	365
Other non-current assets		1,661	1,716
Deferred tax assets		935	860
		<b>16,252</b>	<b>16,767</b>
<b>Current assets</b>			
Inventories		1,991	1,895
Trade and other receivables		2,582	2,479
Financial instruments (derivatives)		214	34
Current tax assets		2	3
Short-term investments		2,552	3,148
Cash and cash equivalents		937	1,328
		<b>8,278</b>	<b>8,887</b>
<b>Total assets</b>		<b>24,530</b>	<b>25,654</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Borrowings		4,685	4,972
Operational buyer's credit/supplier's credit		1,706	1,468
Trade and other payables		5,124	4,854
Financial instruments (derivatives)		26	70
Retirement benefits		10	14
Provisions		46	42
Current tax liabilities		287	122
		<b>11,884</b>	<b>11,542</b>
<b>Net current liabilities</b>		<b>(3,606)</b>	<b>(2,655)</b>
<b>Non-current liabilities</b>			
Borrowings		10,592	11,110
Trade and other payables		302	254
Financial instruments (derivatives)		-	1
Deferred tax liabilities		756	764
Retirement benefits		19	21
Provisions		435	427
		<b>12,104</b>	<b>12,577</b>
<b>Total liabilities</b>		<b>23,988</b>	<b>24,119</b>
<b>Net assets</b>		<b>542</b>	<b>1,535</b>
<b>Equity</b>			
Share capital		29	29
Hedging reserve		(44)	(88)
Other reserves		(747)	(456)
Retained earnings		(2,450)	(2,598)
<b>Equity attributable to equity holders of the parent</b>		<b>(3,212)</b>	<b>(3,113)</b>
Non-controlling interests		3,754	4,648
<b>Total equity</b>		<b>542</b>	<b>1,535</b>

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

Interim Condensed Financial Statements of Vedanta Resources Limited with registration number 4740415 were approved by the Board of Directors on 14 December 2022 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 2022 (Unaudited)	Six months ended 30 September 2021 (Unaudited)
<b>Cash flows from operating activities</b>		
Profit before taxation from continuing operations	1,128	1,653
<b>Adjustments for:</b>		
Depreciation and amortisation	650	567
Investment revenue	(99)	(88)
Finance costs	749	670
Other (gains) and losses (net)	80	21
Profit on disposal of property, plant and equipment	(1)	(12)
Write-off of unsuccessful exploration costs	13	20
Share-based payment charge	6	4
Provision for doubtful debts (net)/advance/bad debts written off	20	7
Liabilities written back	(24)	-
Impairment charge/(reversal) (net)	(104)	6
Other special items	-	18
<b>Operating cash flows before movements in working capital</b>	<b>2,418</b>	<b>2,866</b>
(Increase)/ Decrease in inventories	(239)	(202)
Increase in receivables	(452)	(712)
(Decrease)/ increase in payables	703	451
<b>Cash generated from operations</b>	<b>2,430</b>	<b>2,403</b>
Dividend received	0	0
Interest received	98	131
Interest paid	(708)	(776)
Income taxes paid (net of refunds)	(300)	(308)
Dividends paid	(11)	(221)
<b>Net cash inflow from operating activities</b>	<b>1,509</b>	<b>1,229</b>
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment, intangibles, exploration and evaluation assets	(1,006)	(606)
Proceeds on disposal of property, plant and equipment, intangibles, exploration and evaluation assets	7	23
Proceeds from redemption of short-term investments	7,801	9,786
Purchases of short-term investments	(7,390)	(8,193)
Purchase of long-term investments	(16)	-
<b>Net cash from investing activities</b>	<b>(604)</b>	<b>1,010</b>
<b>Cash flows from financing activities</b>		
Payment for acquiring non-controlling interest	(2)	(1,177)
Dividends paid to non-controlling interests of subsidiaries	(1,125)	(321)
Repayment of working capital loan (net)	96	(34)
Proceeds from other short-term borrowings	862	718
Repayment of other short-term borrowings	(745)	(662)
Proceeds from long-term borrowings	2,562	1,511
Repayment of long-term borrowings	(2,834)	(2,280)
Refund of dividend distribution tax	11	-
Payment of lease liabilities	(8)	(15)
<b>Net cash from / (used in) financing activities</b>	<b>(1,183)</b>	<b>(2,260)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(278)</b>	<b>(21)</b>
Effect of foreign exchange rate changes	(67)	(18)
<b>Cash and cash equivalents at beginning of the period</b>	<b>1,266</b>	<b>701</b>
<b>Cash and cash equivalents at end of the period</b>	<b>921</b>	<b>662</b>

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

### 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 <sup>1</sup>	Retained earnings	Total		
<b>Balance as at 1 April 2022</b>	<b>29</b>	<b>(88)</b>	<b>(456)</b>	<b>(2,598)</b>	<b>(3,113)</b>	<b>4,648</b>	<b>1,535</b>
Profit/(Loss) for the period	-	-	-	154	154	504	658
Other comprehensive income/(loss) for the period	-	44	(291)	-	(247)	(278)	(525)
<b>Total comprehensive income/(loss) for the period</b>	<b>-</b>	<b>44</b>	<b>(291)</b>	<b>154</b>	<b>(93)</b>	<b>226</b>	<b>133</b>
Dividends paid/ payable (Note 9)	-	-	-	(13)	(13)	(1,125)	(1,138)
Acquisition of stake in Subsidiary <sup>3</sup>	-	-	-	(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 <sup>2</sup>	-	-	-	-	-	2	2
<b>Balance as at 30 September 2022</b>	<b>29</b>	<b>(44)</b>	<b>(747)</b>	<b>(2,450)</b>	<b>(3,212)</b>	<b>3,754</b>	<b>542</b>

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. Includes share-based payment charge by subsidiaries.

3. During the current period, 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%.

## For the year ended 31 March 2022

(US\$ million)

	Attributable to equity holders of the parent						Total equity
	Share capital	Hedging reserve	Other reserves <sup>1</sup>	Retained earnings	Total	Non-controlling Interests	
<b>Balance as at 1 April 2021</b>	<b>29</b>	<b>(97)</b>	<b>(296)</b>	<b>(2,783)</b>	<b>(3,147)</b>	<b>5,478</b>	<b>2,331</b>
Profit for the year	-	-	-	1,002	1,002	1,576	2,578
Other comprehensive income/ (loss) for the year	-	9	(105)	-	(96)	(110)	(206)
<b>Total comprehensive income/ (loss) for the year</b>	<b>-</b>	<b>9</b>	<b>(105)</b>	<b>1,002</b>	<b>906</b>	<b>1,466</b>	<b>2,372</b>
Transfers	-	-	(55)	55	-	-	-
Dividends paid/ payable (note 9)	-	-	-	(131)	(131)	(1,075)	(1,206)
Exercise of stock options of subsidiary	-	-	-	7	7	6	13
Acquisition of stake in Subsidiary <sup>3</sup>	-	-	-	(752)	(752)	(1,219)	(1,971)
Change in fair value of put option liability/conversion option asset/derecognition of non-controlling interest	-	-	-	4	4	(4)	0
Other changes in non-controlling interests <sup>2</sup>	-	-	-	-	-	(4)	(4)
<b>Balance as at 31 March 2022</b>	<b>29</b>	<b>(88)</b>	<b>(456)</b>	<b>(2,598)</b>	<b>(3,113)</b>	<b>4,648</b>	<b>1,535</b>

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 2022, VRL, through its subsidiaries, purchased 541,731,161 equity shares of Vedanta Limited ("VEDL") thereby increasing its overall stake from 55.11% to 69.68% of the total paid-up share capital of VEDL.

## For the Six months ended 30 September 2021 (Unaudited)

(US\$ million)

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

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.



## 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 8<sup>th</sup> Floor, 20 Farringdon Street, London, EC4A 4AB. Vedanta and its consolidated subsidiaries (collectively, the “Group”) is a diversified natural resource group engaged in exploring, extracting and processing minerals and oil and gas. The Group engages in the exploration, production and sale of zinc, lead, silver, copper, aluminium, iron ore and oil & gas and has a presence across India, South Africa, Namibia, Ireland, Australia, Liberia and UAE. The Group is also in the business of commercial power generation, steel manufacturing and port operations in India and manufacturing of glass substrate in South Korea and Taiwan.

For further details on the Group’s various businesses, refer Group’s annual financial statements for the year ended 31 March 2022.

## 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 2022 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 2023 will be prepared in accordance with UK adopted IFRS.

The interim condensed consolidated financial statements do not include all of the information and disclosures required in the annual financial statements and should be read in conjunction with the Group’s annual financial statements for the year ended 31 March 2022, which were prepared in accordance with International Financial Reporting Standards (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 2022. 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 14 December 2022.

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 2022 was approved by the Board of Directors in May 2022. 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 2022 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;

- a. The Group has raised new term loans for refinancing of US\$ 950 million and short-term loans of US\$ 350 million for a period ranging from 6 months to 1 year.
- b. VRL announced capped tender offer in April'22 to buy back US\$ 500 million out of US\$ 1 billion bonds due in July'22 and redeemed US\$ 468 million in May'22 out of US\$ 1 billion dividend proceeds from VEDL in May'22, balance US\$ 531 million paid in Aug'22 out of dividend declared in July'22.

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 2024 ("the going concern period") under both a base case and a downside case.

The downside case assumes, amongst other sensitivities, delayed ramp-up and re-opening of projects, deferment of additional capital expenditure and a conservative assumption of uncommitted refinancing.

#### • **Covenant Compliance**

The Group's financing facilities, including bank loans and bonds, contain covenants requiring the Group to maintain specified financial ratios. The Group has complied with all the covenant requirements till 30 September 2022.

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 Sep 2022.

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:

- US\$ 0.5 billion term loans with public sector banks discussions in advanced stage.
- Vedanta Limited has unutilized US\$ 0.2 billion ECB sanctioned from the consortium of banks led by Mashreq, US\$ 40 million term loan from IndusInd Bank and BALCO has unutilized Term Loan of US\$ 0.3 billion sanctioned from Canara Bank.
- 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 2022, the Group had unutilised working capital facilities amounting to c. US\$ 1.7 billion and commercial papers in issue amounting to c. US\$ 0.7 billion. These facilities are not committed for the full duration of the going concern period to March 2024, 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 2022, the Group had c. US\$ 1.6 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.

### **d) Restatement/Reclassification**

- i) In the comparative period ended 31 March 2022, some of the operational buyer's/suppliers' credit which were previously included under trade and other payables amounting to US\$ 12 million have been reclassified to Operational buyer's credit/supplier's credit on the face of the balance sheet.
- ii) Exploration costs written off amounting to US\$ 20 Mn has been reclassified from "Cost of sales" to "Special Items" for the comparative period 30 September 2021, to align it with the Group's annual consolidated financial statements for the year ended 31 March 2022.

## **2(a) Accounting policies**

The interim condensed consolidated financial statements are prepared using the same accounting policies as applied in the audited 31 March 2022 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 2022, 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. Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16;
2. Reference to the Conceptual Framework- Amendments to IFRS 3;
3. Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37;
4. IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

## 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 2023
Definition of Accounting Estimates - Amendments to IAS 8	01 January 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	01 January 2023
Lease liability in a sale and lease back transactions - Amendments to IFRS 16	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 2022	Average rate for six months ended 30 September 2021	As at 30 September 2022	As at 31 March 2022
Indian rupee	78.38	73.89	81.50	75.59

## 3(a) Significant Estimates:

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

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

The total deferred tax assets recognised in these financial statements include MAT credit entitlements of US\$ 944 million (31 March 2022: US\$ 894 million) of which US\$ 69 million (31 March 2022: US\$ 28 million) is expected to be utilised in the fourteenth year, fifteen years being the maximum permissible time period to utilise the MAT credits.

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

### (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 while also seeking interim relief to access the plant for care and maintenance. The hearing on care and maintenance could not be listed at the Supreme Court. Instead, the matter is now being heard on merits.

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 2022 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 2025 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 2022 is US\$ 208 million (31 March 2022: US \$229 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 has recorded a provision of US\$ 94 million for impairment of for expansion project basis fair value less cost of disposal in the fiscal year ended 31 March 2020. The net carrying value of US\$ 5 million as at 30 September 2022 (31 March 2022: US\$ 5 million) approximates its recoverable value.

On 17 June 2022, Board of Directors of the Company adopted a resolution to explore various options to potentially sell, in whole or in part, its Copper plant and associated facilities at Tuticorin. Accordingly, an Expression of Interest in this regard has been released on 20 June 2022. However, these evaluations are only exploratory in nature and no firm commitments have been executed at this stage.

#### *(iii) PSC Extension*

##### *Rajasthan Block*

The Group operates an oil and gas production facility in Rajasthan under a Production Sharing Contract ("PSC"). The GoI accorded its approval for extension of the PSC for the RJ Block for a period of 10 years till 14 May 2030, under the Pre-NELP Extension policy as per notification dated 07 April 2017 ("Pre-NELP Policy"), vide its letter dated 26 October 2018, subject to fulfilment of certain conditions.

The management believes that the Group is eligible for extension of the PSC on same terms and challenged the applicability of above-mentioned policy. The Company's petition was allowed by Single Bench, however, was overturned by Division Bench in appeal filed by GoI. The Group has filed an appeal against the order of Division Bench before the Supreme court. However, the Group has been paying additional 10% profit petroleum to the Government as per the conditions of extension. One of the conditions for extension relates to notification of certain audit exceptions raised for FY 2016-17 as per PSC provisions and provides for payment of amounts, if such audit exceptions result into any creation of liability.

Director General of Hydrocarbons ("DGH") has further updated its demand on account of audit exceptions vide letter dated 06 September 2022 for period up to 14 May 2020 for total amount of US\$ 1,162 million and applicable interest thereon relating to the share of the Group and one of its subsidiaries.

The Group has disputed the aforesaid demand and the other audit exceptions, notified till date, as in the Group's view the audit notings are not in accordance with the PSC and are entirely unsustainable. Further, as per PSC provisions, disputed notings do not prevail and accordingly do not result in creation of any liability. The Group believes it has reasonable grounds to defend itself which are supported by independent legal opinions. In accordance with PSC terms, the Group had commenced arbitration proceedings. The final hearing and arguments were concluded in September 2022. Post hearing briefs have been filed by the parties on 11 November 2022. The arbitral award is awaited.

For reasons aforesaid, the Group is not expecting any material liability to devolve on account of these matters.

Subsequent to period ended 30 September 2022, pursuant to GOI's approval for extension vide letter dated 26 October 2018, the parties have now executed the addendum for PSC extension for 10 years from 15 May 2020 to 14 May 2030 on 27 October 2022.

*(iv) ESL- Consent to operate ("CTO")* - Refer note 2(c)(I)(v) disclosed in the annual financial statements for the year ended 31 March 2022.

*(v) Carrying value of assets at Western Cluster Limited (WCL)*

In view of outbreak of Ebola epidemic in 2014 and drastic fall in international Iron Ore prices, WCL had recognized an impairment of assets and asset under construction as at 31 March 2016 to the extent of US\$ 104 million.

During the current period, WCL has signed a Memorandum of Understanding ("MOU") with Government of Liberia ("GoL") to start its iron ore mining operations. Commercial production has started at Bomi Mine from July 2022.

For the period ended September 2022, since WCL has successfully started operations at Bomi mine, the management has performed tests for impairment reversal on the assets of WCL as below indicators were identified in accordance with IAS 36.

- Uncertainty that was present over the project no longer remains as operations have successfully started.
- The Project is expected to generate sufficient cash flow from its operations to recover the investment made in various assets.

Consequently, the Group has recognised impairment reversal to the extent attributable to assets of Bomi Mine, amounting to US\$ 82 million.

The net recoverable value of assets and liabilities has 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.

The impairment assessments are based on a range of estimates and assumptions, including:

Estimates/Assumptions	Basis
Long-Term Selling Price	management's best estimate of long-term forecast price as per the consensus report
Discounting Rate	cost of capital risk-adjusted for the risk specific to the asset/ CGU
Volume	Based on Mine Planning and Concentrate Plant setup, as per Expert reports

The cash flows are discounted using the 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, decrease in long-term selling price by 1% would lead to decrease in recoverable value by US\$ 6 million and increase in discount rate by 1% would lead to decrease in recoverable value by US\$ 9 million.

*(vi) Special Additional Excise Duty (SAED) on Oil & Gas Business:*

In oil and gas business, the GoI, vide its notification no. 05/2022 dated 30 June 2022 has levied Special Additional Excise Duty (SAED) of ₹ 23,250 per tonne (approximately equivalent to \$ 40 per barrel) on crude oil with effect from 01 July 2022, which has been revised to ₹ 10,500 per tonne (approximately equivalent to \$ 17 per barrel) with effect from 17 September 2022. The SAED rate is expected to be revised every fortnight and as per the latest review, on 01 December 2022, the government has revised the duty to ₹ 4,900 per MT (approximately equivalent to \$ 8.6 per barrel) w.e.f., 02 December 2022 based on reduction in Brent prices over the past quarter. This is in the nature of cess on windfall gain triggered by increase in crude oil prices over last few months. The Company is also engaging with the Government on this levy, within the framework of contractual agreements of PSC and RSC executed with the GoI.

The Company has performed sensitivity analysis to assess the impact of the above SAED on the fair value of assets in the oil and gas business which is determined basis the consensus of analyst recommendations of long-term prices, discount rates, production quantity etc. Based on the results of such analysis, management believes that no adjustment to the carrying value of asset is required at this stage.

*(vii) Climate Change*

Climate change may have various impacts for the Group in medium to long term. These include the risks and opportunities relating to the change in demand for the group's commodities as a result of the transition to a low carbon economy, and physical risks caused by probability of extreme weather events in the areas of the production locations.

The Group is currently developing its detailed assessment of these risks and opportunities posed by climate change, to comprehensively understand and analyze the implications group might have on its operations to make them more sustainable and resilient to physical and transitional risk.

Based on the information identified till date, no significant factors have been noted by the management which could have material impact on the condensed consolidated financial statements for the half year ended 30 September 2022.

### **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, Lungu Simwanza 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.

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

#### **Accounting Considerations**

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

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

The Group has total exposure of US\$ 1,887 million (31 March 2022: US\$ 1,887 million) (including equity investment in KCM of US\$ 266 million) to KCM in the form of loans, receivables, investments and amounts relating to the guarantees issued by VRL, which have been accounted for at fair value on initial recognition and disclosed under non-current assets in the Consolidated Statement of Financial Position.



The valuation of the investment in KCM and the loans, receivables and obligations of KCM towards the group is determined using discounted future cash flows. The Group employed third-party experts ("Expert") to undertake detailed valuations as at 31 March 2022. During the period ended 30 September 2022, there are no indicators of significant change in fair value in valuation. Therefore, carrying value as at 30 September 2022 remain unchanged at US\$ 682 million (31 March 2022: US\$ 682 million).

Profit/(loss) from discontinued operations is Nil for the six-month periods ended 30 September 2022 and 30 September 2021.

#### ***(ii) Athena Chhattisgarh Power Limited***

The Group acquired controlling stake in Athena Chhattisgarh Power Limited ("ACPL") under the liquidation proceeding of the Insolvency and Bankruptcy Code 2016 for a consideration of ₹ 5,647 million (\$ 72 million). ACPL is building a 1200 MW (2 Units\*600MW) coal-based power plant located at Jhanjgir Champa district, Chhattisgarh. The plant is expected to fulfil the power requirement for the Company's aluminium business. On consolidation, the consideration paid for acquisition of ACPL mainly represents asset under construction.

#### **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
- 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 2022 and 30 September 2021 and certain asset and liability information regarding the Group's reportable segments as at 30 September 2022 and year ended 31 March 2022. Items after operating profit are not allocated by segment.

**(a) Reportable segments**

For the Six months ended 30 September 2022

(US\$ million)

	Zinc-India	Zinc-International	Oil and gas	Iron Ore	Copper-India/Australia	Aluminium	Power	Others	Elimination	Total operations
<b>REVENUE</b>										
Sales to external customers	2,201	370	1,015	330	1,049	3,606	434	518	-	9,523
Inter-segment sales	-	-	-	35	-	3	27	6	(71)	-
<b>Segment revenue</b>	<b>2,201</b>	<b>370</b>	<b>1,015</b>	<b>365</b>	<b>1,049</b>	<b>3,609</b>	<b>461</b>	<b>524</b>	<b>(71)</b>	<b>9,523</b>
Segment Result										
EBITDA <sup>(1)</sup>	1,221	150	525	74	(4)	367	28	126	-	2,487
Depreciation and amortisation <sup>(2)</sup>	186	33	190	17	10	140	36	36	-	648
Other expense	-	-	13*	-	-	-	-	-	-	13
<b>Operating profit / (loss) before special items</b>	<b>1,035</b>	<b>117</b>	<b>322</b>	<b>57</b>	<b>(14)</b>	<b>227</b>	<b>(8)</b>	<b>90</b>	<b>-</b>	<b>1,826</b>
Investment revenue										99
Finance costs										(749)
Other gains and (losses) [net]										(80)
Special items (Refer Note 5)										33
<b>Profit before tax</b>										<b>1,129</b>
Segment assets	2,729	773	3,847	711	615	6,964	2,000	1,234	-	18,873
Financial asset investments										30
Deferred tax assets										935
Short-term investments										2,552
Cash and cash equivalents										937
Tax assets										352
Others										851
<b>TOTAL ASSETS</b>										<b>24,530</b>
Segment liabilities	622	143	2,550	325	560	2,508	289	375	-	7,372
Borrowings										15,277
Current tax liabilities										287
Deferred tax liabilities										756
Others										296
<b>TOTAL LIABILITIES</b>										<b>23,988</b>
<b>Other segment information</b>										
Impairment charge/(reversal) (Refer note 5)	-	-	-	(82)	-	-	-	(14)	-	(96)

\*Exploration costs written off

For the Six months ended 30 September 2021

(US\$ Million)

	Zinc- India	Zinc- International	Oil and gas	Iron Ore	Copper-India/ Australia	Aluminium	Power	Others	Elimination	Total operations
<b>REVENUE</b>										
Sales to external customers	1,654	293	728	413	955	3,023	335	469	-	7,870
Inter-segment sales	-	-	-	1	-	6	-	1	(8)	-
<b>Segment revenue</b>	<b>1,654</b>	<b>293</b>	<b>728</b>	<b>414</b>	<b>955</b>	<b>3,029</b>	<b>335</b>	<b>470</b>	<b>(8)</b>	<b>7,870</b>
Segment Result										
EBITDA <sup>(1)</sup>	919	95	334	179	(19)	1,133	83	144	-	2,868
Depreciation and amortisation <sup>(2)</sup>	177	33	129	16	10	124	39	39	-	567
<b>Operating profit / (loss) before special items</b>	<b>742</b>	<b>62</b>	<b>205</b>	<b>163</b>	<b>(29)</b>	<b>1,009</b>	<b>44</b>	<b>105</b>	<b>-</b>	<b>2,301</b>
Investment revenue										<b>88</b>
Finance costs										(670)
Other gains and (losses) [net]										(22)
Special items (Note 5)*										(44)
<b>Profit before tax</b>										<b>1,653</b>

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

Year ended 31 March 2022

(US\$ million)

	Zinc-India	Zinc- International	Oil and gas	Iron Ore	Copper- India/ Australia	Aluminium	Power	Others	Elimination	Total operations
Segment assets	2,848	924	3,424	608	789	7,133	2,128	1,210	-	19,064
Financial asset investments										20
Deferred tax assets										860
Short-term investments										3,148
Cash and cash equivalents										1,328
Tax assets										368
Others										866
<b>TOTAL ASSETS</b>										<b>25,654</b>
Segment liabilities	664	153	2,118	338	658	2,299	217	352	-	6,799
Borrowings										16,082
Current tax liabilities										122
Deferred tax liabilities										764
Others										352
<b>TOTAL LIABILITIES</b>										<b>24,119</b>
<b>Other segment information</b>										
Additions to property, plant and equipment, exploration and evaluation assets and intangible assets <sup>(3)</sup>	514	148	220	40	4	482	14	172	-	1,597
Impairment charge/(reversal)	-	-	(843)	-	-	17	-	7	-	(819)
Exploration costs written off	-	-	351	-	-	-	-	-	-	351

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

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

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

*Disaggregation of revenue*

Below table summarises the disaggregated revenue from contracts with customers:

(US\$ million)

Particulars	Six months ended 30 September 2022 (Unaudited)	Six months ended 30 September 2021 (Unaudited)
Zinc metal	1,692	1,393
Lead metal	321	264
Silver metal and bars	280	282
Oil	851	616
Gas	177	99
Iron ore	89	164
Pig iron	252	273
Metallurgical coke	33	13
Copper products	1,039	910
Aluminium products	3,610	3,057
Power	328	246
Steel products	377	307
Ferro alloys	47	51
Others	228	200
<b>Revenue from contracts with customers</b>	<b>9,324</b>	<b>7,875</b>
Revenue from contingent rents	92	73
Gain/(loss) on provisionally priced contracts under IFRS 9	107	(78)
<b>Total Revenue</b>	<b>9,523</b>	<b>7,870</b>

## 5. Special items

*(US\$ million)*

	Six months ended 30 September 2022			Six months ended 30 September 2021		
	Special items	Tax effect of Special items	Special items after tax	Special items	Tax effect of Special items	Special items after tax
SAED on Oil and Gas business <sup>1</sup>	(63)	25	(38)	-	-	-
One time settlement of entry tax under amnesty scheme <sup>2</sup>	-	-	-	(18)	6	(12)
<b>Gross profit special items</b>	<b>(63)</b>	<b>25</b>	<b>(38)</b>	<b>(18)</b>	<b>6</b>	<b>(12)</b>
Impairment reversal/(charge) of asset under construction <sup>4</sup>	14	(5)	9	(6)	2	(4)
Reversal of previously recorded impairment of assets in Liberia on commencement of mining operations (Refer note 3(a)(v))	82	-	82	-	-	-
<b>Total impairment reversal/ (charge) (net)</b>	<b>96</b>	<b>(5)</b>	<b>91</b>	<b>(6)</b>	<b>2</b>	<b>(4)</b>
<b>Exploration costs written off<sup>3</sup></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(20)</b>	<b>7</b>	<b>(13)</b>
<b>Operating special items</b>	<b>33</b>	<b>20</b>	<b>53</b>	<b>(44)</b>	<b>15</b>	<b>(29)</b>
<b>Total of Special items</b>	<b>33</b>	<b>20</b>	<b>53</b>	<b>(44)</b>	<b>15</b>	<b>(29)</b>

1. The Government of India ("GoI") 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 is effective from 01 July 2022. The consequential net impact of the said duty is US\$ 63 million (Revenue US\$ 85 million and Cost of sales US\$ 148 million) for the period ended 30 September 2022.
2. During the period ended 30 September 2021, HZL has recognised an expense of US\$ 18 million for settlement of entry tax dispute under amnesty Scheme launched by the Government of Rajasthan.
3. During the period ended 30 September 2021, the Group has continued with exploration and appraisal work program in its PSC block RJON-90/1 block and RSC blocks awarded under OALP (Open Acreage Licensing Policy). Based on the outcome of such appraisal activities, an amount of US\$ 20 million unsuccessful exploration costs has been charged off to the consolidated income statement during the period, as these have proven to be either technically or commercially unviable.
4. During the year ended 31 March 2021, ESL Steel Limited conducted a detailed physical verification and evaluation of project equipment and material being carried forward as asset under construction at a carrying value of US\$ 113 million. An interim provision of US\$ 9 million was recognised for the year ended 31 March 2021, relating to certain items of asset under construction, which are no longer expected to be used. The physical verification exercise completed during the previous period ended 30 September 2021, and as a result, additional provision of US\$ 6 million has been recognized.

## 6. Other gains and (losses) (net)

	(US\$ million)	
	Six months ended 30 September 2022	Six months ended 30 September 2021
Foreign exchange gains/(loss) (net)	(93)	(11)
Change in fair value of financial liabilities measured at fair value	-	0
Net (loss)/ gain arising on qualifying hedges and non-qualifying hedges	13	(11)
<b>Total</b>	<b>(80)</b>	<b>(22)</b>

## 7. Tax

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

	(US\$ million)	
	Six months ended 30 September 2022	Six months ended 30 September 2021*
<b>Current tax:</b>		
Current tax on profit for the period	596	432
Expense in respect of special items (note 5)	(11)	(6)
<b>Total current tax (a)</b>	<b>585</b>	<b>426</b>
<b>Deferred tax</b>		
(Reversal)/ Origination of temporary differences	(105)	143
(Credit)/ Expense in respect of Special items (note 5)	(9)	(9)
<b>Total deferred tax (credit)/ expense (b)</b>	<b>(114)</b>	<b>134</b>
Total Income tax expense/ (credit) ((a)+(b))	<b>471</b>	<b>560</b>
Profit before tax from continuing operations	<b>1,129</b>	<b>1,653</b>
Effective Income tax rate (%)	<b>41.7%</b>	<b>33.9%</b>

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

### Tax expense

	(US\$ million)	
Particulars	Six months ended 30 September 2022	Six months ended 30 September 2021*
Tax effect of special items (Note 5)	(20)	(15)
Tax expense – others	491	575
<b>Net tax (credit)/expense</b>	<b>471</b>	<b>560</b>

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

(b) The tax department had raised demands on account of remeasurement of certain tax incentives, as described above, under section 80IA and 80 IC of the Income-tax Act, 1961. During the year ended 31 March 2020, based on the favourable orders from Income Tax Appellate Tribunal relating to Assessment Year (“AY”) 09-10 to AY 12-13, the Commissioner of Income Tax (Appeals) has allowed these claims for AY 14-15 to AY 15-16, which were earlier disallowed and has granted refund of amounts deposited under protest. Against the Tribunal order, the department had filed an appeal in Hon’ble Rajasthan High Court in financial year 17-18 which is yet to be admitted. As per the view of external legal counsel, Department’s appeal seeks re-examination of facts rather than raising any substantial question of law and hence it is unlikely that appeal will be admitted by the High Court. Accordingly, there is high probability that the case will go in favour of the Company. The amount involved in this dispute as at 30 September 2022

is US\$ 1,527 million (31 March 2022: US\$ 1,504 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 2022	Six months ended 30 September 2021*
Profit/ (Loss) for the period attributable to equity holders of the parent		154	374
Special items – loss/(gain)	5	(33)	44
Other (gains)/losses [net]	6	80	22
Tax effect of special items (including taxes classified as special items) and other gains/ (losses) [net]		(36)	(21)
Non-controlling interest on special items and other gains/ (losses)		(5)	(19)
<b>Underlying attributable profit/(loss) for the period</b>		<b>160</b>	<b>400</b>

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

## 9. Dividends

	<i>(US\$ million, unless stated otherwise)</i>	
	Six months ended 30 September 2022	Six months ended 30 September 2021
Amounts recognised as distributions to equity holders:		
<b>Equity dividends on ordinary shares:</b>		
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	-
Interim Dividend for 2021-22: 46.0 US cents per share	-	131

\*US\$ 2 million is payable as at 30 September 2022



## 10. Movement in net debt <sup>(1)</sup>

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

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

(US\$ Million)

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

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

(1) Other non-cash changes comprise amortisation of borrowing costs, foreign exchange difference on net debt and reclassification between debt due within one year and debt due after one year. It also includes US\$ 30 million (30 September 2021: US\$ (31) million) representing fair value movement in investments and accrued interest on investments.

## Debt securities issued/repaid during the period

In January 2020, Vedanta Ltd issued NCDs of US\$162 million at an interest rate of 8.75%. These NCDs are secured by way of first ranking pari-passu charge by way of mortgage of vacant non-agricultural industrial land situated at Tuticorin District and the aluminium division. These NCDs were repaid by September 2022.

In September 2020, HZL 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. As at 30 September 2022, the carrying value of remaining NCDs is US\$ 292 million (INR 21,120 million).

In June 2022, Vedanta Ltd issued NCDs of US\$ 522 million at an interest rate of 8.74%. These NCDs are secured by way of first pari-passu charge by way of mortgage over 19 acres freehold land and hypothecation over movable fixed assets excluding asset under construction in relation to the aluminium division comprising of 6 MTPA alumina refinery along with 75 MW co-generation captive power plant; 1,215 MW (9\*135 MW) power plant and 1.6 MTPA aluminium smelter plant including its movable plant and machinery, machinery spares, tools and accessories, other movable fixed assets and 2400 MW power plant. The NCDs are due for repayment in June 2032.

In January 2017, the Company issued US\$ 1,000 million bonds bearing a coupon rate of 6.375 %. As at 31 March 2022, these bonds having carrying value of US\$ 999 million were repaid by September 2022.

## 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 2022 and 31 March 2022:

(US\$ million)

As at 30 September 2022	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
<b>Financial Assets</b>						
Financial instruments (derivatives)	54	-	168	-	222	222
Financial asset investments held at fair value	19	11	-	-	30	30
Short term investments						
- Bank deposits	-	-	-	774	774	774
- Other investments	1,220	559	-	-	1,779	1,779
Cash and cash equivalents	-	-	-	937	937	937
Other non-current assets and trade and other receivables	33	-	-	3,337	3,370	3,435
<b>Total</b>	<b>1,326</b>	<b>570</b>	<b>168</b>	<b>5,048</b>	<b>7,112</b>	<b>7,177</b>

(US\$ million)

As at 30 September 2022	Fair value through profit or loss	Derivatives designated as hedging instruments	Amortised cost	Others*	Total carrying value	Total fair value
<b>Financial Liabilities</b>						
Financial instruments (derivatives)	12	14	-	-	26	26
Trade and other payables**	83	-	5,809	29	5,921	5,921
Borrowings	-	-	15,277	-	15,277	13,985
<b>Total</b>	<b>95</b>	<b>14</b>	<b>21,086</b>	<b>29</b>	<b>21,224</b>	<b>19,932</b>

\*Represents put option liability accounted for at fair value

\*\*Includes operational buyers' credit/suppliers' credit of US\$ 1,706 million

(US\$ million)

As at 31 March 2022	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
<b>Financial Assets</b>						
Financial instruments (derivatives)	1	-	33	-	34	34
Financial asset investments held at fair value	4	16	-	-	20	20
Short term investments						
- Bank deposits	-	-	-	880	880	880
- Other investments	2,268	-	-	-	2,268	2,268
Cash and cash equivalents	-	-	-	1,328	1,328	1,328
Other non-current assets and trade and other receivables	69	-	-	3,191	3,260	3,325
<b>Total</b>	<b>2,342</b>	<b>16</b>	<b>33</b>	<b>5,399</b>	<b>7,790</b>	<b>7,855</b>

(US\$ million)

As at 31 March 2022	Fair value through profit or loss	Derivatives designated as hedging instruments	Amortised cost	Others*	Total carrying value	Total fair value
<b>Financial Liabilities</b>						
Financial instruments (derivatives)	18	53	-	-	71	71
Trade and other payables**	137	-	5,357	32	5,526	5,526
Borrowings	-	-	16,082	-	16,082	15,840
<b>Total</b>	<b>155</b>	<b>53</b>	<b>21,439</b>	<b>32</b>	<b>21,679</b>	<b>21,437</b>

\*Represents put option liability accounted for at fair value

\*\*Includes operational buyers' credit/suppliers' credit of US\$ 1,468 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 2022 and 31 March 2022 measured at fair value:

	<i>(US\$ Million)</i>		
	<b>As at 30 September 2022</b>		
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Financial assets</b>			
<b>At fair value through profit or loss</b>			
- Short term investments	357	1,422	-
- Financial asset investments held at fair value	-	-	19
- Financial instruments (derivatives)	-	54	-
- Other non-current assets and trade and other receivables	-	33	-
<b>At fair value through other comprehensive income</b>			
- Financial asset investments held at fair value	10	-	1
<b>Derivatives designated as hedging instruments</b>			
- Financial instruments (derivatives)	-	168	-
<b>Total</b>	<b>367</b>	<b>1,677</b>	<b>20</b>
<b>Financial liabilities</b>			
<b>At fair value through profit or loss</b>			
- Financial instruments (derivatives)	-	12	-
- Trade and other payables	-	83	-
<b>Derivatives designated as hedging instruments</b>			
- Financial instruments (derivatives)	-	14	-
Trade and other payables- Put option liability with non- controlling interest	-	-	29
<b>Total</b>	<b>-</b>	<b>109</b>	<b>29</b>

	<i>(US\$ million)</i>		
	<b>As at 31 March 2022</b>		
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Financial assets</b>			
<b>At fair value through profit or loss</b>			
- Short term investments	954	1,314	-
- Financial asset investments held at fair value	-	-	4
- Financial instruments (derivatives)	-	1	-
- Other non-current assets and trade and other receivables	-	69	-
<b>At fair value through other comprehensive income</b>			
- Financial asset investments held at fair value	15	-	1
<b>Derivatives designated as hedging instruments</b>			
- Financial instruments (derivatives)	-	33	-
<b>Total</b>	<b>969</b>	<b>1,417</b>	<b>5</b>
<b>Financial liabilities</b>			
<b>At fair value through profit or loss</b>			
- Financial instruments (derivatives)	-	18	-
- Trade and other payables	-	137	-
<b>Derivatives designated as hedging instruments</b>			
- Financial instruments (derivatives)	-	53	-
Trade and other payables- Put option liability with non- controlling interest	-	-	32
<b>Total</b>	<b>-</b>	<b>208</b>	<b>32</b>

The below table summarizes the fair value of borrowings which are carried at amortised cost as at 30 September 2022 and 31 March 2022:

	<i>(US\$ million)</i>			
	<b>As at 30 September 2022</b>		<b>As at 31 March 2022</b>	
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 1</b>	<b>Level 2</b>
Borrowings	3,387	10,598	5,410	10,430
<b>Total</b>	<b>3,387</b>	<b>10,598</b>	<b>5,410</b>	<b>10,430</b>

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 2022 and 31 March 2022 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 2022	As at 31 March 2022
Capital commitments contracted but not provided	2,434	2,495

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

(US\$ million)

	As at 30 September 2022	As at 31 March 2022
<b>Oil &amp; Gas sector</b>		
Cairn Oil & Gas	261	287
<b>Aluminium sector</b>		
Lanjigarh Refinery (Phase II)	312	379
Jharsuguda 1.25 MTPA smelter	169	209
BALCO Smelter Expansion from 0.57 MTPA to 1 MTPA	629	614
<b>Zinc sector</b>		
Zinc India (mines expansion, solar and smelter)	65	67
Gamsberg mining & milling project	-	27
<b>Copper sector</b>		
Tuticorin Smelter 400 KTPA*	374	404
<b>Others</b>	624	508
<b>Total</b>	<b>2,434</b>	<b>2,495</b>

\*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 2022	As at 31 March 2022
<b>Oil &amp; Gas sector</b>		
Cairn Oil & Gas (OALP blocks)	635	743

## B. Guarantees

The aggregate amount of indemnities and other guarantees on which the Group does not expect any material losses, was US\$ 911 million (31 March 2022: US\$ 853 million).

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

- Guarantees and bonds advanced to the customs authorities in India of US\$ 46 million (31 March 2022: US\$ 65 million) relating to the export and payment of import duties on purchases of raw material and capital goods.
- Guarantees issued for Group's share of minimum work programme commitments of US\$ 359 million (31 March 2022: US\$ 381 million).
- Guarantees of US\$ 21 million (31 March 2022: US\$ 13 million) issued under bid bond for placing bids.
- Bank guarantees of US\$ 14 million (31 March 2022: US\$ 15 million) has been provided by the Group on behalf of Volcan Investments Limited ("Volcan") to Income tax department, India as a collateral in respect of certain tax disputes.
- Other guarantees worth US\$ 471 million (31 March 2022: US\$ 379 million) issued for securing supplies of materials and services, in lieu of advances received from customers, litigation, for provisional valuation of custom duty and also to various agencies, suppliers and government authorities for various purposes. The Group does not anticipate any liability on these guarantees.

### *Cairn PSC/RSC guarantee to Government*

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

### **C. Export Obligations**

The Indian entities of the Group have export obligations of US\$ 82 million (31 March 2022: US\$ 126 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\$ 18 million (31 March 2022: US\$ 27 million) plus applicable interest.

The Group has given bonds of US\$ 247 million (31 March 2022: US\$ 253 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\$ 41 million as at 30 September 2022 (31 March 2022: US\$ 44 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. HZL 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 2022: US\$ 64 million plus interest).

### ***Proceedings related to the Imposition of Entry Tax***

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

Post some contradictory orders of High Courts across India adjudicating on similar challenges, the Supreme Court referred the matters to a nine-judge bench. 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.

During the previous year, HZL has, under an Amnesty Scheme, settled the entry tax matter by making a payment of US\$ 18 million against total claims of US\$ 26 million.

The total claims against Vedanta Limited and its subsidiaries (net of provisions made) are US\$ 101 million (31 March 2022: US\$ 109 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\$ 5 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\$ 129 million (31 March 2022: US\$ 135 million). As at 30 September



2022, an amount of US\$ 133 million relating to principal has been considered as a contingent liability (31 March 2022: US\$ 139 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\$ 117 million (INR 8,880 million) and US\$ 78 million (INR 5,880 million) respectively for the period March 2015 to March 2021.

The Group carries an accrual for electricity duty of US\$ 90 million (INR 7,270 million) (31 March 2022: US\$ 108 million (INR 8,170 million), net of US\$ 48 million (INR 3,940 million) (31 March 2022: US\$ 30 million (INR 2,260 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 2022, no confirmation has been received on this matter and therefore, amount of US\$ 102 million (INR 8,313 million) (31 March 2022: US\$ 97 million (INR 7,311 million)) relating to interest has been considered as a contingent liability.

### ***Class actions against VRL and KCM on behalf of Zambian nationals***

Two separate proceedings against VRL and KCM were issued in the UK on behalf of Zambian residents who alleged that they had suffered loss and damages as a result of KCM’s operations in Zambia. The two proceedings were subsequently combined into a single action as part of a court-mandated global litigation order (“GLO”). VRL and KCM in the first instance challenged the jurisdiction of the English Courts to hear and adjudicate these claims.

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

On 19 January 2021, VRL announced the settlement, without admission of liability by VRL or KCM, of the larger of the two class action proceedings covered by the GLO. During the previous year, an agreement was reached on the settlement of the remaining proceeding as well. The settlements do not have any material impact on the Group’s financial position.

### ***ESL: MDPA***

Mine Development and Production Agreement (MDPA) entered into by ESL with respect to the Nadidihi Iron Ore Block (74.50 Ha) and the Nadidihi 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\$ 210 million (INR 17,078 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 MMDR Act, to meet the said minimum despatch requirement. Based on aforesaid

grounds that are supported by a legal opinion obtained in this regard, Inter-alia, the Group has decided to challenge the above demand as per available legal remedy. Aforesaid demand has been disclosed as contingent liability in these financial statements.

#### ***Miscellaneous disputes- Income tax***

The Group is involved in various tax disputes amounting to US\$ 165 million (31 March 2022: US\$ 180 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\$ 651 million (31 March 2022: US\$ 616 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 2022.

#### **Holding Company**

- Volcan Investments Limited*
- Volcan Investments Cyprus Limited*

#### **Fellow Subsidiary (with whom transactions have taken place)**

- Sterlite Technologies Limited*
- Sterlite Power Transmission limited*
- Sterlite Iron and Steel Company Limited*
- Twin Star Technologies Limited*
- Serentica Renewables India 1 Private Limited*
- Serentica Renewables India 4 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*

## 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

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

- Cairn Foundation
- Vedanta Foundation
- Anil Agarwal Foundation
- Sesa Community Development Foundation
- Vedanta Medical Research Foundation
- Janhit Electoral Trust
- Caitlyn India Private Limited
- Radha Madhav Investments Private Limited
- Runaya Refining LLP
- Minova Runaya Private Limited

### 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
<b>Income:</b>				
(i) Revenue from operations	115	-	1	116
(ii) Dividend income	0	-	-	0
(iii) Net interest received	2	-	-	2
(iv) Miscellaneous income	-	-	0	0
<b>Expenditure:</b>				
(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
(v)	Interest paid	0	-	-	0
(vi)	Dividend paid	13	-	-	13
(vii)	Contribution to post retirement employees benefit trust/fund	-	-	4	4
	<b>Other transactions during the period:</b>				
(i)	Guarantees given during the period (net of relinquishment)	-	-	(0)	(0)
(ii)	Investments made during the period <sup>#</sup>	16	-	-	16
(iii)	Net Advances given/(received) during the period	-	-	2	2

**Details of balances as at 30 September 2022 are as follows:**

(US\$ million)

Particulars	Holding Company/Fellow Subsidiaries	Associates/ Joint Ventures	Others	Total
(i) Net amounts receivable at period end	1	0	0	1
(ii) Net amounts payable at period end	1	-	6	7
(iii) Investments	26	0	-	26
(iv) Value of bonds held by Volcan	7	-	-	7
(v) Interest payable	0	-	-	0
(vi) Dividend payable	2	-	-	2
(vii) Net advance given at period end	-	1	2	3
(viii) Financial guarantee given *	14	-	-	14
(ix) Loans given	-	1	-	1

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

(US\$ million)

Particulars	Holding Company/Fellow Subsidiaries	Associates/ Joint Ventures	Others	Total
<b>Income:</b>				
(i) Revenue from operations	84	-	0	84
(ii) Dividend income	0	-	-	0
(iii) Net interest received	1	-	-	1
(iv) Guarantee commission income	0	-	-	0
<b>Expenditure:</b>				
(i) Purchases of goods/services	-	-	10	10
(ii) Management fees paid	1	-	0	1

(iii)	Reimbursement for other expenses (net of recovery)	0	-	0	0
(iv)	Donation	-	-	3	3
(v)	Interest paid	0	-	-	0
(vi)	Dividend paid	131	-	-	131
<b>Other transactions during the period:</b>					
(i)	Redemption of bonds held by Volcan	6	-	-	6
(ii)	Guarantees given during the period (net of relinquishment)	(0)	-	(0)	(0)

**Details of balances as at 31 March 2022 are as follows:**

(US\$ million)

Particulars	Holding Company/Fellow Subsidiaries	Associates/ Joint Ventures	Others	Total
(i) Net amounts receivable at year end*	3	0	1	4
(ii) Net amounts payable at year end	0	-	10	10
(iii) Investment in equity share	16	0	-	16
(iv) Value of bonds held by Volcan	7	-	-	7
(v) Interest payable	0	-	-	0
(vi) Dividend Payable	0	-	-	0
(viii) Net advance given at year end	-	1	0	1
(ix) Financial guarantee given*	15	-	0	15
(x) Loans given	-	1	-	1

\*Bank guarantee has been provided by the Group on behalf of Volcan in favour of Income tax department, India as collateral in respect of certain tax disputes of Volcan. The guarantee amount is US\$ 15 million (31 March 2022: US\$ 15 million).

#During the year ended 31 March 2022, Vedanta Limited and its subsidiary BALCO executed Power Delivery Agreement (“PDA”) with Serentica Renewables India 3 Private Limited (“Serentica 3”) and Serentica Renewables India 1 Private Limited (“Serentica 1”) respectively. During the current period, under the PDA, BALCO has invested US\$ 3 million in Serentica 1.

Similarly, during the current period HZL (another subsidiary of Vedanta Limited) has also executed PDA with Serentica Renewables India 4 Private Limited (“Serentica 4”) and invested US\$ 13 million in Serentica 4.

**14. Subsequent events**

On 17 November 2022, the Company has paid third interim dividend of US\$ 1.8 cents per share amounting to US\$ 5 million to its equity shareholders.

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

## 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 2022 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 2022 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted for use in the United Kingdom.

### Emphasis of matter

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

- **Valuation of Konkola Copper Mines Plc (KCM)**

We draw attention to note 3 (b)(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"), against KCM. As at 30 September 2022, the carrying value of KCM related receivables was \$682 million (30 September 2021: \$682 million) and the equity interest in KCM was \$Nil (30 September 2021: \$Nil).

Our conclusion is not modified in respect of these matters.

### 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 International Financial Reporting Standards adopted for use in the United Kingdom ("UK adopted 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 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our work, for this report, or for the conclusions we have formed.

#### **MHA MacIntyre Hudson**

Statutory Auditor

London

14 December 2022

## 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 India & Zinc India business
Adjusted EBITDA	Operating profit/(loss) before special items	EBITDA Less: EBITDA of custom smelting operations at our Copper India & Zinc India business
Adjusted EBITDA margin	No direct equivalent	Adjusted EBITDA divided by Adjusted Revenue
Underlying profit/(loss)	Attributable Profit/(loss) before special items	Attributable profit/(loss) before special items Less: NCI share in other gains/(losses) (net of tax)
Project Capex	Expenditure on Property, Plant and Equipment (PPE)	Gross Addition to PPE Less: Gross disposals to PPE



		Add: Accumulated Depreciation on disposals Less: Decommissioning liability Less: Sustaining Capex
Free cash flow	Net cash flow from operating activities	Net Cash flow from operating activities Less: purchases of property, plant and equipment and intangibles less proceeds on disposal of property, plant and equipment Add: Dividend paid and dividend distribution tax paid Add/less: Other non-cash adjustments
Net debt*	Net debt is a Non-IFRS measure and represents total debt after fair value adjustments under IAS 32 and IFRS 9 as reduced by cash and cash equivalents, liquid investments and structured investment, net of the deferred consideration payable for such investments (referred as Financial asset investment net of related liabilities), if any.	No Adjustments
ROCE	No direct Equivalent	Not Applicable

ROCE for H1 FY2023 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 2022
Operating Profit Before Special Items	4,552
Less: Cash Tax Outflow	863
Operating Profit before special Items less Tax outflow (a)	<b>3,689</b>
Opening Capital Employed (b)	13,068
Closing Capital Employed (c)	12,350
Average Capital Employed (d)= (a+b)/2	<b>12,709</b>
ROCE (a)/(d)	<b>29%</b>

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

Particulars	Period ended 30 September 2022
Revenue	9,523
Less: Revenue of Custom smelting operations	1,049
Adjusted Revenue(a)	<b>8,474</b>
EBITDA	2,487
Less: EBITDA of Custom smelting operations	(4)
Adjusted EBITDA(b)	<b>2,491</b>
Adjusted EBITDA Margin (b)/(a)	<b>29%</b>

## **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 India & Zinc India operations.

### **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 India & Zinc India operations.

### **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

**CO<sub>2</sub>**

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 2019 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 31 March 2019 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 interbank offered rate

**LIC**

Life Insurance Corporation

**LME**

London Metals Exchange

**London Stock Exchange**

London Stock Exchange Limited

**Lost time injury**

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

**LTIFR**

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

**LTIP**

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

**MALCO**

The Madras Aluminium Company Limited, a company incorporated in India

**Management Assurance Services (MAS)**

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

**MAT**

Minimum alternative tax

**MBA**

Mangala, Bhagyam, Aishwarya oil fields in Rajasthan

**MIC**

Metal in concentrate

**MOEF**

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

**MMSCFD**

Million standard cubic feet per day

**MT or Tonnes**

Metric tonnes

**MU**

Million Units

**MW**

Megawatts of electrical power

**NCCBM**

National Council of Cement and Building Materials

**Net (Debt)/Cash**

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

**NGO**

Non-governmental organisation

**Non-executive Directors**

The Non-Executive Directors of the Company

**Oil & Gas business**

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

**OALP**

Open Acreage licensing Policy

**Ordinary Shares**

Ordinary shares of 10 US cents each in the Company

**ONGC**

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

**OPEC**

Organisation of the Petroleum Exporting Countries

**PBT**

Profit before tax

**PPE**

Property plant and equipment

**Provident Fund**

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

**PSC**

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

**PSP**

The Vedanta Resources Performance Share Plan

**Recycled water**

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

**Relationship Agreement**

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

**Return on Capital Employed or ROCE**

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

**RO**

Reverse osmosis

**Senior Management Group**

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

**SEWT**

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

**SHGs**

Self-help groups

**SBU**

Strategic Business Unit

**STL**

Sterlite Technologies Limited, a company incorporated in India

**Special items**

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

**Sterling, GBP or £**

The currency of the United Kingdom

**Superannuation Fund**

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

**Sustaining Capital Expenditure**

Capital expenditure to maintain the Group’s operating capacity



**TCM**

Thalanga Copper Mines Pty Limited, a company incorporated in Australia

**TC/RC**

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

**TGT**

Tail gas treatment

**TLP**

Tail Leaching Plant

**TPA**

Metric tonnes per annum

**TPM**

Tonne per month

**TSPL**

Talwandi Sabo Power Limited, a company incorporated in India

**TSR**

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

**Twin Star**

Twin Star Holdings Limited, a company incorporated in Mauritius

**Twin Star Holdings Group**

Twin Star and its subsidiaries and associated undertaking

**US cents**

United States cents

Underlying profit/ (loss)

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

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

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

**VFJL**

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

**VGCB**

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

**Volcan**

Volcan Investments Limited, a company incorporated in the Bahamas

**VRCL**

Vedanta Resources Cyprus Limited, a company incorporated in Cyprus

**VRFL**

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

**VRHL**

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

### **Water Used for Primary Activities**

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

#### **WBCSD**

World Business Council for Sustainable Development

#### **ZCI**

Zambia Copper Investment Limited, a company incorporated in Bermuda

#### **ZCCM**

ZCCM Investments Holdings Limited, a company incorporated in Zambia

#### **ZRA**

Zambia Revenue Authority

The results will be available in the Investor Relations section of our website [www.vedantaresources.com](http://www.vedantaresources.com)

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**About Vedanta Resources**

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

**Disclaimer**

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