



**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 20-F

(Mark One)

Registration statement pursuant to section 12(b) or (g) of the Securities Exchange Act of 1934

or

Annual report pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934

For fiscal year ended March 31, 2021

or

Transition report pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934

From the transition period from _____ to _____

or

Shell company report pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934

Date of event requiring this shell company report

Commission file number 001-33175

Vedanta Limited

(Exact Name of Registrant as specified in its charter)

Republic of India
(Jurisdiction of Incorporation or Organization)

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Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of Each Class	Trading Symbol(s)	Name of each exchange on which registered
American Depositary Shares each representing four equity shares par value ₹ 1 per equity share	VEDL	New York Stock Exchange



Securities registered or to be registered pursuant to Section 12(g) of the Act.

None
(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

None
(Title of Class)

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

As of March 31, 2021, 3,717,504,871 equity shares, par value ₹ 1 per equity share, were issued and outstanding, of which 160,903,244 equity shares were held in the form of 40,225,811 American Depositary Shares or ADSs.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically, every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See definition of "large accelerated filer," "accelerated filer" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer
Emerging growth company

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards[†] provided pursuant to Section 13(a) of the Exchange Act.

[†] The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

US GAAP International Financial Reporting Standards as issued by the International Accounting Standards Board Other

If "Other" has been checked in the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

Item 17 Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Securities Exchange Act of 1934).

Yes No



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CONVENTIONS USED IN THIS ANNUAL REPORT

In this Annual Report, we refer to information regarding the zinc, oil and gas, iron ore, copper, aluminium, steel and power industries and our competitors from market research reports, analyst reports and other publicly available sources. Although we believe that this information is reliable, we have not independently verified the accuracy and completeness of the information. We caution you not to place undue reliance on this data.

On February 25, 2012, Vedanta Resources Limited (“Vedanta” or “VRL”), the parent company of Sterlite Industries (India) Limited (“Sterlite” or “SIIL”), Sesa Goa Limited (“Sesa Goa”), Vedanta Aluminium Limited (“Vedanta Aluminium”), Sterlite Energy Limited (“Sterlite Energy”), Cairn India Limited (“Vedanta Limited - oil and gas business”) and The Madras Aluminium Company Limited (“MALCO”) announced an all-share merger of majority owned subsidiaries, Sesa Goa and SIIL, to create Sesa Sterlite Limited (“Sesa Sterlite” or “SSL”) and a consolidation of various subsidiaries held by Vedanta to effect the consolidation and simplification of Vedanta’s corporate structure through two series of transactions (together the “Re-organization Transactions” consisting of the “Amalgamation and Re-organization Scheme” and the “Cairn India Consolidation”). The Re-organization transactions were completed during fiscal year 2014 and the name of the merged entity was changed to Sesa Sterlite Limited with effect from September 18, 2013. The name of Sesa Sterlite Limited was changed to Vedanta Limited, with effect from April 21, 2015. Cairn India Limited (now Vedanta Limited’s - oil and gas business) merged into Vedanta Limited by way of a scheme of arrangement and the Board of Directors of both the companies made the merger operative on April 11, 2017 (the “Cairn India Merger”). All references to Vedanta Limited - oil and gas business and its subsidiaries are referred to as “Cairn”. See “Item 4: Information on the Company - A. History and Development of our Company”.

Sterlite Energy was a wholly owned subsidiary of SIIL and SIIL, Vedanta Aluminium, Sesa Goa, MALCO and Cairn India Limited (now Vedanta Limited - oil and gas business) were subsidiaries of Vedanta, the ultimate holding company. Therefore, the Re-organization Transactions and Cairn India Merger fall within the purview of the common control business combination transactions. The accounting policies described in Notes 1 and 3.C - “Business Combinations” of the consolidated financial statements included elsewhere in this Annual Report requires that financial statements of the combined entity, Vedanta Limited, be retroactively adjusted, as if the transaction had occurred at the earliest reporting period (or from the date the entity came under common control, where such a date is later).

In this Annual Report, references to the “ADS offering” is to the initial public offering of our equity shares in the form of American Depositary Shares (“ADSs”), each currently representing four equity shares, in the United States (or the “US”) completed in June 2007.

Unless otherwise indicated, our accompanying financial information has been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”), for fiscal years ended March 31, 2019, 2020 and 2021. References to a particular “fiscal year or “FY” are to our fiscal year ended March 31 of that year. Our fiscal quarters end on June 30, September 30 and December 31. References to a year other than a “fiscal” year are to the calendar year ended December 31.

Our consolidated financial statements are reported in Indian Rupees or “₹”. Unless otherwise specified, translation of amounts for the convenience of the reader has been made in this Annual Report (i) from Indian Rupees to US dollars at the rate of ₹ 73.14 per \$ 1 based on the exchange rate quoted by the Federal Reserve Bank of New York as of March 31, 2021; (ii) from Australian dollars to US dollars at the rate of AUD 0.7613 per \$ 1 based on the exchange rate quoted by the Federal Reserve Bank of New York as of March 31, 2021; (iii) from South African Rand to US dollars at the rate of ZAR 14.7475 per \$ 1 based on the exchange rate quoted by the Federal Reserve Bank of New York as of March 31, 2021; (iv) from British Pound to US dollars at the rate of GBP 1.3795 per \$ 1 based on the exchange rate quoted by the Federal Reserve Bank of New York as of March 31, 2021 and (v) from Namibian dollars to US dollars at the rate of NAD 14.9233 per \$ 1 based on the exchange rate quoted at www.oanda.com as of March 31, 2021. As of June 25, 2021, the exchange rate between US dollars and Indian Rupees was \$ 1 = ₹ 74.14 as quoted by the Federal Reserve Bank of New York. All financial information presented in US dollars has been rounded to nearest decimal. Any amount less than US dollar 0.5 million has been presented as “0”.

In this Annual Report, references to “US” or the “United States” are to the United States of America, its territories and its possessions. References to “UK” are to the United Kingdom. References to “India” are to the Republic of India. References to “Namibia” are to the Republic of Namibia. References to “South Africa” are to the Republic of South Africa. References to “Ireland” are to the Republic of Ireland. References to “Sri Lanka” are to the Democratic Socialist Republic of Sri Lanka. References to “UAE” are to the United Arab Emirates. References to “\$”, “dollars” or “US dollars” are to the legal currency of the United States. References to “Indian Rupees”, or “₹” are to the legal currency of the Republic of India. References to “AUD”, “Australian dollars” are to the legal currency of the Commonwealth of Australia. References to “NAD” or “Namibian dollars” are to the legal currency of Namibia. References to “ZAR” or “RAND” are to the legal currency of the Republic of South Africa. References to “¢” are to US cents. References to “RMB”, “Renminbi”, “CNY” or “Chinese Yuan” are to the legal currency of the People’s Republic of China. References to “JPY” are to the legal currency of Japan.

References to “lb” are to the imperial pounds (mass) equivalent to 0.4536 kilograms, references to “mt” or “tons” are to metric tons, references to “mmt” are to million metric tons, references to “tpd” are to tons per day, references to “tpa” are to tons per annum, a unit of mass equivalent to 1,000 kilograms or 2,204.6 lb, references to “mtpa” are to million tons per annum, “mmtpa” are to million metric tons per annum, references to “wmt” are to wet metric tons, references to “dmt” are to dry metric tons, references to “oz” are to ounces, with one kilogram being equivalent to 32.1507 oz and one ton equivalent to 32,151 oz, references to “mm” are to millimeters, references to “ha” are to hectares, references to “kms” are to kilometers, a unit of area equal to 10,000 square meters or 107,639 square feet, references to “GW” are to giga watts, references to “kt” are to kilo tons, references to “bbls” are to barrels, references to “blpd” are to barrels of liquid per day, references to “mmboe” are to million barrels of oil equivalent, references to “bboe” are to billion barrels of oil equivalent, references to “mmbopd” are to million barrels of oil per day, references to “kbopd” are to kilo barrels of oil per day, references to “bopd” are to barrels of oil per day, references to “boepd” are to barrels of oil equivalent per day, references to “tcm” are to trillion cubic meters, references to “mmscmd” are to million metric standard cubic meter per day, references to “mscf” are to thousand standard cubic feet, references to “mmscf” are to million metric standard cubic feet, references to “mmscfd” are to million metric standard cubic feet per day, references to “TWh” are to terawatt TWh hours, references to “bcf” are to billion cubic feet, and references to “TcRc” are to treatment and refining charges. References to net oil and gas production are to the entitlement interest production of Vedanta Limited’s - oil and gas business and its subsidiaries, in which the Ravva royalty is not netted off. References to “GoI” are to Government of India.



We conduct our businesses both directly and through a consolidated group of companies that we have ownership interests in. See “Item 4. Information on the Company” for more information on these companies and their relationships to us. Unless otherwise stated in this Annual Report or unless the context otherwise requires, references in this Annual Report to “we”, “us”, “our”, “Vedanta Limited”, “Sesa Sterlite Limited (SSL)”, “Sesa Sterlite”, “SSL”, “our Company”, “the Company” or “our consolidated group of companies” mean Vedanta Limited, its consolidated subsidiaries and its predecessors, collectively, including Cairn India Limited (now Vedanta Limited - oil and gas business) and its subsidiaries (“Cairn”), Monte Cello BV (“Monte Cello”), Copper Mines of Tasmania Proprietary Limited (“CMT”), Thalanga Copper Mines Proprietary Limited, Bharat Aluminium Company Limited (“BALCO”), Hindustan Zinc Limited (“HZL”), Fujairah Gold FZC, Sterlite (USA), Inc., (“Sterlite USA”), Talwandi Sabo Power Limited (“TSPL”), THL Zinc Ventures Limited, THL Zinc Limited, THL Zinc Holding B.V., THL Zinc Namibia Holdings (Proprietary) Limited (“Skorpion”), Skorpion Zinc (Proprietary) Limited, Skorpion Mining Company (Proprietary) Limited, Namzinc (Proprietary) Limited, Amica Guesthouse (Proprietary) Limited, Rosh Pinah Health Care (Proprietary) Limited, Black Mountain Mining (Proprietary) Limited (“BMM”), Vedanta Lisheen Holdings Limited (“Lisheen”), Vedanta Lisheen Mining Limited, Killoran Lisheen Mining Limited, Killoran Lisheen Finance Limited, Lisheen Milling Limited, Vedanta Exploration Ireland Limited, Lisheen Mine Partnership, Sterlite Ports Limited, Vizag General Cargo Berth Private Limited, Paradip Multi Cargo Berth Private Limited, Lakomasko B.V., MALCO Energy Limited (“MALCO Energy”) (formerly known as Vedanta Aluminium), Sesa Resources Limited, Sesa Mining Corporation Limited, Bloom Fountain Limited (“BFL”), Goa Sea Port Private Limited, Twin Star Energy Holdings Limited (“TEHL”), Twin Star Mauritius Holdings Limited (“TMHL”), Sesa Sterlite Mauritius Holdings Limited (“SSMHL”) Western Cluster Limited (“WCL”), Maritime Ventures Private Limited, Sesa Sterlite Mauritius Holdings Limited, Vedanta Star Limited (“VSL”), Electrosteel Steels Limited (“ESL”) and Avanstrate Inc. (“ASI”), Avanstrate Korea, Avanstrate Taiwan.

Our consolidated financial information does not include our controlling shareholder Vedanta, its shareholders and various companies owned directly or indirectly by it (other than us and our consolidated group of companies described above), including without limitations, Vedanta Resources Holdings Limited (“VRHL”), Konkola Copper Mines Plc, Twin Star Holdings Limited (“Twin Star”), Welter Trading Limited (“Welter Trading”), the Anil Agarwal Discretionary Trust (“Trust”), Conclave PTC Limited (“Conclave”), Volcan Investments Limited (“Volcan”), Volcan Investments Cyprus Limited, Sterlite Technologies Limited, Monte Cello Corporation NV, Valliant (Jersey) Limited, Vedanta Resources Jersey II Limited, Vedanta Resources Finance Limited, Vedanta Resources Cyprus Limited, Richter Holding Limited (“Richter”), Westglobe Limited (“Westglobe”), Finsider International Company Limited (“Finsider”), Vedanta Resources Jersey Limited, Vedanta Finance (Jersey) Limited, Vedanta Jersey Investments Limited, Vedanta Finance UK Limited, and Sterlite Grid Limited. References to the “Group” is to Vedanta Limited and its subsidiaries on a consolidated basis and references to the “Vedanta Group” is to Vedanta and its subsidiaries on a consolidated basis.

In this Annual Report, references to The London Metal Exchange Limited (“LME”) price of zinc, copper, aluminium are to the cash seller and settlement price on the LME for copper, zinc or aluminium for the period indicated. References to primary market share in this Annual Report are to the market that includes sales by producers of metal from copper concentrate or alumina, as applicable, and do not include sales by producers of recycled metal or imports.



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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report contains “forward-looking statements” as defined in the safe harbor provisions of the US Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on our current expectations, assumptions, estimates and projections about our company and our industry. These forward-looking statements are subject to various risks and uncertainties. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as “anticipate,” “believe,” “estimate,” “expect,” “intend,” “will,” “project,” “seek,” “should” and similar expressions. These forward-looking statements include, among other things, the discussions of our business strategy and expectations concerning our market position, future operations, margins, profitability, liquidity and capital resources. We caution you that reliance on any forward-looking statement involves risks and uncertainties, and that, although we believe that the assumptions on which our forward-looking statements are based are reasonable, any of those assumptions could prove to be inaccurate and, as a result, the forward-looking statements based on those assumptions could be materially incorrect. Factors which could cause these assumptions to be incorrect include, but are not limited to:

- changes resulting directly or indirectly due COVID-19 Pandemic;
- regulatory, legislative and judicial developments and future regulatory actions and conditions in our operating areas;
- dependence on obtaining and maintaining mining leases for our mining sites and approvals from regulatory authorities for increasing oil and gas production;
- compliance with extensive environmental and health and safety regulations;
- the future capital requirements of our business and the availability of financing on favorable terms;
- construction of pipeline and terminal may take longer than planned, may not work as intended and the cost of construction may be greater than forecast;
- a decline or volatility in the prices of or demand for zinc, oil and gas, iron ore, copper, aluminium, steel or power or increase in supply of zinc, oil and gas, iron ore, copper, aluminium, steel or power;
- events that could cause a decrease in our production and higher cost of production for zinc, oil and gas, iron ore, copper, aluminium or power;
- unavailability or increased costs of raw materials for our products;
- general risks related to Vedanta Limited’s commercial power business and challenges in operationalization of investment in aluminium and power business;
- fluctuations in metal prices on LME, ore prices, oil and gas prices or power prices;
- interruptions in the availability of exploration, production or supply equipment or infrastructure and/or increased costs;
- our actual economically recoverable lead-zinc ore, copper ore or bauxite reserves being lower than we have estimated;
- our ability to expand our business, effectively manage our growth or implement our strategy;
- our ability to retain our senior management team and hire and retain sufficiently skilled labor to support our operations;
- increasing competition in the zinc, oil and gas, iron ore, copper, aluminium, steel or power industries;
- political or economic instability in and around India or around the regions in which we operate;
- worldwide economic and business conditions;
- reliance on third party contractors and providers of equipment which may not be readily available and whose costs may increase;
- our ability to successfully consummate strategic acquisitions; our ability to simplify our group structure and reduction in non-controlling stake in group companies;
- the outcome of outstanding litigation in which we are involved;
- our ability to maintain good relations with respective local communities and our trade unions and avoid protests, strikes and lock-outs;
- the continuation of tax holidays, exemptions and deferred tax schemes we currently enjoy;
- changes in tariffs, royalties, customs duties and government assistance;
- terrorist attacks and other acts of violence, natural disasters, increasing impact of climate change and other environmental conditions and outbreaks of infectious diseases and other public health concerns in India, Asia and elsewhere ;
- fluctuations in currency exchange rates;
- failure of digital infrastructure and cyber security attacks due to negligence or IT security failures;
- our ability to discover new reserves, enhance existing reserves or develop new operations in sufficient quantities to maintain or grow the current level of our reserves;
- any actions of our controlling shareholder, Vedanta and



- transitioning of zinc and lead mining operations from open pit to underground mining.

These and other factors are more fully discussed in “*Item 3. Key Information - D. Risk Factors,*” “*Item 5. Operating and Financial Review and Prospects*” and elsewhere in this Annual Report. In light of these and other uncertainties, you should not conclude that we will necessarily achieve any plans, objectives or projected financial results referred to in any of the forward-looking statements. Except as required by law, we do not undertake to release revisions to any of these forward-looking statements to reflect future events or circumstances.



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PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable

ITEM 3. KEY INFORMATION

A. Selected Consolidated Financial Data

The selected consolidated financial data presented below as of March 31, 2020 and 2021 and for the years ended March 31, 2019, 2020 and 2021 has been derived from our consolidated financial statements included herein, which have been prepared in conformity with IFRS as issued by the IASB. The consolidated financial statements as of March 31, 2020 and 2021 and for the years ended March 31, 2019, 2020 and 2021 have been audited by S.R. Batliboi & Co. LLP, India, our independent registered public accounting firm, and included elsewhere in this Annual Report.

The selected consolidated financial data presented below as of March 31, 2017, 2018 and 2019, and for the years ended March 31, 2017 and 2018 has been derived from our consolidated financial statements, which also have been prepared in conformity with IFRS as issued by the IASB, and which have not been included in this Annual Report.

Our historical results do not necessarily indicate our expected results for any future period. The translations of Indian Rupee amounts to US dollars presented in the tables below, are solely for the convenience of the reader and are based on the noon buying rate of ₹ 73.14 per \$ 1 in the City of New York for cable transfers of Indian Rupees, respectively, as certified for customs purposes by the Federal Reserve Bank of New York on March 31, 2021. No representation is made that the Indian Rupee amounts represent US dollar amounts or have been, could have been or could be converted into US dollars at such rates or at any other rates.

You should read the following information in conjunction with "Item 5. Operating and Financial Review and Prospects" and the consolidated financial statements included elsewhere in this Annual Report.

	For the Year Ended March 31,					2021 (\$ in millions except shares and per share data)
	2017	2018	2019	2020	2021	
(₹ in millions except shares and per share data)						
INCOME STATEMENT DATA						
Revenue	714,644	909,549	909,012	835,446	868,630	11,876
Profit/ (Loss) for the year	98,545	47,284	76,229	(42,100)	146,990	2,010
Earnings per share						
Basic	18.57	3.80	13.43	(16.54)	30.47	0.42
Diluted	18.56	3.79	13.38	(16.54)	30.28	0.41
CASH FLOW DATA						
Cash flow from operating Activities	212,105	348,407	208,420	182,393	295,952	4,046
Cash flow from Investing Activities	(79,910)	(52,153)	(133,147)	(116,866)	(167,358)	(2,288)
Cash flow from Financing Activities	(49,123)	(357,144)	(45,643)	(87,356)	(131,371)	(1,796)
BALANCE SHEET DATA						
Total assets	1,918,861	1,764,429	1,930,910	1,755,405	1,771,111	24,216
Short-term borrowings	413,126	313,700	315,053	212,231	189,600	2,592
Long-term borrowings	332,654	267,888	347,209	367,244	379,622	5,191
Non-controlling interests	137,250	157,377	150,608	169,374	149,452	2,043
Equity attributable to equity holders of the parent	576,538	596,800	581,388	512,521	584,597	7,993
DIVIDENDS						
Dividend per share	19.45	21.2	18.85	3.9	9.50	0.13
Weighted average number of equity shares used in computing earnings per share						
Basic	2,964,333,584	3,709,778,760	3,705,502,141	3,702,554,614	3,704,196,924	3,704,196,924
Diluted	2,965,560,871	3,717,466,311	3,721,449,633	3,702,554,614	3,727,544,981	3,727,544,981

B. Capitalization and Indebtedness

Not applicable

C. Reasons for the Offer and Use of Proceeds

Not applicable



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D. Risk Factors

This Annual Report contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of a number of factors, including those described in the following risk factors and elsewhere in this Annual Report. If any of the following risks actually occur, our business, financial condition and results of operations could suffer and the trading price of our equity shares and ADSs could decline.

1. Risks related to global health pandemic from COVID-19

The outbreak, or threatened outbreak, of any severe communicable disease, such as the ongoing COVID-19 pandemic, may adversely impact Vedanta Limited's business, financial condition and results of operations.

The outbreak, or continued or threatened outbreak, of any severe communicable disease, such as Severe Acute Respiratory Syndrome ("SARS"), Middle East Respiratory Syndrome-Corona virus, avian influenza (commonly known as bird flu), H1N1, COVID-19 or any another similar disease could materially and adversely affect overall business sentiment and environment, particularly if such outbreak is inadequately controlled.

The outbreak or continued outbreak of COVID-19, which has been declared a global pandemic by organisations such as the World Health Organization in the first quarter of 2020, has severely affected and continues to seriously affect the global economy. Several nations and territories, including areas where Vedanta Limited operates, imposed strict quarantine measures, social distancing rules, closure of work sites, restaurants, bars and non-essential services, and even complete lockdowns of certain populations or areas. These measures have inadvertently resulted in a period of business disruption, including prolonged disruptions to manufacturing and global supply chains as well as restrictions on business activity and the movement of people comprising a significant portion of the world's population, and a decrease in economic activity in several countries. Although many governments have introduced stimulus packages to mitigate the effect of the outbreak of the COVID-19 pandemic on their respective economies, there is no assurance that such packages are sufficient or that such measures will successfully improve business sentiments in the affected economies in the short term. As the virus has been undergoing several mutations, new outbreaks of COVID-19 have arisen from time to time. The severity and duration of outbreaks vary from country to country, which may result in differing economic impact on each country. Despite the global vaccination effort, there is no guarantee that the risk of additional outbreaks will not happen in any country.

As a result, the COVID-19 pandemic has led to uncertainty in the global economy, including India and significant volatility in global financial markets, which had a negative impact on global economic conditions and led to significant declines in the demand for and prices of the commodities Vedanta Limited produces and sells during the first half of 2020. However, lockdowns were gradually lifted, and economic activities restarted slowly. With the help of several fiscal and monetary stimulus packages announced by various countries, the second half of 2020 witnessed improvement in economic condition and revival of demand for commodities, which continued in 2021, although in different degrees in different countries. However, the duration of the COVID-19 outbreak and the resulting future effects are uncertain, and the foregoing impacts and other effects not referenced above, as well as the ultimate impact of the COVID-19 outbreak, are difficult to predict and it is possible that the COVID-19 pandemic will cause a prolonged global economic crisis or recession.

For India, Q4 FY 2021 began on a positive note on the approval of two vaccines for use in India which contributed to positive expectation on the economy. India experienced a second wave starting since March 2021 and spread in wide areas in India in short period of time. The number of people infected from the virus and the deaths occurred due to it had been many times higher than the first wave which posed India's economic recovery in an uncertain condition. Unlike a nation-wide lock down during the first wave, many Indian states resorted to local lockdown or curfew to control the spread of the virus during the second wave. As Government of India continued to focus on domestic commodity production and various relief measures implemented, India's GDP growth rate turned into positive in Q3 and Q4 of FY 2021. As per World Economic Outlook published by International Monetary Fund (IMF) in April 2021, India's GDP has registered -8% growth in 2020, but it is projected to bounce back by 12.5% in 2021. However, though the number of infected people has been seen declining and lockdowns or curfew measures are being eased in some states in India, there may be further outbreaks of COVID-19 cases or outbreak of other diseases like Mucormycosis which may force restraining economic activities in the future.

The COVID-19 pandemic has directly impacted the company's business operations, requiring the Company to adopt precautionary measures such as telecommuting, limiting face-to-face meetings and restricting domestic and overseas business travel. Though there had been periodic lockdowns and open up in various parts of the world, our focus remained on maintaining business continuity, while ensuring overall safety of our people and community. The Company continued to maintain global standards to manage health and hygiene at workplace and a 24 hour health helpline was provided for employees and their family members to deal with the viral disease. A series of health webinars and awareness programs for employees and community alertness were conducted to spread awareness. In one of the largest COVID vaccination drives carried out by corporate India, Vedanta Cares has administered one dose of vaccine to over 84000 employees, business partners as well as their family members by June 15, 2021. The company has proposed to complete its vaccination drive across all its locations by August 2021. Some of the other initiatives include extending COVID Kawach insurance to business partners that includes Term Life, Hospitalization as well as an Ex-gratia amount of ₹ 1 million (equivalent to ₹ 10 Lakhs) and ensuring salary until retirement for families of deceased. In order to help our country in its fight against the second wave of COVID-19, the company pledged ₹ 1,500 million. Our flagship program Vedanta Care has taken up with 1,000 bed initiative in 10 different locations across India, with 10 ventilator equipped beds and 90 oxygen support beds will be added in each location. Our aluminum, Cairn and HZL units have added almost another 1,000 additional beds in existing hospitals along with supplying liquid medical oxygen, distributing masks and sanitizer to the communities and delivering food in large scale to the needy people as part of our CSR program. While we have not experienced any major disruption to its supply chain in light of the COVID-19 pandemic and the relevant lockdown periods as applicable, there can be no assurance that the COVID-19 pandemic may not in the future affect the Company's ability to continue doing business with its suppliers, third-party contractors and other parties that Vedanta Limited conducts business with or that operate within the Company's supply chains. The COVID-19 pandemic may also result in a decrease in demand for Vedanta Limited's products. During the lockdown in India, owing to the constraints in the Indian domestic market, the Company has experienced a decline in domestic demand for its products requiring it to access the export market in order to maintain its sales. While domestic demand for the Company's products have improved following the lifting of the lockdown restrictions, there can be no assurance that there will not be future lockdown restrictions imposed due to the COVID-19 pandemic which in turn could have an adverse impact on the demand for Vedanta Limited's products.



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The COVID-19 pandemic initially severely impacted the global commodity market with weaker prices seen during January to April of 2020 across oil and bulk metals in particular which has impacted the prices of the commodities the Company produces and sells. A decline in prices for the products which the Company sells may significantly and adversely impact the value of its inventories and its profitability. For example, average LME prices of zinc and aluminium and Brent crude oil price decreased by 19%, 9% and 50% respectively between January and March 2020. However, commodity prices started recovering from the month of May-June of 2020. Subsequently, base metal prices surpassed the pre-COVID level and reached multi-year high. But due to volatile nature of the market and evolving nature of the COVID pandemic due to emergence of new strains of the virus, there is no assurance that commodity prices will sustain the momentum in near future.

Although the COVID-19 pandemic has not generally lead to any major disruptions to operations at Vedanta Limited's mines or production facilities where Vedanta Limited's operations were deemed as "essential" or "continuous" in nature, Vedanta Limited was still subject to temporary disruptions leading to production being down to 80% of the capacity during the relevant lockdown periods as applicable to the respective mines and production facilities, which production has since increased to approximately 90% of the capacity following the lifting of the relevant lockdowns. There is no assurance that Vedanta Limited will not be required in the future to suspend or shut down operations at some or all of its mines or facilities as a result of the COVID-19 pandemic. In such event, Vedanta Limited's business, financial condition and results of operations may be materially and adversely affected.

The COVID-19 pandemic situation remains volatile, rendering the future impact on Vedanta Limited's operations difficult to assess. Though the operational and financial performance of Vedanta Limited recovered from the initial disruption caused by the COVID-19 pandemic. There can be no assurance that the COVID-19 pandemic will not have any adverse impact on Vedanta Limited's capital and financial resources, profitability or liquidity position beyond Fiscal Year 2021. While Vedanta Limited continues to pay close attention to the development of the COVID-19 pandemic and adopt relevant measures to assess the impact of the COVID-19 pandemic on its business operations and financial situation, there can be no assurance that Vedanta Limited will be able to make such timely and/or accurate assessments thereof. The extent to which the COVID-19 pandemic will impact Vedanta Limited's operations and revenues will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the scope, severity and duration of the pandemic, new information concerning the severity of the COVID-19 pandemic, the actions taken to contain the COVID-19 pandemic or mitigate its impact, and the direct and indirect economic effects of the illness and containment measures, among others. Any intensification of the COVID-19 pandemic or any other severe communicable disease in the jurisdictions where Vedanta Limited operates may adversely affect its business, financial condition and results of operations.

COVID-19 may reduce the supply of labour owing to the ongoing lockdown and social distancing norms. For instance, our facilities in Aluminium business have switched to limited manning in line with the government guidelines and social distancing norms which are being eased gradually. We look to dynamically adapt our product mix to cater to exact customer preferences, based on our spare metal casting capacities across various shapes. The management is watchful of changing global and local scenarios and is actively charting its new course with health and safety as its first priority followed by its business objectives.

2. Risks Relating to Our Business

i) Our operations are subject to governmental, health and safety and environmental regulations, which require us to obtain and comply with the terms of various approvals, licenses and permits. Any failure to obtain, renew or comply with the terms of such approvals, licenses and permits in a timely manner may have a material adverse effect on our business, financial condition and results of operations

Numerous governmental permits, approvals and licenses are required for our operations as the industries in which we operate and seek to operate are subject to numerous laws and extensive regulation by national, state and local authorities in jurisdictions including India, South Africa, Namibia, UAE, Ireland, Australia, Japan, South Korea, Taiwan, Liberia and any other jurisdictions where we may operate in future. Our operations are also subject to laws, regulations and standards relating to employment, protection of the health and safety of our employees, and the environment, including conservation and climate change. Evolving regulations, standards and stakeholder expectations could result in increased cost, litigation or threaten the viability of operations in extreme cases. For instance, we are required to obtain various environmental and labor-related approvals in connection with our operations in India, including clearances from the Ministry of Environment, Forests and Climate Change ("MoEF&CC"), GoI and from the relevant pollution control boards in various states in India in which we operate in order to establish and operate our facilities. Certain of such approvals are valid for certain specified periods of time and require periodic renewals, such as consents to operate under the Air (Prevention and Control of Pollution) Act, 1981, as amended, and the Water (Prevention and Control of Pollution) Act, 1981 from the relevant Pollution Control Boards

Further, our oil and gas exploration and mining activities depend on the grant or renewal of various exploration and mining licenses and production sharing contracts ("PSC") and other regulatory approvals that are valid for a specific period of time. In addition, such licenses and contracts contain various obligations and restrictions, including restrictions on assignment or any other form of transfer of a mining lease or on the employment of a person who is not an Indian national. For instance, in connection with our mining operations in India, mining leases are typically granted for a period of 50 years and stipulate conditions including approved limits on extraction. Similarly, in connection with our oil and gas operations in India, Cairn is required to enter into a PSC and obtain an exploration license; before it can commence exploration activities and if exploration is successful, Cairn is then required to procure a petroleum mining lease from the relevant government authority which typically extends for a period of 20 years in order to conduct petroleum operations.



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Our current oil and gas reserves and production are significantly dependent on the Rajasthan block in India. The PSC for the block was initially valid until May 14, 2020. On April 7, 2017, the Ministry of Petroleum and Natural Gas (“MoPNG”) issued a policy on the grant of extension to the PSCs relating to the Pre-New Exploration Licensing Policy Exploration Blocks (“Pre-NELP Extension Policy”) signed by the GoI. The Pre-NELP Extension Policy defines the framework for granting of extension for Pre-New Exploration Licensing Policy (“Pre-NELP”) Exploration Blocks. Under the Pre-NELP Extension Policy, the Government’s share of profit petroleum during the extended period of contracts would be at higher rates for the applicable fields. On October 26, 2018, the GoI granted its approval for a ten year extension of the PSC for the Rajasthan Block under the Pre-NELP Extension Policy, subject to certain conditions. The applicability of the Pre-NELP Extension Policy (entailing additional 10% higher profit petroleum to the GoI) to Rajasthan Block PSC has been challenged by Cairn before the Delhi High Court. The Delhi High Court passed a judgment on May 31, 2018 directing extension of PSC on same terms. This judgment was appealed by the GoI. The division bench of the Delhi High Court vide its order dated March 26, 2021 has allowed the appeal of the GoI. We are evaluating the judgement and shall decide on the future course of action as appropriate. Separately, Director General of Hydrocarbons (“DGH”) has sought an unconditional acceptance of the conditions to the extension of the Rajasthan Block PSC, which includes the payment of additional profit petroleum to GoI on account of certain audit observations. Cairn has initiated arbitration and filed a Notice of Arbitration dated May 14, 2020 against GoI with respect to such audit observations. In a separate matter, Cairn has initiated arbitration and filed a Notice of Arbitration dated March 1, 2019 against ONGC with respect to issue of Cost Oil finalization.

Due to extenuating circumstances resulting from the COVID -19 pandemic and pending signing of the PSC addendum for extension after complying with all stipulated conditions, GoI through letter dated May 14, 2020 permitted the Company to continue petroleum operations in the RJ Block with effect from May 15, 2020 until the earlier of the date that the extension is signed or a period of three months from the date of the letter. GoI, has from time to time extended this and it is presently valid till July 30, 2021. If the Rajasthan Block PSC is not extended on same terms as before, it could result in substantial loss of value and any adverse outcome arising out of the conditions imposed by the GoI may lead to delays in obtaining PSC extension or result in financial liability, either of outcome could have a material and adverse effect on our results of operations and financial condition. See “Item 8. Financial Information—A. Consolidated Statements and Other Financial Information—Legal Proceedings.” and “Item 4. Information on the Company” for further details. Furthermore, under the terms of our PSCs, we are obliged to sell our entitlement of crude oil in the Indian domestic market until such time as the total availability of the crude oil and condensate from all Indian domestic petroleum production activities meets the total Indian national demand for crude oil and India achieves self-sufficiency. There is currently a mismatch between the demand for and the supply of crude oil in India, with the domestic demand outweighing the domestic production, and this mismatch is expected to continue in the long term. Further, to the extent our Indian blocks yield crude oil that is not suitable for processing by refineries in India or on account of any downward shift in demand for such crude oil from our buyers, it may be difficult for us to monetize such domestic crude oil reserves and this could have a material adverse effect on our oil and gas business, financial condition and results of operations.

The Government approval is also required, generally, for the continuation of mining as well as oil and gas exploration and production activities in India and other jurisdictions, and such approval can be revoked for a variety of circumstances by the GoI, Indian courts or other authorities. Any general suspension of mining activities by the government of a jurisdiction governing our mining operations could have the effect of suspending or limiting production from our operations. For example, our total iron ore production declined from 13.8 mmt in fiscal year 2012 to 0.6 mmt in fiscal year 2015 due to the forced suspension of mining activities in Goa. The suspension orders were withdrawn by the Goa state government in 2015 and operations recommenced in January 2015. The Supreme Court passed its final order on the matter on February 7, 2018 wherein it set aside the second renewal of the mining leases granted by the state of Goa. The Supreme Court directed all lease holders operating under such second renewal to stop all mining operations with effect from March 16, 2018 until fresh mining leases (not fresh renewals or other renewals) and fresh environmental clearances are granted under the Mines and Minerals (Development and Regulation) Act (“MMDR”). Our mines in Goa were affected by this judgement of the Supreme Court of India. Subsequent to this judgement, the Company had filed for representation before the Goa state government seeking extension of the validity of our leases in accordance with the provisions of the MMDR Amendment Act, 2015 which provides that all leases granted prior to the commencement of 2015 Amendment Act were deemed to be granted for a tenure of 50 years, which was not considered by the state government citing directions in the Supreme Court order dated February 7, 2018. Writ Petition filed before the High Court of Bombay at Goa against the letter of the state government was dismissed by the High Court on the ground that it will not be proper for the High Court to grant the relief sought therein. The Company has challenged the order of High Court before the Supreme Court, in which notice has been issued to parties and the State Government has filed a supportive affidavit. Separately, the Company and State government has filed review petition against the order dated February 7, 2018.

Even after receiving appropriate orders for continuation of mining operations in Goa, our iron ore business will remain largely dependent on export sales of iron ore to China. For instance, in fiscal year 2017, 100% of sales to external customers for our Goa mining operations was from exports to customers in China. As a result, the performance and growth of our iron ore business is necessarily dependent on the health of the Chinese economy, which may be materially and adversely affected by political instability or regional conflicts, economic slowdown elsewhere in the world or otherwise. In addition, any worsening of international relations between India and China, any negative changes in Chinese regulatory or trade policies relating to the import of iron ore or other limitations, restrictions or negative changes in our ability to export iron ore to China, could have a material adverse effect on our iron ore business.

Separately, the Expert Committee on Iron Ore has filed its reports on dump handling and ceiling on annual extractions before the Supreme Court recommending the immediate enhancement of the annual extraction ceiling to 30 million MT, and subsequently to 37 million MT after the development of infrastructure. The Expert Committee on Iron Ore’s report is yet to be accepted and the matter is pending before the Supreme Court.

Our global presence exposes us to a number of jurisdictions in which regulations or laws have been or are being considered to limit or reduce greenhouse gas (“GHG”) emissions. The likely effect of these changes will be to increase the cost for fossil fuels, impose levies for emissions in excess of certain permitted levels and increased administrative costs for monitoring and reporting. Increasing regulation of GHG emissions, including the progressive introduction of carbon emissions trading mechanisms and tighter emission reduction targets, is likely to raise costs and reduce demand growth. These regulations in the jurisdictions of our major customers and in relation to international shipping could also have an adverse effect on the demand for our products. Our smelting and mineral processing operations are energy intensive and depend heavily on fossil fuels. Any failure to comply with applicable laws, regulations or recognized international standards, or to obtain or renew the necessary permits, approvals and licenses may result in the loss of the right to operate our facilities or continue our operations, the imposition of significant administrative liabilities, or costly compliance procedures, or other enforcement measures that could have the effect of closing or limiting production from our operations. If we were to fail to meet environmental requirements or to have a major accident or disaster, we may also be subject to administrative, civil and criminal proceedings by governmental authorities, as well as civil proceedings by environmental groups and other individuals, which could result in substantial fines, penalties and damages against us, as well as subject to orders that could limit or halt or even cause closure of our operations, any of which could have a material adverse effect on our business, financial condition and results of operations.



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For example, in March 2013, the Tamil Nadu Pollution Control Board (“TNPCB”) ordered the closure of the 400,000 tpa copper smelter at Tuticorin in Tamil Nadu, India due to complaints regarding a noxious gas leak by local residents. On April 1, 2013, we filed a petition with the National Green Tribunal (“NGT”) challenging the order of the TNPCB on the basis that the plant’s emissions were within permissible limits. The NGT thereafter passed an interim order in May 2013 allowing the copper smelter to recommence operations subject to certain conditions, and we recommenced operations in June 2013. However, the TNPCB filed a notice of appeal against the orders of the NGT, at the Supreme Court of India. These appeals have been allowed by the Supreme Court and the NGT judgment has been set aside on grounds of maintainability. However, the Supreme Court has given the Company, liberty to approach the High Court of Madras to challenge the orders of TNPCB. We then filed a petition before the High Court of Madras, Principal Bench challenging the impugned orders of TNPCB passed in 2013. The High Court vide its judgement dated August 18, 2020 dismissed the writ petition 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. After hearing the parties, the bench admitted the SLP. The application for interim relief for running the plant on a trial basis was heard on December 2, 2020 and the Supreme Court had rejected such application for interim relief. The Interim Application on oxygen plant status is to be listed in due course. The main SLP is now listed for hearing on August 17, 2021.

TNPCB through its order dated April 9, 2018 rejected the Company’s application for renewal of Consent to Operate (“CTO”) for its existing copper smelter plant in Tuticorin and operations at the plant have been suspended. The Company filed an appeal with the TNPCB Appellate Authority against the aforesaid rejection order. During the pendency of the appeal, TNPCB through its order dated May 23, 2018 ordered for electricity supply to the plant to be discontinued and the Tamil Nadu state government ordered the closure of the copper smelter plant on May 28, 2018. The said impugned orders are presently under challenge in SLP before the Supreme court and the SLP is due for hearing on August 17, 2021. As of the date of this annual report, the Company’s copper smelter plant in Tuticorin remains closed. Prolonged shutdown of our copper smelter at Tuticorin could be credit negative and marginally increase its leverage. See “Item 8: Financial Information - A. Consolidated Statements and Other Financial Information - Legal Proceedings” for further details.

ESL, our subsidiary filed an application for renewal of CTO on August 24, 2017 for the period of five years which was denied by Jharkhand State Pollution Control Board (“JSPCB”) on August 23, 2018. On August 25, 2018, the Hon’ble High Court of Jharkhand granted stay against said order of denial of CTO by JSPCB to allow to continue the operations. Further, the MoEF&CC passed an order revoking the environmental clearance of ESL. ESL challenged the revocation of the environmental clearance before Hon’ble Jharkhand High Court and on September 27, 2018, the High Court stayed the order of MoEF&CC. In December 2019, ESL has been granted the Stage I forest clearance by MoEF&CC. ESL is working out appropriate solution to secure the revised environmental clearance in due course. MoEF&CC, on August 25, 2020, has granted a Terms of Reference to ESL for 3 MTPA plant with conditions like fresh EIA/EMP reports and public hearing. The Hon’ble High Court of Jharkhand had extended the interim protection granted in the pending writ petitions till September 16, 2020. Hon’ble High Court on September 16, 2020 pronounced and revoked the interim stay for plant continuity with effect from September 23, 2020. ESL filed a SLP before Hon’ble Supreme Court against September 16, 2020 order for grant of interim status quo order and plant continuity. Vide order dated September 22, 2020, Hon’ble Supreme Court issued notice and allowed plant operations to continue till further orders. Public hearing has been concluded on December 16, 2020, and ESL has applied for grant of Environment Clearance to MoEF&CC on January 11, 2021 on Parivesh Portal of MoEF&CC and presented before EAC on February 11, 2021. The revised proposal has been submitted on March 14, 2021 post inputs from February 11, 2021 meeting. The application is under perusal at the MoEF&CC. See “Item 8 – Financial Information - A. Consolidated Statements and Other Financial Information - Legal Proceedings” for further details. Any unfavourable judgement will result in adverse impact on our operations at ESL.

In addition, if we were to fail to meet environmental requirements or to have a major accident or disaster, it may also be subject to administrative, civil and criminal proceedings by governmental authorities, as well as civil proceedings by environmental groups and other individuals, which could result in substantial fines, penalties and damages against it as well as orders that could limit or halt or even cause closure of its operations, any of which could have a material adverse effect on its business, results of operations and financial condition.

ii) We are exposed to the political, economic, legal, regulatory and social risks of the countries in which we operate, and these may have a material adverse effect on our business, results of operations, financial condition or prospects

We have operations and projects in India, South Africa, Namibia, UAE, Ireland, Australia, Japan, South Korea, Taiwan and Liberia. We are exposed to the political, economic, legal, regulatory and social risks of the countries in which we operate or intend to operate. These risks potentially include expropriation and nationalization of property, instability in political, economic or financial systems, uncertainty arising from underdeveloped legal and regulatory systems, corruption, civil strife or labor unrest, acts of war, armed conflict, terrorism, outbreaks of infectious diseases, prohibitions, limitations or price controls on hydrocarbon exports and limitations or the imposition of tariffs or duties on imports of certain goods. For instance, steel demand is expected to see a surge in 2021 owing to recovering economy, sprouting demand and improving prices. This surge will be influenced by the Government’s intention to spend larger capital on infrastructure projects in the coming year which will have a multiplier impact on the demand of steel. Coking coal prices are index linked and hence volatile and any adverse movement in the same will have a material effect on our costs, results of operations and financial condition. Prices of iron and steel are influenced by several macro-economic factors. These include global economic slowdown, US-China trade war, supply chain destocking, government spend on infrastructure, the emphasis on developmental projects, demand-supply forces, the Purchasing Managers’ Index (“PMI”) in India and production and inventory levels across the globe, specially China.



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Countries in which we have operations or intend to have operations have transportation, telecommunications and financial services infrastructures that may present logistical challenges not associated with doing business in more developed locales. Furthermore, we may have difficulty in ascertaining our legal obligations and enforcing any rights that we may have.

For example, under the terms of the shareholders' agreement between the GoI and us, we were granted two call options to acquire all the shares in HZL held by the GoI at the time of exercise. We exercised the first call option on August 29, 2003. The GoI has disputed and refused to act upon the second call option. Also, GoI has disputed our exercise of the call option to purchase the remaining ownership interest of the GoI in BALCO. See "Item 3: Risk Factors - Proceedings against the GoI which has disputed our exercise of the call option to purchase its remaining ownership interest in BALCO" and "Item 4: Information on the Company - B. Business Overview - Our Business - Options to Increase Interests in HZL and BALCO".

Political, legal, economic and commercial instability or community disputes in the countries and territories in which we operate could affect our operations. Some of our current and potential operations are located in or near communities that may regard such operations as having a detrimental effect on their environmental, economic or social circumstances, though necessary efforts are taken for a healthy relationship and engagement with the local community through various initiatives including CSR activities on health, education, nutrition, livelihood, building physical and social infrastructure among others.

The continued success of our existing operations and future projects are in part dependent upon maintaining broad support and a healthy relationship with the respective local communities. Failure to identify and manage local concerns and expectations can give rise to disputes or have a negative impact on relations with local communities, and therefore affect our business and reputation. The consequences of community reaction, on various media including social media, could also have a material adverse impact on the cost, profitability, and ability to finance or even the viability of an operation. Such events could lead to disputes with national or local governments or with local communities and give rise to material reputational damage. For instance, community protests were recently organized to protest the expansion of Vedanta Limited's copper plant in Tamil Nadu. Subsequently TNPCB rejected the application filed to renew our CTO which expired on March 31, 2018 for our 400,000 tpa copper smelter at Tuticorin. The matter is currently sub-judice and our SLP in the Supreme Court regarding the same is listed for hearing next on August 17, 2021. See "Item 8: Financial Information - A. Consolidated Statements and Other Financial Information - Legal Proceedings" for further details.

If our operations are delayed or shut down as a result of political and community instability, our revenue growth may be constrained, and the long-term value of our business could be adversely impacted. Once we establish operations in a particular country, it may be expensive and logistically difficult to discontinue such operations, should economic, political, physical or other conditions deteriorate subsequently. All of these factors could have a material adverse effect on our business, results of operations, financial condition or prospects.

iii) Material changes in the regulations that govern our businesses, or the interpretation of recent legislation, could have a material adverse effect on our business, financial condition and result of operations

Mining in India is subject to a complex and comprehensive set of laws and regulatory requirements. See "Item 4: Information on the Company - B. Business Overview - Our Business - Regulatory matters." These laws and regulatory requirements are subject to change. If we are affected, directly or indirectly, by the application or interpretation of any such statute, enforcement proceedings initiated under it, it may have a material adverse effect on our business, financial condition and result of operations.

For example, the Mineral Laws (Amendment) Act dated March 13, 2020 ("MLAA") brought forth amendments to the MMDR Act. The MLAA has (i) liberalised the eligibility requirement to participate in coal auctions; (ii) removed the requirement for state governments to obtain prior approval of the Central Government to grant mining concessions; and (iii) enabled the transfer of approvals (other than coal, lignite and atomic minerals), whereby all the rights, approvals, clearances and licenses vested with the previous lessee will be extended to the successful bidder for a period of two years. During these two years, the successful bidder is required to obtain all the required clearances in its own name.

Further, the National Mineral Policy of 2019, which replaced the erstwhile National Mineral Policy 2008, introduces incentives to enhance mergers and acquisitions in the mining sector. If Vedanta Limited is affected, directly or indirectly, by the application or interpretation of any such statute, as and when notified, including any enforcement proceedings initiated under it and any adverse publicity that may be generated due to prosecution, it may have a material adverse effect on its business, financial condition and result of operations.

In addition, our oil and gas business is also subject to complex and comprehensive regulations in India. New or changed regulations could require changes to the manner in which we conduct our business, and result in an increase in compliance costs, which could have a material adverse effect on our business, financial condition and results of operation.

For example, upon the expiry of oil and gas licenses in India, contractors are generally required under the terms of relevant licenses or local law to conduct decommissioning or abandonment activities with regard to the equipment and wells and generally make good production sites. There can be no assurance that, in the future, we will not incur decommissioning charges in excess of those currently provided for, since local or national governments may require decommissioning to be carried out in circumstances where there is no express obligation to do so, particularly in case of future oil and gas license renewals.

The costs, liabilities and requirements associated with complying with existing and future laws and regulations may be substantial and time-consuming and may delay the commencement or continuation of oil and gas exploration or metal mining and production activities. This and any changes to applicable regulations could require changes to the manner in which we conduct our business and result in an increase in compliance costs, which could have a material adverse effect on our business, financial condition and results of operations.



iv) We have significant asset concentration risks, and any interruption in the operations at those assets could have a material adverse effect on our business, financial condition and results of operations

Our results of operations have been and are expected to continue to be substantially dependent on the reserves, production and the cost of production at certain of our key assets, and any interruption in the operations, exploration and development activities at those assets for any reason could have a material adverse effect on our business, financial condition and results of operations.

For example, the Rajasthan block produced 90.4% of our average daily net operated production from our oil and gas business in fiscal year 2021 and oil and gas from the Rajasthan block constituted 97.0% of our net aggregate proved oil and gas reserves on a barrel of oil equivalent basis as of March 31, 2021. Our ongoing capital expenditure program has focused on development and exploration activities across all the assets with approximately 72.8% of the capital expenditure for fiscal year 2021 having been invested in the Rajasthan block.

Further, our Rampura Agucha mine produced 54.9% of the total mined zinc metal and 17.8% of total mined lead metal in concentrate that we produced in fiscal year 2021 and constituted 28.4% of our total proven and probable ore reserves as of March 31, 2021 in India. Any interruption in the operations at these assets could have a material adverse effect on our results of business, financial condition, results of operations and prospects.

v) Our business requires substantial capital expenditures and other resources to maintain ongoing operations and to grow our business through projects, expansions and acquisitions, where these projects, expansions and acquisitions are subject to additional risks that could adversely affect our business, financial condition and results of operations

- ***Capital requirements.*** We require capital for, among other purposes, expanding our operations, making acquisitions, managing acquired assets, acquiring new equipment, maintaining the condition of our existing equipment and maintaining compliance with environmental laws and regulations. To the extent that cash generated internally and cash available under our existing credit facilities are not sufficient to fund our capital requirements, we will require additional debt or equity financing, which may not be available on favorable terms, or at all. Future debt financing, if available, may result in increased finance charges, increased financial leverage, and decreased income available to fund further acquisitions and expansions and the imposition of restrictive covenants on our business and operations. Factors that may affect our access to funding or increase its funding costs include (a) the financial and regulatory environments, which have impacted global financial markets and credit institutions since 2008 and are presently in flux due to the COVID-19 pandemic and varying responses thereto by governments, central banks and regulators; (b) adverse changes in Vedanta Limited's operating results, financial condition or cash flows; (c) deterioration of Vedanta Limited's creditworthiness; (d) currency movements, interest rate increases or volatility or other potential market disruptions; (e) a decrease in bank appetite for risk as a result of tightened lending standards, regulatory capital requirements or otherwise; and (f) downgrade in India's sovereign ratings.

In addition, future debt financing may limit our ability to withstand competitive pressures and render us more vulnerable to economic downturns. If we fail to generate or obtain sufficient additional capital in the future, we could be forced to reduce or delay capital expenditures, sell assets or restructure or refinance our indebtedness. In addition, there can be no assurance that our planned or any proposed future expansions and projects will be completed on time or within budget, which may adversely affect our cash flow. We evaluate acquisition opportunities in the course of its business and such acquisitions could be of a material nature.

In the last twelve months the COVID-19 pandemic led to unique challenges to the economy and significant volatility in the global capital markets. While the implementation of vaccines may have a positive impact on the debt market and economy at large, general economic conditions remain uncertain. Rounds of policy rate cuts done by central banks during the lockdown which led to increased inflation could be rolled back which may result in decrease in capital availability and may lead to increase in our borrowing cost.

Oil and gas exploration activities are capital intensive and inherently uncertain in their outcome. There is a risk that we or the operators of assets in which we have an interest may undertake exploration activities and incur significant costs in so doing with no assurance that such expenditure will result in the discovery of hydrocarbons in commercially viable quantities.

- ***Demands on management.*** Our efforts to continue our growth will place significant demands on our management and other resources and we will be required to continue to improve operational, financial and other internal controls, both in India and elsewhere. Our ability to maintain and grow our existing business and integrate new businesses will depend on our ability to maintain the necessary management resources and on our ability to attract, train and retain personnel with skills that enable us to keep pace with growing demands and evolving industry standards.
- ***Acquisition risks.*** As part of our growth strategy, we intend to continue to pursue acquisitions to expand our business. There can be no assurance that we will be able to identify suitable acquisition, strategic investment or joint venture opportunities, obtain the financing necessary to complete and support such acquisitions or investments, integrate such businesses or investments, satisfy regulatory requirements for such acquisitions or that any business acquired will be profitable. If we attempt to acquire non-Indian companies, we may not be able to satisfy certain Indian regulatory requirements for such acquisitions and may need to obtain the prior approval of the Reserve Bank of India ("RBI") which we may not be able to obtain. The funding of such acquisitions by us may require certain approvals from regulatory authorities in India. In addition, acquisitions and investments involve a number of risks, including possible adverse effects on our operating results, diversion of management's attention, failure to retain key personnel, risks associated with unanticipated events or liabilities and difficulties in the assimilation of the operations, technologies, systems, services and products of the acquired businesses or investments. Any failure to achieve successful integration of such acquisitions or investments could have a material adverse effect on our business, financial condition and results of operations.



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VEDANTA 20-F - IFRS	Donnelley Financial	VDI-W7-PF3-0456 21.7.8.0	HKR sagal0dc	15-Jul-2021 12:57 EST	165852 TX 12	4*
VEDANTA 20-F - IFRS	None		SNG		HTM ESS	OC

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vi) If our planned expansions and new projects are delayed, or if we experience cost overruns in our projects, our business, financial condition and results of operations may be materially and adversely affected

We have in recent years initiated significant expansion plans for our existing operations and planned greenfield projects, which involve significant capital expenditure. Our planned expansions and new projects are subject to a number of risks that may adversely affect the prospects and profitability of such projects, including the following:

- unfavorable results from feasibility studies;
- failure to obtain, or experience delays or higher than expected costs in obtaining, the required agreements, authorizations, licenses and permits to develop a project, including the prior consultation procedure and agreements with local communities;
- permits, authorizations or rights granted to third parties that could conflict with, and require the Company to alter its expansion or new project plans;
- delays or higher than expected costs in obtaining the necessary equipment, machinery, materials, supplies, labor or services and in implementing new technologies to develop and operate a project;
- conflicts with local communities and/or strikes or other labor disputes may delay the implementation or the development of projects;
- accidents, natural disasters and equipment failures, as well as major public health issues such as the COVID-19 pandemic, could result in delays, cost overruns, or the suspension or cancelation of projects; and
- changes in market conditions or regulations may make a project less profitable than expected at the time the Company initiated work on it.

We do not currently have all of the leases, licenses, permits, consents and approvals that are or will be required for our planned expansion and new projects. There can be no assurance that we will be able to obtain or renew all necessary leases, licenses, permits, consents and approvals in a timely manner.

For example, our environmental clearance for the proposed copper smelter plant 2 (Tuticorin expansion project) expired on December 31, 2018. Our application for renewal of such environmental clearance was rejected by the MoEF&CC. Thereafter, we made a new application dated March 12, 2018, before the Expert Appraisal Committee of the MoEF&CC wherein a sub-committee was directed to visit the expansion project site prior to prescribing the terms of reference. In the interim, the High Court of Madras ordered us to cease construction and all other activities on site for the proposed expansion project with immediate effect. Separately, State Industries Promotion Corporation of Tamil Nadu (“SIPCOT”) through its letter dated May 29, 2018, cancelled 342.22 acres of the land allotted to us for the proposed expansion project, which was later stayed by High Court of Madras by its order dated October 3, 2018. Further, the TNPCB issued orders on June 7, 2018, directing the withdrawal of the consent to establish (“CTE”) for the expansion project, which is valid until March 31, 2023. The MoEF&CC has updated on its website that Vedanta Limited’s environmental clearance for expansion project will be considered for ToR either upon verdict of the National Green Tribunal (“NGT”) case or upon filing of a Report from the State Government/ District Collector, Thoothukudi. The Company has also filed Appeals before the TNPCB Appellate Authority challenging withdrawal of CTE by the TNPCB, the matter is pending for hearing and is listed on August 4, 2021 for filing Counter to the Appeals by TNPCB.

Moreover, the environmental clearance for the expansion of our Alumina Refinery at Lanjigarh was challenged before the NGT, where the MoEF&CC, the Odisha State Pollution Control Board and Vedanta Limited have been made parties. Pleading in the matter is complete and pending for hearing of arguments, however, the same has not been posted owing to the paucity of judges in the Tribunal. It is pertinent to note that the Hon’ble NGT has not passed any interim order staying the project as prayed by the appellant. See “Item 8. Financial Information - A. Consolidated Statements and Other Financial Information - Legal Proceedings.” for further details.

Moreover, we are currently undertaking exploration programs in our Rajasthan and other oil blocks. Also, Vedanta Limited- oil and gas business has secured 51 blocks (41 blocks in OALP I and 10 blocks in OALP II and III) and 2 Discovered Small Fields (“DSF”) blocks in the Open Acreage Licensing Policy (“OALP”) introduced by the GoI and revenue sharing contracts (“RSC”) have been signed for it. Vedanta Limited- Oil and gas business has committed the work program to be completed during the currency of Initial Exploration Phase and in the event of non-fulfillment of the committed work program, the liquidated damages would become payable for the shortfall as specified in the RSC. Any delays in this exploration program or shortfall in achieving the necessary output levels could materially and adversely affect our business, financial condition and results of operations.

In fiscal year 2013, we announced an expansion of our zinc-lead mines capacity to 1.2 mtpa (later on revised to 1.25 mtpa) in a phased manner until fiscal year 2022 in our Zinc India business. This will involve sinking of underground shafts and developing underground mines. Benefits from these growth projects started in fiscal year 2016, even though project activities will continue until fiscal year 2022. Annual capital expenditure towards these projects is expected to be approximately \$ 105 million. Any delays in the execution of the expansion plans or any shortfall in achievement of the expansion objectives may adversely affect our business, financial condition and results of operations.

We recently acquired ESL under the Insolvency and Bankruptcy Code, 2016 (“IBC”), in line with the Resolution Plan approved by Hon’ble National Company Law Tribunal (“NCLT”), Kolkata. ESL was incorporated in December 2006 to set up an integrated steel plant designed to produce 2.5 mtpa of steel. This project started operations in year 2009 and the first phase of 1.5 mtpa steel plant was completed in fiscal year 2012. Subsequently, the next phase to reach to the full design capacity was started but was not completed due to various reasons. As a result, project materials including semi-constructed blast furnace and horizontal coke oven plant are not in operation. The usability of project material will depend on life cycle assessment, finalization of technology and detailed project report. Hence, expansion cost may increase if it is discovered later that some of the project material is not usable.



Furthermore, the GoI is contemplating a proposal to demarcate certain forest areas in India, based on the permissibility of using such land for mining purposes. The identification of designated areas where mining activities will, or will not, be permitted will be based on mapping forest and coal reserves as well as field-level studies. While this proposal remains in discussion, the MoEF&CC has denied the grant of environmental and forest diversion clearances applied for in certain areas identified as restricted areas. In the event the proposal is implemented, our current and any future mining activities and related expansion plans and new projects may be affected, which would adversely affect our business prospects and results of operations or otherwise hinder its borrowing capabilities. Any delay in completing planned expansions, revocation of existing clearances, failure to obtain or renew regulatory approvals, non-compliance with applicable regulations or conditions stipulated in the approvals obtained, suspension of current projects, or cost overruns or operational difficulties once the projects are commissioned may have a material adverse effect on our business, results of operations or financial condition. Further, our decision to undertake or continue any of these projects will be based on assumptions of future demand for our products which may not materialize. As a consequence of project delays, cost overruns, changes in demand for our products and other reasons, we may not achieve the reductions in the cost of production or other economic benefits expected from these projects, which could adversely affect our business, financial condition and results of operations.

vii) If we are unable to secure additional reserves of oil and gas, zinc, copper, iron ore and bauxite that can be extracted at competitive costs or cannot extract existing reserves at competitive costs, our profitability and operating margins could decline

If our existing oil and gas, zinc, copper, iron ore and bauxite reserves cannot be extracted at competitive costs or if we cannot secure additional reserves that can be extracted at competitive costs, we may become more dependent upon third parties for the metal ore, or our production volumes will decline. As our reserves decline as we extract the mineral ore or crude oil, our future profitability and operating margins depend upon our ability to access reserves that have geological characteristics enabling extraction at competitive costs. Replacement reserves may not be available when required or, if available, may not be of a quality capable of being extracted at costs comparable to the existing or exhausted mines and fields.

We may not be able to accurately assess the geological characteristics of any reserves that we acquire, which may adversely affect our business, financial condition and results of operation. Because the value of reserves is calculated based on that part of our mineral and oil and gas deposits that are economically and legally exploitable at the time of the reserve calculation, a decrease in commodity prices may result in a reduction in the value of any reserves that we obtain as less of the deposits contained therein would be economically exploitable at lower prices. For example, we recognised an impairment of assets at our oil and gas business in fiscal year 2020 of an amount equal to ₹ 135,031 million which was triggered majorly due to significant fall in crude oil prices primarily due to the outbreak of COVID-19.

Exhaustion of reserves at particular mines or oil fields may also have an adverse effect on our operating results that is disproportionate to the percentage of overall production represented by such mines or oil fields. Further, with depletion of reserves we will face higher unit extraction costs.

Our future production depends significantly upon our success in finding or acquiring and developing additional reserves, adopting and using the appropriate technology. If we are unsuccessful, we may not meet our production targets, which could adversely affect our business, financial condition and results of operations.

Our ability to obtain additional reserves in the future could be limited by restrictions under our existing or future debt agreements, competition from other metal and oil and gas companies, lack of suitable acquisition candidates, government regulatory and licensing restrictions, difficulties in obtaining mining leases and surface rights or the inability to acquire such properties on commercially reasonable terms, or at all. To increase production from our existing mines or oil fields, we must apply for governmental and joint operation partner approvals, which we may not be able to obtain in a timely manner, or at all.

The results of appraising discoveries are uncertain which may result in reductions in projected reserves and production declines and may involve unprofitable efforts, not only from dry wells, but also from wells that are productive but uneconomic to develop. Furthermore, as our ore reserves decline as we mine the ore, our future segment results and segment margins depends upon our ability to access ore reserves with geological characteristics that allow mining at competitive costs and replacement reserves may not be available when required. Appraisal and development activities may be subject to delays in obtaining governmental approvals or consents, shut-ins of connected wells, insufficient storage or transportation capacity or exhaustion and depletion of reserves or other geological and mechanical conditions all of which may result in a material increase of our costs of operations or delay anticipated revenues

viii) Our operations are subject to risks that could result in decreased production, increased cost of production and increased cost of or disruptions in transportation, power generation, mining and oil exploration

We are subject to operating conditions and events common to the industry in which we operate which are beyond our control that could, among other things, increase our mining, transportation or production costs, disrupt or halt operations at our mines and production facilities permanently or for varying lengths of time or interrupt the delivery of our products to our customers. The occurrence of any of these conditions or events could have a material adverse effect on our business, financial condition and results of operations. These conditions and events include:

- *Disruptions in extraction and production due to equipment failures, unexpected maintenance problems and other interruptions.* All of the Company's operations are vulnerable to disruptions. Metal processing plants are especially vulnerable to interruptions, particularly where an event causes a stoppage which necessitates a shut down in operations. Stoppages in certain types of our smelters, even if lasting only a few hours, can cause the contents of furnaces or cells to solidify, resulting in a plant closure for a significant period and necessitating expensive repairs, any of which could materially and adversely affect our results of operations or financial condition. For example, our aluminium smelters have suffered due to a pot failure incident during fiscal year 2017 resulting in part stoppage of smelter and cost of repairs.

Further, our oil processing facility in the northern fields of the Rajasthan block designed to separate oil, gas and water may not function as designed over the life of the fields. This may result in the crude oil not meeting sales specifications of pipelines, which may mean that any such crude oil either not being evacuated through our existing pipeline or cannot be sold or will be sold at a significant discount to the crude oil sales price agreed in the relevant crude oil sales contract.



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- *Availability of raw materials for production and energy requirements:* Any shortage of or increase in the prices of any of the raw materials needed to satisfy our businesses' requirements may interrupt our operations or increase our cost of production. We are particularly dependent on coal, which is used in many of our captive power plants. Our aluminium business, which has a very high energy consumption requirement due to the energy-intensive nature of aluminium smelting, is significantly dependent on coal supplies from Coal India Limited, the government-owned coal company in India. Similarly, coal supplies for our commercial power generation business is also a major focus area. Any coal block or linkage that we already have or win in auctions, might not be sufficient for our planned operations and we may not be successful in procuring a sufficient supply of coal at economically attractive prices, or at all. Recently, the GoI has made changes in regulations that can significantly improve domestic coal supplies such as opening up of auction of coal mines for commercial use. We also recently secured the Radhikapur West coal block in the commercial coal block auctions conducted by the Ministry of Coal, GoI in FY 2021 that improves our coal security as same will be used for our captive consumption. The Company entered into the CMDPA with the GoI on January 11, 2021. This has a mine capacity of 6 mtpa. In previous year, we secured the Jamkhani coal block in captive coal block auctions. It will cater to power generation for Jharsuguda smelting operations.

Further, the Company is successful bidder for Kuraloi (A) North Block with a mine capacity of 8 mtpa, which can additionally help meet group's captive coal requirements

For example, we established our aluminium business in Odisha through a joint venture agreement with Odisha Mining Corporation Limited ("OMC") through which OMC would provide us with bauxite supply, but during fiscal year 2016, the joint venture agreement was terminated by OMC by a separate action. As a result, Vedanta had to procure bauxite from global suppliers to meet its requirements, resulting in high logistics costs and complexity in supply chain pushing up the cost of production for captive alumina. The remaining alumina requirements are also purchased from global suppliers at index-linked prices. However, in April 2018, we entered into a long-term contract with OMC for the supply of bauxite for five years from its Kodingamali bauxite mines as per state policy, which accounts for approximately 50% of our total bauxite requirement.

Our oil processing facility in the northern fields of the Rajasthan block require reliable fuel supply for power generation and heating, to ensure the quality of our crude oil production. Currently, the fuel supply for power generation and heating requirements are being met through associated natural gas from the Mangala field, supplemented as required by natural gas from the Raageshwari Deep gas field. While the current gas supply is adequate to ensure a sufficient fuel supply, there is no guarantee that the current estimates of the future fuel requirements can be supplied from the gas associated with existing and future oil production, supplemented by gas supply from the Raageshwari Deep gas field. In such an event, an alternative energy source would need to be obtained. Further, this has been augmented by alternative energy source in form of grid power supply of 27 MW capacity. Sustained failure of power systems due to unavailability of fuel supply and/or grid power availability could lead to operations disruption, having a material adverse effect on our results of operations and financial condition.

- *Availability of water.* The mining operations of our zinc and aluminium businesses, production from our oil fields, smelter operations of copper business and our captive power plants depend upon the supply of a significant amount of water. Availability of water for our operations is dependent upon adequate rainfall in the catchment areas near our operations. There is no assurance that the water required will continue to be available in sufficient quantities or that the cost of water will not increase. For example, BALCO is currently in a dispute with the National Thermal Power Corporation Limited regarding the right of way for a water pipeline that provides one of BALCO's captive power plants (270 MW) access to a body of water adjacent to the National Thermal Power Corporation Limited's premises. Presently, the 270 MW power plant is under suspension and any adverse order will not impact smelter operations. The Sole Arbitrator by its award dated January 11, 2016, allowed BALCO's easementary claim and rejected the counter claims raised by the National Thermal Power Corporation Limited. Both National Thermal Power Corporation Limited and BALCO have filed application under Section 34 of the Arbitration & Conciliation Act, 1996, before the Hon'ble Delhi High Court appealing the claims rejected by the Sole Arbitrator. The next hearing will take place on July 27, 2021. However, the Company has a water supply agreement valid for 30 years from July 29, 2011 for 13 million cubic meters for 540 MW and on December 22, 2015 the Company entered into a new water contract valid for 30 years with a local body for 25 million cubic meters per annum for IPP of 300 MW and CPP of 900 MW collectively, which has been fully allotted.

We inject hot water and polymer to maintain reservoir pressure and to optimize crude oil recovery at Mangala, Bhagyam and Aishwarya fields. The primary source water injection for these fields is the back produced water to which water from Thumbli saline aquifer is added to make up the total injection requirements. Extraction of saline water also requires the approval of the relevant government authorities. There can be no assurance that the estimated impact of the expected water extraction on the flow of groundwater is accurate. A failure to extract the required amount of water during the life of the existing and currently planned developments or an inaccurate prediction of the impact on the flow of groundwater, or delay or cancellation of the approval from the government authorities to extract saline water, may require us to access alternative sources of water. Although the relevant government authority has given its consent for the extraction of saline groundwater from Thumbli, it is possible that we will be perceived to be directly or indirectly responsible for any shortage of fresh water or deterioration in water quality. In such an event, the local authorities may require us to access alternative water sources or hold us responsible for any contamination of the fresh water supply by saline groundwater from the aquifer. We are yet to get approval from Central Ground Water Authority ("CGWA") for abstraction of saline water.

- *Disruptions to or increased costs of transport services.* We depend upon seaborne freight, inland water transport, rail, trucking, overland conveyor and other systems to transport bauxite, alumina, zinc concentrate, copper concentrate, coal, iron ore and other supplies to our operations and to deliver our products to customers. Due to COVID- 19, there may be disruptions to or increases in the cost of these transport services, including as a result of interruptions that decrease the availability of these transport services or as a result of increases in overall demand for transport services in the country but failures of these transport services to be expanded in a timely manner which may affect our operations.



- *Inadequate plant operating and maintenance procedures.* While we have in place operating and maintenance procedures to maintain the integrity of our production facilities, unplanned events could adversely affect operations.
- *Dependence on third parties.* We outsource the day to day running of operations, maintenance of plant, construction, delivery and commissioning of the various plant facilities, supply and testing of equipment, transmission and distribution of electricity, etc. to third parties in most of our businesses and there are associated risks. Additionally, several of the major growth projects are under execution through an integrated development approach where end to end project execution is outsourced to a limited number of specialized vendors. These projects have long execution timelines, have interdependencies, are mostly brown-field involving tie-ins with existing facilities and may require use of the appropriate technologies. To execute these projects and to achieve the deliverables of operation and maintenance contract, our business partners are responsible for the timeliness and adequacy of the resources they deploy and capabilities they bring to a project. In such arrangements, we may have limited control over the standards, operations and compliance of our business partners, their contractors and sub-contractors and thereby have limited influence and control over the risks that arises. Ensuring the delivery of services and equipment, executing the projects as per schedule, of the right quality and managing safety and security of personnel and materials at the sites as well as during transportation, and ensuring all regulatory compliances are met, could pose a potential challenge. Any delays in any of these aspects could have an adverse impact on operations and project completion by way of cost and schedule overruns and adversely effects our operational and financial performance. Further, our business partners may be unable or unwilling to fully compensate us against costs we may incur on their behalf or on behalf of the joint venture. For instance, the external contractors may not be able to complete construction and installation on time, within budget, or to the specifications set forth in our contracts with them, or the contractors may otherwise cause delays in meeting project milestones or achieving commercial operation by the scheduled completion date or operational deliverables, which could in turn cause forecast budgets to be exceeded or result in delayed payment by customers, invoke liquidated damages, penalty clauses or performance guarantees or result in termination of contracts. See “*Item 8: Financial Information - A. Consolidated Statements and Other Financial Information - Legal Proceedings - Proceedings against TSPL relating to its delay in commissioning various units of the power plant*”. In addition, as a result of increased industrial development in India in recent years, the demand for contractors with specialist design, engineering and project management skills and services has increased, resulting in a shortage of contractors and increasing costs of services. There can be no assurance that such skilled and experienced contractors will continue to be available at reasonable rates and we may be exposed to risks relating to the cost and quality of their services, equipment and supplies.
- *Power purchase agreements.* The power purchase agreements and other agreements that we have entered into or may enter into may require us to guarantee certain minimum performance standards, such as plant availability and generation capacity, to the power purchasers. If our facilities do not meet the required performance standards, the power purchasers with whom we have power purchase agreements may not reimburse us for any increased costs arising as a result of our plants’ failure to operate within the agreed norms. For example, we have disputes with customers at our TSPL and Jharsuguda operations. For further details see “*Item 8: Financial Information - A. Consolidated Statements and Other Financial Information - Legal Proceedings*” and “*Item 4: Information on the Company - B. Business Overview*”.
- *Regulatory compliance.* Power generation in India is a regulated industry. In particular, national and state regulatory bodies and other statutory and government mandated authorities may, from time to time, impose minimum performance standards upon us. Failure to meet these requirements could expose us to the risk of penalties, including, in certain instances, plant shutdowns. For example, the Ministry of Environment and Forests on December 7, 2015 prescribed new norms to reduce pollution particularly Sulphur dioxide (SO₂) emission from thermal power plants through installation of Flue Gas Desulphurization (“FGD”). Noncompliance of the published norms within prescribed timelines will have an adverse impact on operations by way of environmental compensation.”
- *Flow assurance concerns of crude oil.* The waxy nature of the crude oil at the northern fields of the Rajasthan block requires us to use hot water injection as the recovery technique at these fields. Injection of hot water requires that the temperature of the water is maintained at a certain level to ensure that the temperature of the crude oil is not reduced by the water used in the injection process to the point where solidification may occur. If the temperature of the injection water is not maintained at the required level, the required injection rate may not be able to be maintained, therefore the overall field production rate and ultimate recovery may be adversely impacted. Further, the waxy nature of the crude oil requires that the temperature of crude oil transported through the 24 inch insulated oil pipeline and connecting spur lines should be kept at a temperature greater than the temperature of crude oil. Maintaining the temperature of the crude oil above this wax appearance temperature has required the installation of a specialized heating system and heating stations at various points along the pipeline. If the specialized heating system does not perform as expected, or there are problems associated with the performance of the heating stations, there are problems supplying fuel to the power generation systems at these heating stations; the temperature of crude oil may not be maintained, which would have an adverse impact on the rate at which oil can be transported through the pipeline. Any reduction in the crude oil production, ultimate recovery, or in the oil transportation may have a material adverse effect on our business, financial condition and results of operations.
- *Tailings dam failure.* A release of waste material from tailings dams of any of our production facilities may lead to loss of life, injuries, environmental damage, reputational damage, financial costs and production impacts. Tailings dam failure is considered to be a catastrophic risk, which is a very high severity but very low frequency event that must be treated with the highest priority.
- *Accidents at mines, oil fields, smelters, refineries, oil processing terminals, cargo terminals and related facilities.* Any accidents or explosions including as a result of natural disaster causing personal injury, property damage or environmental damage at or to our mines, oil fields, smelters, refineries, oil processing terminals, cargo terminals and related facilities may result in expensive litigation, imposition of penalties and sanctions or suspension or revocation of permits and licenses. Risks associated with our open-pit mining operations include flooding of the open-pit and collapses of the open-pit wall. Hazards associated with our underground mining operations include underground fires and explosions, including those caused by flammable gas, cave-ins or ground falls, discharge of gases and toxic chemicals, flooding, sinkhole formation and ground subsidence and other accidents and conditions resulting from drilling and removing and processing material from an underground mine. If any of these hazards or accidents result in significant injury to employees and damage to equipment or other property, we may experience unexpected production loss, increased production costs, and increased capital expenditures to repair or replace equipment or property, as well as claims from affected employees and environmental and other authorities for any alleged breaches of applicable laws or regulations. Disruptions to mining, delays and costs on account of such hazards or accidents could have a material adverse effect on our business, financial condition and results of operations.



Furthermore, oil and gas exploration and production operations by us or operators of assets in which we have an interest will involve risks normally incidental to such activities, including blowouts, oil spills, gas leaks, explosions, fires, equipment damage or failure, natural disasters, geological uncertainties, unusual or unexpected rock formations and abnormal pressures. Offshore operations are also subject to natural disasters as well as to hazards inherent in marine operations and damage to pipelines, platforms, facilities and sub-sea facilities from trawlers, anchors and vessels. Our producing fields are located in areas that can be subject to extreme weather conditions, flooding, fire, theft, earthquake and other natural disasters. Additionally, we or the operators of assets in which we have an interest may face interruptions or delays in the availability of oil field services, equipment or infrastructure, including seismic survey vessels, rigs, pipelines and storage tanks, on which oil and gas exploration and production activities are dependent. Such interruptions or delays could result in disruptions to exploration activities, production, oil and gas off-take arrangements and increased costs.

- *Strikes and industrial actions or disputes.* The majority of our workforce is unionized. Strikes and industrial actions or disputes have occurred in the past and may occur in the future which may lead to business interruptions and halts in production. In addition, we may be subject to union demands and litigation for pay raises and increased benefits, and our existing arrangements with the trade unions may not be renewed on terms favorable to us, or at all.

ix) We are exposed to competitive pressures in our various business segments in which we operate which could result in lower prices or sales volumes of the products we produce, which may cause our profitability to suffer

The mines and minerals, commercial power generation, oil and gas and steel industries are highly competitive. We continue to compete with other industry participants in the search for and acquisition of mineral and oil and gas assets and licenses. Competitors include companies with, in many cases, greater financial resources, local contacts, staff and facilities than ours. Competition for exploration and production licenses as well as for other investment or acquisition opportunities may increase in the future. This may lead to increased costs in the carrying out of our activities, reduced available growth opportunities and may have a material adverse effect on our businesses, financial condition, results of operations and prospects.

x) We depend upon third parties for supply of a portion of our raw material requirements, for the continuance of our operations, and for execution of our projects and supply of equipment and services, as well as for offtake of our production volumes

We source a majority of our copper concentrate and a portion of alumina requirements from third parties. The smelter at Tuticorin has been closed during the fiscal year 2019 and remains closed, therefore the copper anodes and blister are being procured from external sources for production of copper cathode at the Silvassa Refinery. For example, in fiscal year 2021, we sourced 100% of our copper anode and blister and 51.7% of our alumina requirements from third parties. Profitability and operating margins of our copper and aluminium business depends on the ability of the suppliers to ensure timely delivery of the contracted volumes. For our aluminium business, sourcing of key raw materials such as bauxite and alumina from third parties are key drivers of our cost of production and hence our profitability and margins. Almost 50% of our requirements for bauxite and alumina are dependent on third party suppliers. Similarly, sourcing coal at a competitive price impacts profitability and margins.

Further, in common with many exploration and production companies, we and the operators of assets often contract or lease services and equipment from third party providers. Such services and equipment can be scarce and may not be readily available at the times and places required. In addition, the costs of third-party services and equipment have increased significantly over recent years and may continue to rise. Scarcity of services and equipment and increased prices may in particular result from any significant increase in regional exploration and development activities, which in turn may be the consequence of increased or continued high hydrocarbon or mineral prices. The scarcity of such services and equipment, as well as their potentially high costs, could delay, restrict or lower the profitability and viability of projects which may have a material adverse effect on our businesses, prospects, financial condition and results of operations.

In our oil and gas business, we had infrastructure and oil sales agreements with the GoI nominated public sector refineries and domestic private sector refineries for expected levels of crude oil production from the Rajasthan block until March 2021 and new contracts are being discussed with the buyers till March 31, 2022. Stoppage of off-take or supply could result if the buyers fail to take delivery of volumes anticipated by these sales agreements. Additionally, two private sector buyers accounted for approximately 61% of the total sales of Rajasthan block in fiscal year 2021 and any unforeseen disruption at these buyer's facilities would affect sales volume and therefore revenue generation. Further, we are subject to the risk of delayed off takes or payment for delivered production volumes or counterparty default. Any of these could have an adverse impact on our crude oil sales and cash flows. In certain cases, the relevant counterparty, either legally or as a result of geographic, infrastructure or other constraints or factors, is in practice the sole potential purchaser of the relevant production output. This is particularly the case for sales of gas which relies on the availability or construction of transmission and other infrastructure facilities, enabling the supply of gas produced to be supplied to end users. The absence of competitors for the transmission or purchase of gas produced by us may expose us to offtake and production delays, adverse pricing or other contractual terms or may restrict the availability of transmission or other necessary infrastructure.

Such delays or defaults or adverse pricing or other adverse contractual terms or restricted infrastructure availability could have a material adverse effect on our business, financial condition and results of operations.



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x) Defects in title or loss of any leasehold interests in our properties could limit our ability to conduct operations on such properties or result in significant unanticipated costs

Our ability to mine the land on which we have been granted mining lease rights and to make use of our other industrial and office premises is dependent on the acquisition of surface rights. Surface rights and title to land are required to be negotiated separately with land owners, although there is no guarantee that these rights will be granted. Any delay outside of the ordinary course of business in obtaining or inability to obtain or any challenge to the title or leasehold rights to surface rights could negatively affect our business, financial condition and results of operations.

In addition, there may be certain irregularities in title in relation to some of our owned and leased properties. For example, some of the agreements for such arrangements may not have been duly executed and/or adequately stamped or registered in the land records of the local authorities or the lease deeds may have expired and not yet been renewed. Since registration of land title in India is not centralized and has not been fully computerized, the title to land may be defective as a result of a failure on our part, or on the part of a prior transferee, to obtain the consent of all such persons or duly complete stamping and registration requirements. The uncertainty of title to land may impede the process of acquisition, independent verification and transfer of title, and any disputes in respect of land title that we may become party to may take several years and considerable expense to resolve if they become the subject of court proceedings. Further, certain of these properties may not have been constructed or developed in accordance with local planning and building laws and other statutory requirements, or it may be alleged that such irregularities exist in the construction and development of our built up properties. For example, BALCO has 1,804.67 acres of government land out of which 1,751 acres is situated in forest land, which was given on lease by the state government. The lease deed has not been executed as on date as a petition was filed in the Supreme Court against BALCO in relation to the alleged encroachment of land on which our Korba smelter is situated. Any such dispute, proceedings or irregularities may have an impact on our business, financial condition and results of operations. The matter, at present, is pending before the Supreme Court for consideration on Central Empowered Committee's report. BALCO has filed interlocutory applications against the orders dated August 19, 2019 passed by the Tehsildar whereby the Tehsildar has held that encroachments by the persons against whom BALCO has filed applications under Section 250 of the CG Land Revenue Code is on forest land. The issue of forest land is sub-judice before the Supreme Court. We have also filed an interlocutory application to stop the survey of the land which state government has proposed under Rajiv Gandhi Ashray Yojna. The Supreme Court shall hear the matter in due course. For further details see "Item 8: Financial Information - A. Consolidated Statements and Other Financial Information - Legal Proceedings."

For example, ESL has about 455.23 acres of land which is claimed by the Forest Authorities to be forest land. This is an alleged violation which resulted in the revocation of the environmental clearance. The revocation of environmental clearance has been challenged in the Hon'ble High Court of Jharkhand. The Hon'ble High Court has granted interim relief for plant operations pending regularisation. However, in the business interest, we have initiated the process of regularizing the same, without prejudice to all our legal rights and contentions, as per government process. The MoEF&CC, has granted ex-post facto in-principle approval dated December 17, 2019, on the application submitted by ESL for conversion of 455.23 acres of forest land subject to conditions. ESL is working out appropriate solution to secure the revised environmental clearance in due course. MoEF&CC, on August 25, 2020, has granted a Terms of Reference to ESL for 3 MTPA plant with conditions like fresh EIA/EMP reports and public hearing. The Hon'ble High Court of Jharkhand had extended the interim protection granted in the pending writ petitions till September 16, 2020. Hon'ble High Court on September 16, 2020 pronounced and revoked the interim stay for plant continuity with effect from September 23, 2020. ESL filed a SLP before Hon'ble Supreme Court against September 16, 2020 order for grant of interim status quo order and plant continuity. Vide order dated September 22, 2020, Hon'ble Supreme Court issued notice and allowed plant operations to continue till further orders. Public hearing has been concluded on December 16, 2020, and ESL has applied for grant of Environment Clearance to MoEF&CC on January 11, 2021 on Parivesh Portal of MoEF&CC and presented before EAC on February 11, 2021. The revised proposal has been submitted on March 14, 2021 post inputs from February 11, 2021 meeting and presented before EAC on March 30, 2021. A revised proposal will be submitted post adding the inputs of the March 30, 2021 meeting. Besides the above, the State Government has already approved for lease of the Government land in the Project awaiting execution of lease deed.

xii) Third party interests in our subsidiary companies, restrictions due to stock exchange listings of our subsidiary companies as well as third party interest in assets of our subsidiary companies will restrict our ability to deal freely with our subsidiaries or such assets of our subsidiary companies, which may have a material adverse effect on our results of operations and financial condition

We do not wholly own all of our operating subsidiaries, although we hold the majority of the total outstanding share capital in all of our subsidiaries. Although we have direct or indirect management control of HZL, BALCO, Black Mountain Mining and ESL, each of these companies has other shareholders who, in some cases, hold substantial interests. As a result of the non-controlling interests in our subsidiaries and affiliates and the Indian stock exchanges listings of HZL, these subsidiaries may be subject to additional legal or regulatory requirements, or we may be prevented from taking certain courses of action without the prior approval of a particular or a specified percentage of shareholders and/or regulatory bodies (under shareholders' agreements, relationship agreements or by operation of law). The existence of minority or other interests in, and stock exchange listings of our subsidiaries may limit our ability to increase our equity interests in these subsidiaries, combine similar operations, utilize synergies that may exist between the operations of different subsidiaries, move funds among the different parts of our businesses or reorganize the structure of our business in a tax efficient manner, which may have a material adverse effect on our business, financial condition and results of operations.

ONGC amongst others is our joint operation partner with respect to all operating assets of our oil and gas business, and we operate all of our oil and gas assets except KGONN-2003/1. Accordingly, any mismanagement of an oil and gas asset by us may give rise to liabilities to our joint operation partners in respect of such asset. There is also a risk that other parties with interests in our assets may elect not to participate in certain activities relating to those assets which require such party's consent. In such circumstances, it may not be possible for such activities to be undertaken by us alone or in conjunction with other participants at the desired time or at all. In addition, other joint operation partners may default in their obligations to fund capital or other funding obligations in relation to the assets. In certain circumstances, we may be required under the terms of the relevant operating agreement to contribute all or part of any such funding shortfall, which will increase the cost of operations. In order to mitigate such risks, execution of projects is undertaken after aligning the partners for the oil & gas development activities.



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xiii) Proceedings against the GoI which has disputed our exercise of the call option to purchase its remaining ownership interest in BALCO

There are certain proceedings that are currently ongoing with respect to the exercise of a call option to acquire the remaining shares of BALCO held by the GoI, in accordance with the terms of the shareholders' agreement between the GoI and us. The amount claimed under this proceeding is presently unquantifiable. The arbitration tribunal formed under the directions of the High Court of Delhi declared an award rejecting BALCO's claim regarding the exercise of the option on January 22, 2011. According to the award, certain clauses of the shareholders' agreement were held to be void, ineffective and inoperative as being in violation of sub section (2) of Section 111A of the erstwhile Companies Act, 1956. We filed an application before the High Court of Delhi to set aside this award under Section 34 of the Arbitration and Conciliation Act, 1996. The application would be listed for hearing in due course. See "Item 4: Information on the Company - B. Business Overview - Our Business - Options to Increase Interests in HZL and BALCO". There is no assurance that the outcome of our challenge of the award will be favorable to us. In such an event, we may be unable to purchase the GoI's remaining 49.0% interest in BALCO or may be required to pay a higher purchase price, should it decide to consummate such purchase, which may have a material adverse effect on our business, financial condition and results of operations.

xiv) Proceedings by the GoI which has disputed our exercise of the call option to purchase its remaining ownership interest in HZL

We commenced arbitration proceedings against the GoI with respect to exercise of our call option to acquire the remaining shares of HZL held by the GoI, in accordance with the terms of the shareholders' agreement between the GoI and us. The GoI denied our right to exercise the option on the basis that the shareholders' agreement contravenes the provisions of Section 111A of the erstwhile Companies Act, 1956 and is therefore void. While the Arbitration was in process, a PIL was filed seeking restraint on disposal of residual shares by GoI the Supreme Court on January 19, 2016 ordered the status quo be maintained with respect to any further disinvestment of government interest in HZL until further orders are passed by the Supreme Court. The Supreme Court, on August 13, 2020 however removed the status quo order in place to the extent that arbitration proceedings can continue with respect to our claim call option rights under the shareholder agreement. Pursuant to the Supreme Court order we had written to the arbitration tribunal for commencement of arbitration proceedings and tribunal is yet to confirm the date for resumption of arbitration proceedings. The PIL seeking restraint on further disinvestment is tentatively listed for July 19, 2021. See "Item 4: Information on the Company - B. Business Overview - Our Business - Options to Increase Interests in HZL and BALCO". There can be no assurance that the arbitral proceedings will result in a favorable outcome for us. In such an event, we may be delayed in the purchase of, or may be unable to purchase, the GoI's remaining 29.5% interest in HZL or may be required to pay a purchase price in excess of the market value or fair value of those shares, which may have a material adverse effect on our business, financial condition and results of operations.

xv) Future production from our assets may vary from the forecast

We estimate the annual metal production and the mine life through a detailed mine plan for both open pit and underground mines and the oil and gas production rates and field life through the field development plans. These mine plans and field development plans are prepared based on our estimates of future mine and field performance. Future performance is subject to a number of risks including but not limited to geological conditions being more complex than originally predicted, ore grade being different from estimates, future producer or injector well performance, plant operating efficiencies being less than originally forecasted, inadequate power, water or utility supplies, and other constraints. Any material fall in production from the current production level or from the estimates due to some or all of the risks detailed above may adversely impact our business, financial condition and results of operations.

For example, in our oil and gas business, plateau production rates from the Rajasthan block may be less than forecast. The estimates of production rates and field life contained in the field development plans for the Mangala, Bhagyam, Aishwariya, Raageshwari and Saraswati fields in the Rajasthan block are based on our estimates of future field performance. Where any estimates of future production rates are in excess of the existing approved field plateau production rates in the case of our oil and gas business, the consent of the joint operation partner, the appropriate regulatory authorities and the GoI will be required before any of our oil fields can produce at these enhanced estimates of future production rates. In the event consent of the joint operation partner, the appropriate regulatory authorities and the GoI is delayed or not obtained, production would be limited to the rate set out in the field development plans, which would have a detrimental impact on our business, financial condition and results of operations. Future field performance is subject to a number of risks that are beyond our control.

xvi) If we do not continue to invest in new technologies and equipment, our technologies and equipment may become obsolete and our cost of production may increase relative to our competitors, or such implemented technologies might not achieve the objective, which would have a material adverse effect on our results of operations, financial condition and prospects

Our profitability and competitiveness are in large part dependent upon our ability to maintain a low cost of production as we sell commodity products with prices we are unable to influence. Unless we continue to invest in newer technologies and equipment and are successful at integrating such newer technologies and equipment to make our operations more efficient, our cost of production relative to our competitors may increase and we may cease to be profitable or competitive. Newer technologies and equipment are expensive, and the necessary investments may be substantial. Moreover, such investments entail additional risks including whether they will reduce our cost of production sufficiently to justify the capital expenditures to obtain them, or whether they will result in achieving the objective of using such technology.

For example, the field development plans for the northern fields of the Rajasthan block assume the use of enhanced oil recovery techniques to extract an additional incremental percentage of the estimated oil in place in the reservoirs. Enhanced oil recovery screening studies of these northern fields have concluded that polymer flooding or alkaline surfactant polymer flooding, two common enhanced oil recovery techniques, are the preferred enhanced oil recovery options. In terms of scale, the project is one of the largest of its kind across the globe. Risks associated with the project include inadequate processing of produced fluids thereby impacting performance of surface facilities and continuous sourcing of polymer for ongoing operations.



Further, if we fail to maintain the polymer at the correct temperature in the reservoir, it may degrade and not function properly, thereby reducing the incremental amount of crude oil that is expected to be recovered. There is also a risk that the polymer handling facilities at the surface may perform at lower efficiency than designed, which may lead to degradation of the polymer and ultimately its higher consumption. All these factors could have a material and adverse effect on our business, financial condition and results of operations.

The use of enhanced oil recovery technique may significantly increase the operational expenditure necessary to extract crude oil. The economic viability of such recovery techniques will be determined by the incremental cost of such techniques compared to the then prevailing price of crude oil in the international markets. There can be no assurance that the price of crude oil will allow such techniques to be an economically viable proposition at the time we intend to implement these enhanced recovery techniques. This could have a material adverse effect on our ability to compete, our business, financial condition and results of operations.

xvii) We are subject to restrictive covenants for the credit facilities including term loans and working capital facilities provided to us and our subsidiaries

Our financing agreements contain certain restrictive covenants and events of default that limit our ability to undertake certain types of transactions or ability to expand, any of which could adversely affect our business. These covenants require us to maintain certain financial ratios and in certain cases, obtain the prior consent of our lenders for various activities, including, among others,

- any change in our capital structure,
- issue of equity, preferential capital or debentures,
- raising any loans and deposits from the public,
- undertaking any new project,
- effecting any scheme of acquisition, merger, amalgamation or reconstitution and
- implementing a new scheme of expansion or creation of a subsidiary.

Our future borrowings may also contain similar restrictive provisions. Low commodity prices may adversely impact our profitability and therefore our ability to meet the financial covenants and ratios. If we fail to meet our debt service obligations or covenants (or receive approvals from our lenders to undertake certain transactions) under the financing agreements, the relevant lenders could declare us to be in default under the terms of agreements, accelerate the maturity of our obligations or take over the financed project or other security made available to the lenders. We cannot assure you that, in the event of any such acceleration, we will have sufficient resources to repay borrowings. In such an event, we may be forced to renegotiate our financing agreements with our lenders on terms that may not be favourable to us. Our future borrowings may also contain similar restrictive provisions.

xviii) A downgrade in the Company's credit ratings and outlook may adversely affect its ability to access capital.

The Company's current rating is "AA-" with a stable outlook by CRISIL. On October 28, 2020, CRISIL downgraded the Company from CRISIL AA/Negative to CRISIL AA-/ Stable outlook on account of expectation of higher financial leverage. On May 22, 2020, India Ratings & Research Private Limited downgraded Vedanta Limited's rating from "IND AA" to "IND AA-", while maintaining the outlook as negative on account of higher expected balance sheet leverage due to substantial decline in economic activity due to COVID-19 related lockdown. India Ratings further revised the outlook from Negative to Stable while reaffirming the rating at AA-, on account of improved operational performance on February 15, 2021 resulting in improved liquidity. A downgrade may adversely affect Vedanta Limited's ability to access capital and could likely result in more stringent covenants and higher interest rates.

xix) We are involved in several civil, criminal and tax litigation matters, arbitration proceedings and any final judgment against us could have a material adverse effect on our business, result of operations, financial condition and prospects

We are involved in several legal and arbitration proceedings including matters relating to, alleged violations of environmental, tax, Indian laws and regulations, land and labor disputes and other related issues. A final judgment against us or our directors in one or more of these disputes may result in damages that we will be required to pay to the other party, injunctions against us any of which may require us to cease or limit our operations and such decisions or judgments may have a material adverse effect on our business, results of operations, financial condition and prospects.

For instance, in March 2015, Cairn India Limited (now Vedanta Limited - oil and gas business) received a show cause notice from the Indian Tax Authorities ("Tax Authorities") for not deducting withholding tax on the payments made to Cairn UK Holdings Limited ("CUHL"), for acquiring shares of Cairn India Holdings Limited ("CIHL"), as part of their internal reorganization. Tax Authorities have stated in the notice that a short-term capital gain has accrued to CUHL on transfer of the shares of CIHL to Cairn India Limited (now Vedanta Limited - oil and gas business), in the fiscal year 2006-2007, on which tax should have been withheld by Cairn India Limited (now Vedanta Limited - oil and gas business). The matter is under adjudication.

Also, SEBI initiated criminal proceedings in 2001 before the Court of the Metropolitan Magistrate, Mumbai, against us for alleged price manipulation against our Non - executive Chairman, Mr. Anil Agarwal and Mr. Tarun Jain (who was the Chief Financial Officer of MALCO at the time of the alleged price manipulation). When SEBI's order was overturned in October 2001, we filed a petition before the High Court of Bombay to defend those criminal proceedings on the grounds that the Securities Appellate Tribunal of India had overruled SEBI's order on price manipulation. An order has been passed by the High Court of Bombay in our (then Sterlite) favour, granting an interim stay of the criminal proceedings.



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If any such matters are held against us, we may be prohibited from accessing the Indian capital market for a specified period of time and may become liable to pay penalties which may have material adverse effect on our operations, results of operations, financial condition and prospects.

For a detailed discussion of material litigation matters pending against us, see “*Item 8: Financial Information - A. Consolidated Statements and Other Financial Information - Legal Proceedings*”.

xx) We may be liable for additional taxes if the tax holidays, exemptions and tax deferral schemes which we currently benefit from expire without renewal, and the benefits of the tax holidays, exemptions and tax deferral schemes are limited by the minimum alternative tax

We currently benefit from significant tax holidays, exemptions and tax deferral schemes. These tax holidays, exemptions and tax deferral schemes are for limited periods. For example, HZL’s captive power plant at Dariba benefits from tax exemptions on the profits generated from transfers of power to HZL’s other units, which are expected to generate substantial savings. We also have wind mills located in states such as Gujarat, Karnataka, Tamil Nadu, Maharashtra and Rajasthan and refining and processing plants at Pantnagar, which are also eligible for tax exemption.

Our captive power plants will continue to have the benefit of any existing tax exemptions, which were available before March 31, 2017 until such tax exemptions expire. The expiry or loss of existing tax holidays, exemptions and tax deferral schemes or the failure to obtain new tax holidays, exemptions or tax deferral schemes will likely increase our tax obligations and any increase could have a material adverse effect on our business, financial condition and results of operations.

In addition, we are subject to a Minimum Alternate Tax (“MAT”) which sets a minimum amount of tax that must be paid each year based on our book profits. The effective MAT rate is 17.47%, after applying surcharge and education cess, for Indian companies. The MAT prevents us from taking full advantage of any tax holidays, exemptions or tax deferral schemes that may be available to us.

The Taxation Law (Amendment) Act, 2019, reduced MAT base tax rate from 18.5% to 15% plus applicable surcharge and cess. The effective MAT rate for all Indian companies for fiscal year 2019, 2020 and 2021 would be 21.55%, 17.47% and 17.47% respectively. Further, companies opting for concessional tax regime would not be required to pay MAT. See “*Government Policy - Taxes, royalties and cess payments*”. For non-resident foreign companies, effective MAT rate as per the Tax (Amendment) Act, 2019 reduced from 20.01% to 16.38% of the book profit.

The Taxation Laws (Amendment) Act, 2019 has also introduced concessional tax regime for Indian companies pursuant to which (a) Indian companies incorporated on or after 1 October 2019 commencing manufacturing on or before 31 March 2023, can opt to be taxed at an effective tax rate 17.16% subject to certain prescribed conditions and (b) other Indian companies can opt to be taxed at the effective rate of 25.17% subject to certain prescribed conditions and after foregoing certain benefits/exemptions. In both these cases, the provisions of MAT would not be applicable. Under this new enactment, the Company can choose to opt for the new tax rates in the Fiscal Year 2020 (i.e. assessment year 2020-2021) or in any other financial year in the future. When a company exercises this option, the chosen provision will apply to the financial year in which option is exercised and all subsequent years.

xxi) The GoI may allege a breach of a covenant by us and seek to exercise a put or call right with respect to shares of HZL, which may result in substantial litigation and serious financial harm to our business, results of operations, financial condition and prospects

Under the terms of the shareholders’ agreement between the GoI and erstwhile SIIL, we agreed that we would ensure that HZL would implement a 1 mmtpa greenfield zinc smelter plant at Kapasan in the state of Rajasthan (the “Kapasana Project”), within 5 years from April 11, 2002. The shareholders’ agreement provided that if within one year from this date, we reviewed the feasibility of the Kapasana Project and determined that it was not in the best economic interests of HZL, which determination required the report of an independent expert, and the board of directors of HZL confirmed this determination, then we would not be obliged to ensure that HZL implement the Kapasana Project. In 2003, HZL notified the GoI that the Kapasana Project would not be undertaken and that a report of an independent expert may not be required. While we have not received any notice of breach under the provisions of the shareholders’ agreement between the GoI and us with respect to HZL, the GoI may claim that we have breached the covenant related to the Kapasana Project as mentioned in the shareholders’ agreement triggering an event of default. The GoI, under the terms of the shareholders’ agreement, may become entitled to the right, which is exercisable at any time within 90 days from the day it became aware of such event of default, to either sell any or all of the shares of HZL held by the GoI to us at a price equivalent to 150.0% of the market value of such shares, or purchase any or all of the shares of HZL held by us at a price equivalent to 50.0% of the market value of such shares.

The closing market price of HZL’s shares on the National Stock Exchange of India Limited (“NSE”) on June 25, 2021 was ₹ 339.55 (\$ 4.58) per share. Based solely on this price, if GoI became entitled to sell and exercised this right to sell all of its 1,247,950,590 shares of HZL at a price equivalent to 150.0% of their market value, we would be required to pay ₹ 635,612.43 million (\$ 8573.14 million) for those shares. Assuming the same June 25, 2021 closing market price of HZL’s shares, if GoI became entitled to purchase all of the 2,743,154,310 shares of HZL held by us at a price equivalent to 50.0% of their market value, we would receive ₹ 465,719.02 million (\$ 6281.62 million) for those shares.

If the GoI were to assert that an event of default occurred under the shareholders’ agreement and seek to exercise a put or call right with respect to shares of HZL, we may face expensive and time-consuming litigation over the matter, uncertainty as to the future of our zinc business, an inability to enforce our call option to acquire the GoI’s remaining 29.5% ownership interest in HZL and the possibility of serious financial harm if HZL were unsuccessful in litigation, any of which may have a material adverse effect on our business, results of operations, financial condition and prospects.



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xxii) Attracting and retaining talent at technical, managerial and leadership level as well as shortage of skilled labor in the natural resources industry could increase our costs and limit our ability to maintain or expand our operations, which could adversely affect our results of operations

Our efforts to execute our business plans will place significant demands on our management and other resources and we will be required to continue to improve operational, financial and other internal controls. Our ability to maintain and grow our business will depend on our ability to attract, train and retain personnel with skills that enable us to keep pace with growing demands and evolving industry standards. We are dependent to a large degree, on the continued service and performance of our senior management team and other key team members in our business divisions. These key personnel possess technical and business capabilities that are difficult to replace. The loss or diminution of services of members of our senior management or other key team members, or our failure to retain our key personnel at various managerial positions could have an adverse effect on our results of operations, financial condition and prospects. In addition, our business develops and expands, we believe that our future success will depend on our ability to attract and retain highly skilled and qualified personnel, which is not guaranteed.

Mining, metal refining, metal smelting and fabrication operations and oil and gas extraction, require a skilled and experienced labor force. If we experience a shortage of skilled and experienced labor, our labor productivity could decrease and costs could increase, our operations may be interrupted or we may be unable to maintain our current production or increase our production as otherwise planned, which could have a material adverse effect on our results of operations, financial condition and business prospects.

In addition, certain key employees of our company may have claims pending against them from their prior employment. None of these claims relate to any activity by any of these employees in their engagement with us. While these claims have no impact on our company, an adverse outcome of these claims against any of the key employees may negatively impact our reputation.

xxiii) Our insurance coverage may prove inadequate to satisfy future claims against us

We maintain insurance, which we believe is typical in the respective industries in which we operate and in amounts which we believe to be commercially appropriate. Nevertheless, we may become subject to liabilities against which we may not have adequate insurance coverage or at all. Our insurance policies contain certain customary exclusions and limitations on coverage which may result in our claims not being honored to the full extent of the losses or damages we have suffered. For example, the loss due to pot failures in our aluminum smelters are not fully covered by insurance. The exploration and production of crude oil and natural gas is inherently hazardous. A range of factors incorporating natural and man-made factors may result in oil spills, fires, equipment failure, loss of well control, leakage of hydrocarbons or hydrogen sulfide etc., which can result in death, injury and damage to production facilities and the environment. In addition, our operating entities in India can only seek insurance from domestic insurance companies or foreign insurance companies operating in joint ventures with Indian companies and these insurance policies may not continue to be available at economically acceptable premiums. The occurrence of a significant adverse event, the risks of which are not fully covered or honored by such insurers could have a material adverse effect on our business, financial condition and results of operations.

xxiv) The Re-organization Transactions may not result in expected benefits

At the time of announcing the Re-organization Transactions, we estimated cost savings and tax efficiencies arising from the transaction, due to operational and financial synergies. These synergies may not be realized or may be materially lower than estimated and the extent to which any of the other benefits will actually be achieved, if at all, or the timing of any such benefits, cannot be predicted with certainty. If we are unable to realize the estimated cost savings or the other benefits that we expect to achieve through the consolidation, or if we are prevented from taking advantage of the anticipated tax efficiencies, or if we are unable to offset the incremental costs we incur over time as a result of the consolidation with such savings and benefits, there could be a material adverse effect on our business, financial condition and results of operations. Further, subsequent to the Amalgamation and Re-organization Scheme becoming effective, a SLP challenging the orders of the High Court of Bombay at Goa was filed before the Supreme Court of India by the Commissioner of Income Tax, Goa and the Ministry of Corporate Affairs in July 2013 and April 2014, respectively. Further, a creditor and a shareholder challenged the Amalgamation and Re-organization Scheme in the High Court of Madras in September 2013. Currently, the Supreme Court of India has admitted the SLPs and the matter is likely to be listed in due course.

There is no assurance that the SLPs will be determined in our favor, and accordingly, there is no assurance that the courts will not negate the effectiveness of the Re-organization Transactions. In such circumstance, we may not be able to achieve financial, operational, strategic and other potential benefits from the consolidation pursuant to the Re-organization Transactions. See “Item 8: Financial Information - A. Consolidated Statements and Other Financial Information - Legal Proceedings” for further details.

xxv) We may fail to realize the financial flexibility, margin benefits, cost savings and other objectives which we had anticipated from our mergers and acquisitions

There is no assurance that the Cairn India Merger will achieve the financial flexibility, cost savings and other objectives we had anticipated. These expected objectives may not develop or may be materially lower than anticipated and other assumptions (including the value of the recoverable assets) upon which we have determined the terms of the Cairn India Merger may prove to be incorrect. As such, the financial flexibility, cost savings and other objectives anticipated by us to result from the Cairn India Merger may not be achieved as expected, or at all, or may be delayed, which could have a material adverse effect on our business, financial condition, operating results and prospects.

Also, there is no assurance that the ESL acquisition will achieve the financial benefits, desired return and other objectives we had anticipated. These expected objectives may not develop or may be materially lower than anticipated and other assumptions (including the value of the recoverable assets) upon which we have determined the acquisition of ESL may prove to be incorrect. As such, the financial benefits, desired return and other objectives anticipated by us to result from acquisition of ESL may not be achieved as expected, or at all, or may be delayed, which could have a material adverse effect on our business, financial condition, operating results and prospects.



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xxvii) We may incur significant costs or loss of reputation in case of leakage of business sensitive information

We are dependent on the capacity and reliability of the communications, information and technology systems supporting our operations. We are exposed to operational risks, such as data entry or operational errors or interruptions of our financial, accounting, compliance and other data processing systems, whether caused by the failure to prevent or mitigate data losses and other security breaches, or other cyber security threats or attacks, fire or other disaster and power or telecommunications failure, which could result in a disruption of our business, liability to third parties, regulatory intervention, or reputational damage, and thus have a material adverse effect on our business.

Although we have back-up systems and cyber security measures in place, our back-up procedures, cyber defences and capabilities in the event of a failure, interruption, or breach of security may not be adequate. Insurance and other safeguards may not be available or may only partially reimburse us for losses related to operational failures or cyber-attacks.

As we grow and our reliance on information technology and systems increases, protecting our systems from cyber security attacks and threats may become increasingly challenging and costly. The threats to the security of our digital infrastructure continue to evolve rapidly and we rely on digital systems and network technology. We may be unable to prevent or address, any disruption to the operation of our information technology systems in a timely manner. Any such failure could result in our inability to perform, or result in prolonged delays in the performance of, critical business and operational functions, the loss of key business information and data, or a failure to comply with regulatory requirements. There may be a risk of operational unavailability, impact on service and safety with the extensive usage of remote access including privileged access to IT infrastructure and remote access on plant site as well due to the pandemic. Users may become victim of targeted Covid 19 themed phishing attacks (spear phishing) which may cause significant data loss including Personally Identifiable Information (“PII”) and may impact regulatory compliances. The threats to the security of our digital infrastructure continue to evolve rapidly and we rely on digital systems and network technology. Any significant breach or failure of our digital infrastructure and/or cyber security attacks due to negligence, information technology security failure, disgruntled employees or any other reason could seriously disrupt our operations resulting in loss or misuse of data or sensitive information, disruption to our business, damage to our assets, legal or regulatory breaches and potentially legal liability. These could result in significant costs and/or reputational consequences. Increased cyber warfare trends targeting essential services may cause operations disruption and remote working may impact the cyber incident responsiveness and increase response and recovery time.

xxviii) Our operations may be disrupted due to unauthorized access and occupants

We face a risk of authorized access to our various sites and offices. Any access that is not authorized could lead to loss of our sensitive data and may cause harm to our property. This could have a material adverse effect on our business and financial condition.

For instance, our steel plant situated at Bokaro, Jharkhand is not fully fenced by boundary walls and only 25% of boundary wall is available in the plant area (total boundary length of 12 kilometers), which may lead to unauthorized access. Also, there are villages inside the premises of the plant and the presence of villagers inside the plant premises creates a risk of an unsafe working environment and prevents seamless implementation of various process controls. While we have implemented various security measures including physical and automated security solutions to enhance deterrence against intrusions, theft and encroachment, we may not be able to prevent future intrusions, theft or encroachment in totality until such time physical boundary walls are in place, which may impact our business, financial condition and operations.

xxix) Our oil and gas business involves joint venture partnerships under the PSC framework. Difference of opinion between the partners and the regulator may occur in relation to cost recovery and other PSC provisions and such difference may affect the financial position of the Company.

The operating blocks of our oil and gas vertical operate under the PSC regime. These operating blocks have joint venture partners.

Pursuant to the provisions of the Joint Operating Agreement, our joint venture partner in Rajasthan Block has an obligation to pay the cash calls raised for the smooth functioning of petroleum operations. However, the joint venture partner has withheld payment of certain cash calls and settled payments at exchange rates to its own benefit.

In addition, resolving the issue of Cost Oil Finalization by October 25, 2019 was one of the conditions of extension of the Rajasthan block PSC. Our joint venture partner has taken positions which are contrary to our application and interpretation of Rajasthan block Operating Agreement, PSC and certain office memorandum/notifications issued by the GoI. We, as Operator, have served a Notice of Arbitration pursuant to the Operating Agreement and the PSC to our joint venture partner dated March 1, 2019 and a detailed schedule of claim was filed on February 1, 2019. However, DGH vide their letter dated December 3, 2019 have delinked this issue as a pre-condition to PSC extension.

In May 2018, DGH raised a demand for the GOI’s additional share of profit oil for the period up to March 31, 2017 based on the computation of disallowance of cost incurred over the initially approved Field Development Plan (“FDP”) of pipeline project \$ 202 million and retrospective re-allocation of certain common costs between Development Areas (“DA’s”) of Rajasthan Block aggregating to \$ 364 million, representing the share of Vedanta Limited and its subsidiary.

Subsequently, in January 2020, the Company received notifications from DGH on audit exceptions arising out of its audit for the FY 2017 - 18, which comprises the consequential effects on profit oil due to the aforesaid matters and certain new matters on cost allowability plus interest aggregating to \$ 645 million, representing share of Vedanta limited and its subsidiary, which have been suitably responded to by the Company.



xxx) We have identified material weaknesses in our internal control over financial reporting. Our failure to implement and maintain effective internal control over financial reporting could cause significant errors, which may have a material adverse effect on our reputation, business, financial position or results of operation.

We have identified material weaknesses in our internal control over financial reporting and concluded that as of March 31, 2021, our disclosure controls and procedures and our internal control over financial reporting were not effective. Our independent registered public accounting firm has expressed an adverse opinion on the effectiveness of our internal control over financial reporting as of March 31, 2021. See “Item 15 - Controls and Procedures.” There was a material error in our interim consolidated financial statements as at and for the six months ended September 30, 2020, which was subsequently rectified in the consolidated financial statements for the year ended March 31, 2021. We have undertaken remediation measures to address these material weaknesses. As the remediation plans are or continue to be implemented, management may take additional measures or modify the measures being undertaken.

We face operational risks in our various businesses and there may be losses due to deal errors, inaccurate reporting, breaches of confidentiality, and fraud. Any error tampering or manipulation could result in losses that may be difficult to detect. Despite our efforts to ensure the integrity of our financial reporting process, we cannot assure you that additional material weaknesses or significant deficiencies in our internal control over financial reporting will not be identified in the future. Any failure to maintain or improve existing controls or implement new controls could result in additional material weaknesses or significant deficiencies and cause us to fail to meet our periodic reporting obligations which in turn could cause our shares to be de-listed or suspended from trading on the NYSE. In addition, any such failure could result in material misstatements in our financial statements and adversely affect the results of annual management evaluations regarding the effectiveness of our internal control over financial reporting. Any of the foregoing could cause investors to lose confidence in our reported financial information, leading to a decline in our share price.

3. Risks Relating to Our Industry

i) Commodity prices and the copper treatment and refinery charges or TcRc may be volatile, which may have a material adverse effect on our revenue, results of operations and financial condition.

Historically, the international commodity prices for copper, zinc, oil and gas, iron ore and aluminium and the prevailing market TcRc rate for copper have been volatile and subject to wide fluctuations in response to relatively minor changes in the supply of, and demand for, such commodities, market uncertainties, the overall performance of world or regional economies and the related cyclicalities in industries, we directly serve and a variety of other factors. Commodity prices and the market TcRc rate for copper may continue to be volatile and subject to wide fluctuations in the future for a variety of reasons.

For example, between fiscal year 2020 and fiscal year 2021, the average LME prices of zinc, aluminium, copper, iron ore and silver increased by 0.8%, 3.2%, 17.8%, 75.0% and 38.8% and the lead and Dated Brent decreased by 4.3% and 26.77%. Historically, international prices for crude oil and natural gas have fluctuated as a result of many macro-economic, geo-political and regional factors.

Substantial or extended declines in international crude oil and gas prices could have an adverse effect on the economics of existing and proposed projects, capex outlay, business, financial condition and results of operations. For instance, we purchase copper concentrate / anodes / blisters at the LME price for copper metal for the relevant quotational period less a TcRc, that we negotiate with our suppliers, but which is influenced by the prevailing market rate for the TcRc. The TcRc has historically fluctuated independently and significantly from the copper LME price. We attempt to make the LME price a pass through cost for us as both our copper concentrate / anodes / blister purchases and sales of finished copper products are based on LME prices. Nevertheless, we are also exposed to differences in the LME price between the quotational periods for the purchase of copper concentrate and sale of the finished copper products, and any decline in the copper LME price between these periods will adversely affect us. See “Item 5: Operating and Financial Review and Prospects - Factors Affecting Results of Operations - Metal and Oil Prices, Copper TcRc and Power Tariff”.

Similarly, a portion of our alumina requirements are sourced internally from our captive refinery at Lanjigarh and balance volumes are sourced from global suppliers mostly at index-linked prices. The exposure to global prices indices affects the profitability of our aluminium operations. During fiscal year 2021, 51.7% of our alumina requirement was sourced from third parties. Further, the units of power generated by our commercial power generation business are also subject to price volatility.

The market price of the alumina that we purchase from third parties and the market price of the aluminium metals that we sell have experienced volatility in the past and any increases in the market price of the raw material relative to the market price of the metal that we sell would adversely affect the profitability and operating margins of our aluminium business, which could have a material adverse effect on our business, financial condition and results of operations.

Further for our public sector undertaking (“PSU”) buyers at our Rajasthan Block and all our buyers at Ravva and Cambay blocks, the crude oil is benchmarked to Bonny Light, an international low Sulphur crude oil published in Platt’s Crude Oil Market Wire on a daily basis. The pricing formula for PSU buyers also adjusts for differences in yield and quality. From fiscal year 2021, the private buyers at Rajasthan block are linked to Dated Brent. Any change in the prices of international crude benchmarks Brent and Bonny Light would impact the revenue from our oil and gas business.

The implied price realization of crude oil generally lies within the stated guidance of 2.0% - 4.0% discount to Dated Brent for Rajasthan, 3.0% - 7.0% to Dated Brent for Cambay and 1% - 5% to Dated Brent for Ravva, due to the prevailing oil market conditions. Movements in discount affect our revenue realization and any increase in quality differentials may adversely impact our revenues and profits. The current uncertainty in the market due to the COVID-19 global pandemic and expected demand contraction in the coming quarters may have an adverse impact on our crude oil sales and on the revenue.

Additionally, our profitability in our steel business is largely dependent on the prices of imported coking coal and movement in iron ore prices in the Indian domestic market which is volatile. Both coking coal and iron ore constitutes approximately 65.0% of our cost of production. Prices of iron and steel are influenced by several macro-economic factors. These include global economic slowdown, US-China trade war, supply chain destocking, government spend on infrastructure, the emphasis on developmental projects, demand-supply forces, the PMI in India and production and inventory levels across the globe specially China. We largely sell our iron and steel products in the Indian domestic market and prices of our products are subject to demand and supply factors and macro-economic factors. Any adverse movement in prices will have direct impact on realization and resultant margin.



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ii) There are uncertainties inherent in estimating our ore reserves and mineral resources and oil, condensate and sales-gas reserves, and if the actual amounts of such reserves and resources are less than estimated, its results of operations and financial condition may be materially and adversely affected.

There are uncertainties inherent in estimating the quantity of ore reserves and mineral resources and in projecting future rates of production, including factors beyond our control. Estimating the amount of ore reserves and mineral resources is a subjective process, and the accuracy of any estimate is a function of the quality of available data and engineering and geological interpretation and judgment. Estimates of different competent persons or experts may vary, and results of exploration, mining and production subsequent to the date of an estimate may lead to revision of estimates. For example, fluctuations in the market price of ore and other commodities, reduced recovery rates or increased production costs due to inflation or other factors may render proven and probable ore reserves containing relatively lower grades of mineralisation uneconomic to exploit and may ultimately result in a restatement of ore reserves. If the assumptions upon which estimates of ore reserves or resources have been based prove to be incorrect, or if ore reserve estimates differ materially from mineral quantities or grades that we may actually recover, estimates of mine or field life may prove inaccurate and market price fluctuations and changes in operating and capital costs may render certain ore reserves, mineral deposits or oil and gas deposits uneconomical to extract.

For example, there are differences between our estimates, our reserves and contingent resources and the estimates of DeGolyer and MacNaughton, independent petroleum engineering consultants, due to their different methodologies.

As a result, the ore reserves and mineral resources data contained in this annual report are subject to material assumptions and uncertainties. In the event that any of these assumptions and estimates turns out to be incorrect, we may need to revise our estimates downwards and this may adversely affect our business plans and the total value of our asset base, which could increase our costs and decrease profitability. If this occurs, our results of operations and financial condition may be materially and adversely affected.

iii) Changes in tariffs, royalties, cess, customs duties, export duties, government assistance may reduce our Indian market domestic premium and global trade restrictions, which would adversely affect our profitability and results of operations

Copper, zinc and aluminium are sold in the Indian market and they attract import duties. The GoI may reduce or abolish customs duties on any of these commodities in the future, although the timing and extent of such reductions cannot be predicted. As we sell the majority of the commodities we produce in India, any reduction in Indian tariffs on imports will increase imports of these commodities in India, which may impact our domestic market share and would have an adverse effect on our business, financial condition and results of operations. However, it is less probable that GoI may cut import duties at any time since its emphasis is on “Atmanirbhar Bharat” with particular focus on boosting domestic manufacturing.

We pay royalties to the state governments of Chhattisgarh and Rajasthan based on our extraction of bauxite and lead-zinc ore, respectively. Most significant of these is the royalty that HZL is required to pay to the state government of Rajasthan, where all of HZL’s mines are located, at a rate of 10.0%, with effect from September 1, 2014, of the zinc LME price payable on the zinc metal contained in the concentrate produced and 14.5% of the lead LME price payable on the lead metal contained in the concentrate produced and at a rate of 7% of silver LME price chargeable on silver-metal produced. Any upward revision to the royalty rates being charged currently may adversely affect our profitability. Additionally, the Department of Mines and Geology of the State of Rajasthan has raised additional demands for payment through several show cause notices to HZL for mining minerals associated with lead and zinc such as cadmium and silver. Similarly, our oil and gas business pays royalties and cess to the state governments and the Central Government in India at rates determined by the respective governments, linked to the volume or value of oil produced. Any adverse changes in these fiscal terms may adversely affect our profitability. Cess earlier being levied on volume was adversely affecting the net realization in a declining oil price scenario. In the budget of fiscal year 2016, levy of cess was made on an ad valorem basis. See “Item 8. Financial Information—A. Consolidated Statements and Other Financial Information—Legal Proceedings—Demands against HZL by Department of Mines and Geology- Demand for Royalty.” We are required to pay royalties to the state government of Tasmania in Australia based on our extraction of copper ore. We also pay royalties to the government from our Zinc International business. In our iron ore business, in Goa, we are required to pay royalty on iron ore to the state governments of Goa at 15.0% of the average price declared periodically by the Indian Bureau of Mines. In Karnataka, royalty at 15.0% is borne by buyer. We used to pay export duty on export of iron ore fines and lumps at the rate of 30.0% ad valorem on the Free on Board (“FOB”) value of exports with effect from December 31, 2011 and up to April 29, 2015 (the rate being 20.0% prior to December 30, 2011). With effect from April 30, 2015 and up to February 29, 2016, the export duty on iron ore fines having Fe content less than 58.0% is 10% and on iron ore fines having Fe content equal to or more than 58.0% is 30% and on iron ore lumps is 30%. With effect from March 1, 2016 till date, the export duty on iron ore fines and lumps having Fe content less than 58.0% is nil and export duty on iron ore fines and lumps having Fe content equal to or more than 58.0% is 30%. In April 2014, the Supreme Court of India ordered to create the Iron Ore Goa Permanent Fund, wherein all lease holders have to contribute 10.0% of sales value to this fund, See “Item 5 — Operating and Financial Review and Prospects — Factors Affecting Results of Operations — Government Policy” for details.

Changes in tax laws could also result in additional taxes payable by us. For example, the GoI raised the export duty on iron ore fines and lumps twice during 2011, first to 20.0% with effect from March 1, 2011 and then to 30.0% with effect from December 31, 2011. Currently, export duty is applicable on iron ore only having Fe content equal to or more than 58%.

Towards end of fiscal year 2015, the MMDR Amendment Act was notified which brings greater transparency in granting of mineral concessions through an e-auction process. It also removes certain uncertainties relating to automatic renewals of mine leases for future periods. However, for existing mining leases, it notifies an amount not exceeding royalty, to be contributed to DMF for the benefit of people affected by mining and an additional amount equivalent to 2.0% of royalty to National Mineral Exploration Trust. DMF contribution was notified at 30.0% of the base royalty rate for the mines allocated other than through auction before September 2015.



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The Indian exports of aluminium products receive export benefit under Merchandise Export from India (“MEIS”) Scheme. GoI has also imposed a limit of ₹ 20 million of total reward to be granted per holder of Importer -Exporter Code (“IEC”) of exports made in the period September 1, 2020 to December 31, 2020 with a total allocation limit of ₹ 50 billion under the MEIS scheme. As per press release by Ministry of Commerce and Industry estimate 98% of the exporters are unlikely to be affected due to this change. GoI has also decided to implement the Scheme for Remission of Duties and Taxes on Exported Products (“RoDTEP”) to reimburse the taxes/duties/ levies, at the central, state and local level, which are currently not being refunded under any other mechanism, but which are incurred in the process of manufacture and distribution of exported products with effect from January 1, 2021 and announced that the MEIS scheme will be withdrawn with effect from January 1, 2021. Any restriction on releasing the benefit under MEIS Scheme on the export which has already been or will be made and/or if a lower rate is fixed by the Government for RoDTEP scheme than MEIS Scheme will decrease the revenue we receive from export sales and may have a material adverse effect on our business, financial condition and results of operations. See “*Item 5. Operating and Financial Review and Prospects—Factors Affecting Results of Operations—Government Policy.*”

Further, the GoI has enacted the Goods and Service Tax (“GST”) regime with effect from July 1, 2017, which is a unified, taxation system, intended to integrate the Indian economy into a single unified market. The GST regime replaces the existing indirect tax regime consisting of central excise law and service tax law at the central level and respective state value-added tax law, entry tax law and luxury tax law at the state level. However, any significant future amendments under the GST regime may affect the overall tax efficiency and may result in significant additional taxes becoming payable.

Global protectionist measures, including anti-dumping laws, countervailing duties and tariffs and government subsidisation adopted or currently contemplated by governments in some of our export markets could adversely affect our sales. Anti-dumping duty proceedings or any resulting penalties or any other form of import restrictions may limit our access to export markets for its products, and in the future additional markets could be closed to Vedanta Limited as a result of similar proceedings, thereby adversely impacting its sales and/or limiting its opportunities for growth.

In addition, we are subject to the general risk of doing business overseas and may therefore be affected by global trade wars. For example, there is global economic uncertainty following the announcement by the United States to levy certain import tariffs on certain Chinese goods. Also, the decision of OPEC and OPEC plus countries on oil production can have major impact on international crude oil prices and thereby impact our oil and gas business.

Vedanta Limited is actively monitoring the developments and any other indirect impact due to border issues and trade sanctions that may arise across its operations and dynamically evaluating all opportunities and risks to ensure business continuity, there can be no assurance that any of the above circumstances would not adversely affect Vedanta Limited’s results of operation and financial condition.

iv) The upstream oil and gas industry is dependent on a limited number of global vendors for key equipment and services

There are a limited number of highly specialized vendors or third parties globally catering to the requirements of upstream oil and gas industry for key equipment and services such as rigs and other oilfield equipment and services. These vendors or third parties may not perform the agreed services within schedule time or budget. Furthermore, the drilling equipment, facilities and infrastructure owned and operated by the third parties we contract with is highly complex and subject to malfunction and breakdown. Any malfunctions or breakdowns may be outside our control and result in delays, which could be substantial. Many of these equipment and services involve long lead times to delivery. Inability or delay in sourcing the equipment and services of the required specifications and quality may result in delay of our exploration, development and production projects, and consequently have an adverse effect on our business, financial condition and results of operations.

v) There are particular risks and hazards associated with mining and oil exploration activities

Our mining operations include open-pit and underground mining, both of which involve significant hazards and risks. Hazards associated with our open-pit mining operations include flooding of the open pit, collapses of the open-pit wall, accidents related to the operation of large open-pit mining and rock transportation equipment, accidents related to the preparation and ignition of large scale open pit blasting operations, production disruptions due to weather and hazards related to the disposal of mineralized waste water, such as groundwater and waterway contamination. Hazards associated with our underground mining operations include underground fires and explosions, including those caused by flammable gas, cave-ins or ground falls, discharges of gases and toxic chemicals, flooding, sinkhole formation and ground subsidence and other accidents and conditions resulting from drilling and removing and processing material from an underground mine. If any of these hazards or accidents result in significant injury to employees and damage to equipment or other property, we may experience unexpected production delays, increased production costs, and increased capital expenditures to repair or replace equipment or property, as well as claims from affected employees and environmental and other authorities for any alleged breaches of applicable laws or regulations.

Disruptions to mining and oil extraction, delays and costs on account of such hazards or accidents could have a material adverse effect on our business, financial condition and results of operations.

vi) We may be affected by competition law in India and any adverse application or interpretation of the Competition Act could adversely affect our business

The Competition Act, 2002, as amended (the “Competition Act”), regulates practices having an appreciable adverse effect on competition in the relevant market in India. Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an appreciable adverse effect on competition is considered void and results in the imposition of substantial monetary penalties. Further, any agreement among competitors which, directly or indirectly, involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or provision of services, shares the market or source of production or provision of services by way of allocation of geographical area, types of goods or services or number of clients in the relevant market or, directly or indirectly, results in bid-rigging or collusive bidding is presumed to have an appreciable adverse effect on competition. The Competition Act also prohibits abuse of a dominant position by any enterprise. The Competition Commission of India (the “CCI”), has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an appreciable adverse effect on competition in India. Our operations in India are currently not subject to any outstanding proceedings under the Competition Act. However, if our operations in India are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, cash flows and results of operation.



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4. Risk Relating to Our Relationship with Vedanta

i) We are controlled by Vedanta and our other shareholders' ability to influence matters requiring shareholder approval will be extremely limited

We are a majority-owned and controlled subsidiary of Vedanta. Volcan and its wholly owned subsidiary hold 100.0% of the share capital and 100.0% of the voting rights of Vedanta. Volcan is a holding company, 100.0% beneficially owned and controlled by the Trust. Conclave is the trustee of the Trust and the sole registered shareholder of Volcan and consequently controls all voting and investment decisions of the Trust. Vedanta shares beneficially owned by Volcan may be deemed to be beneficially owned by the Trust, of which Mr. Anil Agarwal is the protector and since October 16, 2014, one of the beneficiaries. Vedanta, Volcan, the Trust, Conclave and Mr. Anil Agarwal were previously parties to a relationship agreement that was intended to facilitate the carrying on of Vedanta's business independently of Volcan, its direct and indirect shareholders, and their respective associates, or as collectively referred as "Volcan Parties". We cannot assure you that Vedanta, and in turn we, will be able to operate completely independent of the Volcan Parties. Lack of independence could have a material adverse effect on the other holders of our other equity shares and ADSs.

As long as Vedanta, through its subsidiaries, owns a majority of our outstanding equity shares, Vedanta may have the ability to control or influence significant matters requiring board approval and to take shareholder action without the vote of any other shareholder, and the holders of our equity shares and ADSs will not, in such circumstances, be able to affect the outcome of any shareholder vote. Vedanta will have the ability to control all matters affecting us. In the event Vedanta ceases to be our majority shareholder, we will be required to immediately repay some of our outstanding long-term debt which could impact our liquidity.

Vedanta's voting control may discourage transactions involving a change of control of our company, including transactions in which holders of our equity shares and ADSs might otherwise receive a premium over the then current market prices. Vedanta is not prohibited from selling a controlling interest in us to a third party and may do so without the approval of other holders of our other equity shares and ADSs and without providing for a purchase of our other equity shares or ADSs. Accordingly, our other equity shares and ADSs may be worth less than they would be if Vedanta did not maintain voting control over us.

ii) Vedanta may decide to allocate business opportunities to other members of the Vedanta Group instead of us, which may have a material adverse effect on our business, results of operations, financial condition and prospects

Vedanta's control of us means it can determine the allocation of business opportunities among us, itself and its other subsidiaries. Vedanta may determine to have any other entity instead of us, pursue business opportunities in the zinc, oil and gas, copper, iron ore, aluminium or commercial power generation business, or any other business, or cause such companies or us to undertake corporate strategies, the effect of which is to benefit such companies instead of us and which could be detrimental to our interests. If Vedanta were to take any such actions, our business, results of operations, financial condition and prospects could be materially and adversely affected and the value of our equity shares and the ADSs may decline.

iii) We have issued several guarantees as security for the obligations of certain of our subsidiaries and other companies within the Vedanta Group and we will have liability under these guarantees in the event of any failure by such entities to perform their obligations, which could have a material adverse effect on our results of operations and financial condition

We have issued several guarantees in respect of the obligations of certain of our subsidiaries and other companies within the Vedanta Group, including guarantees on the issuance of customs and excise duty bonds, performance bank guarantees while bidding for supply contracts or in lieu of advances received from customers, bank guarantees for securing supplies of materials and services etc. Our outstanding guarantees cover obligations aggregating ₹ 64,878 million and ₹ 62,810 million (\$ 860 million) as of March 31, 2020 and March 31, 2021, respectively the liabilities for which have not been recorded in our consolidated financial statements. These are contractual guarantees and are enforceable if the terms and conditions of the contracts are not met and the maximum liability on these contracts is the amount mentioned above. The Group does not anticipate any liability on these guarantees. See "Note 33: Commitments, guarantees, contingencies and other disclosures" of Notes to the Consolidated Financial Statements.



iv) Any disputes that arise between us and Vedanta or other companies in the Vedanta Group could harm our business operations

Disputes may arise between Vedanta or other companies in the Vedanta Group and us in a number of areas, including:

- intercompany agreements setting forth services and prices for services between us and Vedanta or other companies in the Vedanta Group;
- business combinations involving us;
- sales or distributions by Vedanta of all or any portion of its ownership interest in us; or
- business opportunities that may be attractive to us and Vedanta, or other companies in the Vedanta Group.

We may not be able to resolve any potential conflicts, and even if we do, the resolution may be less favorable than if we were dealing with an unaffiliated party.

Our agreements with Vedanta and other companies in the Vedanta Group may be amended upon agreement between the parties. As we are controlled by Vedanta, Vedanta may require us to agree to amendments to these agreements that may be less favorable to us than the original terms of the agreements.

v) Some of our directors and executive officers may have conflicts of interest because of their positions in Vedanta

Some of our directors and executive officers are directors or executive officers of Vedanta. Presence of executive officers of Vedanta on our Board could create or appear to create potential conflicts of interest and other issues with respect to their fiduciary duties to us when our directors and officers are faced with decisions that could have different implications for Vedanta than for us.

Our management, including our senior management, is not solely focused on our business, and may be distracted by, or have conflicts as a result of, the demands of Vedanta or other businesses within the Vedanta Group, which may materially and adversely affect our business, financial condition, and results of operations.

vi) As a foreign private issuer and a “controlled company” within the meaning of the New York Stock Exchange (“NYSE”) rules, we are subject to different NYSE rules than non-controlled domestic US issuers. Consequently, the corporate governance standards which we are required to adhere to are different than those applicable to such companies, which may limit the information available to, and the shareholder rights of, holders of our ADSs

We qualify as a “controlled company” within the meaning of the NYSE rules as Vedanta has effective control of a majority of our equity shares. This will allow Vedanta to, among other things, control the composition of our Board of directors and direct our management and policies.

As a foreign private issuer and a “controlled company,” we are exempt from complying with certain corporate governance requirements of the NYSE, including the requirement that a majority of our Board of directors consist of independent directors. As the corporate governance standards applicable to us are different than those applicable to domestic non-controlled US issuers, holders of our equity shares and ADSs may not have the same protections afforded under the NYSE rules as shareholders of companies that do not have such exemptions. It is also possible that the Agarwal family’s significant ownership interest of us as a result of its majority ownership of Vedanta’s majority shareholder, Volcan, could adversely affect investors’ perceptions of our corporate governance. For a summary of the differences between the corporate governance standards applicable to us as a listed company in India and as a foreign private issuer and “controlled company” in the United States and such standards applicable to a domestic non-controlled US issuer, see “Item 10. Additional Information—B. Memorandum and Articles of Association—Comparison of Corporate Governance Standards”.

5. Risks Relating to Investments in Indian Companies, Global Economic Conditions and International Operations

i) A substantial portion of our assets and operations are located in India and we are subject to regulatory, economic, social and political uncertainties in India

A substantial portion of our assets and employees are located in India and we intend to continue to develop and expand our facilities in India. Consequently, our financial performance and the market price of our equity shares and ADSs will be affected by changes in exchange rates and controls, interest rates, changes in government policies, including taxation policies, the outbreak of infectious diseases, including the COVID-19 pandemic, social and civil unrest and other political, social and economic developments in or affecting India.

The GoI exercises significant influence over many aspects of the Indian economy. Since 1991, successive Indian governments have pursued policies of economic liberalization, including by significantly relaxing restrictions on the private sector. Nevertheless, the role of the Indian Central and State governments in the Indian economy as producers, consumers and regulators has remained significant and we cannot assure that such liberalization policies will continue. The rate of economic liberalization could change, and specific laws and policies affecting metals and mining companies, foreign investments, currency exchange rates and other matters affecting investment in India could change as well. The provisional estimate of India’s GDP growth by Ministry of Statistics and Programme Implementation shows a (-)7.3% GDP growth in fiscal year 2021. After registering negative GDP growth in two successive quarters, India bounced back to 0.5% GDP growth in third quarter and 1.6% in fourth quarter of fiscal year 2021. Most of the economic indicators were showing revival towards a V-shaped recovery. However, the massive spread of COVID-19 pandemic in the second wave and resulting restrictions in mobility of people, restrained consumption expenditure and weak sentiment may disrupt the economic revival in India.



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In particular, the Indian economy continues to be disrupted by the COVID-19 pandemic where given the rapidly changing implications of the spread of the COVID-19 pandemic, it is difficult to assess the full nature and extent of the impact that the outbreak will have on the Indian economy. Declining economic growth may reduce the revenue collection of GoI while expenditure may rise to foster investment in the country as private investment has been low and run the welfare schemes to provide relief to the vulnerable sections of the society to help them survive in the COVID-19 pandemic scenario. In such a scenario, ability of Central as well as State Governments to continue reforms in terms of reduction in duties and taxes for corporates may be restrained. On the contrary, Governments may look to raise duties and taxes in order to recover the loss of revenue, which might impact our business. Similarly, international geo-political situation and pace of economic recovery elsewhere in the world may impact decision making of GoI and thereby affect investment climate in India.

ii) As the domestic Indian market constitutes the major source of our revenue, the downturn in the rate of economic growth in India or other countries due to the unprecedented and challenging global market and economic conditions, or any other such downturn for any other reason, will be detrimental to our results of operations

In fiscal year 2021, approximately 61.7% of our revenue was derived from commodities that we sold to customers in India. The performance and growth of our business are necessarily dependent on the health of the overall Indian economy. Any downturn in the rate of economic growth in India, whether due to political instability or regional conflicts, economic slowdown elsewhere in the world or otherwise, may have a material adverse effect on demand for the commodities we produce. The Indian economy is also largely driven by the performance of the agriculture sector, which depends on the quality of the monsoon, which is difficult to predict. In the past, economic slowdowns have harmed manufacturing industries, including companies engaged in the steel, copper, zinc, aluminium and power sectors, as well as the customers of manufacturing industries. Any future slowdown in the Indian economy could have a material adverse effect on the demand for the commodities we produce and, as a result, on our business, financial condition and results of operations.

In addition, the Indian securities market and the Indian economy are influenced by economic and market conditions in other countries. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effect on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India. Any slowdown in the Indian economy, or future volatility in global commodity prices, could adversely affect the growth of our business in India.

The Indian economy and financial markets are also significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, especially in the United States, UK, Europe or China, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors' reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets.

For instance, on April 20, 2020, West Texas Intermediary ("WTI") crude oil price fell to negative \$ 37.63 per barrel as supply glut much exceeded crude oil demand due to the COVID-19 pandemic and traders were short of space to store crude oil. Prior to that, on March 6, 2020, the talks between OPEC and Russia collapsed as Russia disagreed over the proposal of OPEC to extend oil production cut further to halt the falling crude oil price due to declining oil demand from pandemic. That led to sharp decline in oil price as Saudi Arabia announced discounts to its customers while both Saudi Arabia and Russia announced the intention to increase their oil production. Meanwhile, World Health Organization ("WHO") on March 11, 2020, had declared the novel coronavirus (COVID-19) outbreak a global pandemic and many countries implemented strict lockdown restricting travel. Movement of goods was also severely affected. As a result, demand for crude oil plunged and oil storage facilities across the world ran out of space. That forced the traders to sell their futures contract at abysmally low price, even at negative price, to avoid taking physical delivery of crude oil. Brent crude oil price on ICE also fell to a low of \$ 19.33 per barrel on April 21, 2020. As crude oil produced by the Company is sold as per international prices, such wild fluctuation in price severely affects operation and financial condition of the Company.

Such economic downturn and adverse credit market conditions, whether in response to the COVID-19 pandemic, Brexit, global trade wars or other factors, may negatively impact the Company as well as its customers and suppliers. In addition, The Company's and its customers' and suppliers' access to capital and funding sources, cost of capital and ability to meet liquidity needs could be adversely affected in a prolonged economic downturn or deterioration in the global economies, which in turn could have a material adverse impact on the Company's business, financial condition and results of operations.

iii) Terrorist attacks and other acts of violence involving India, the MENA region or other neighboring countries could adversely affect our operations directly, or may result in a more general loss of customer confidence and reduced investment in these countries that reduces the demand for our products, which would have a material adverse effect on our business, financial condition and results of operations

Terrorist attacks and other acts of violence or war involving India or other neighboring countries may adversely affect the Indian markets and the worldwide financial markets. The occurrence of any of these events may result in a loss of business confidence, which could potentially lead to economic recession and generally have a material adverse effect on our business, financial condition, and results of operations.

Further, any wars, acts of terrorism and uncertain political or economic prospects or instability in the Middle East and North Africa ("MENA region") may adversely impact global financial markets and an increase in the price of crude oil. Recent protests in the MENA region may continue and broaden across the region and lead to significant political uncertainties in a number of countries.



In addition, any deterioration in international relations may result in investor concern regarding regional stability which could adversely affect the price of our equity shares and ADSs.

South Asia has also experienced instances of civil unrest, terrorist attacks and hostilities among neighboring countries from time to time, especially between India and Pakistan. Such activity or terrorist attacks could adversely affect the Indian economy by disrupting communications and making travel more difficult and could create the perception that investments in Indian companies involve a high degree of risk. Furthermore, if India were to become engaged in armed hostilities, particularly hostilities that were protracted or involved the threat or use of nuclear weapons, we might not be able to continue our operations.

iv) If natural disasters or environmental conditions in India, including floods and earthquakes, affect our mining and production facilities, our revenue could decline

Our mines and production facilities are spread across India, and our sales force is spread throughout the country. Natural calamities such as floods, rains, heavy downpours (such as heavy downpours in Tuticorin in 2008 which caused the closure of our Tuticorin facilities for two to three days, as well as the rains in Mumbai and other parts of the State of Maharashtra in 2005 and other states in 2006) and earthquakes could disrupt our mining and production activities and distribution chains and damage our storage facilities.

Substantially all of our facilities and employees are located in India and there can be no assurance that we will not be affected by natural disasters in the future. If there were a drought or general water shortage in India or any part of India where our operations are located, the GoI or local, state or other authorities may restrict water supplies to us and other industrial operations in order to maintain water supplies for drinking and other public necessities which would cause us to reduce or close our operations. Our business and operating activities could be disrupted if we do not respond, or are perceived not to respond, in an appropriate manner to any major crisis or if we are not able to restore or replace critical operational capacity.

Any incidents or outages in the future could have a material adverse effect on the Company's operations and financial condition.

v) Currency fluctuations among the Indian Rupee, the US dollar and other currencies could have a material adverse effect on our results of operations

Although substantially all of our revenue is tied to commodity prices that are typically priced by reference to the US dollar, most of our expenses are incurred and paid in Indian Rupees and, to a lesser extent, Australian dollars, Euros, Namibian dollars and South African Rands. In addition, in fiscal year 2021, 38.3% of our revenue was derived from commodities that we sold to customers outside India. The exchange rates between the Indian Rupee and the US dollar and between other currencies and the US dollar have changed substantially in recent years and may fluctuate substantially in the future. See "Item 10: Additional Information – D. Exchange Controls". Our results of operations or financial condition could be adversely affected if the US dollar depreciates against the Indian Rupee or other currencies. We seek to mitigate the impact of short-term movements in currency on our businesses by hedging our short-term exposures progressively based on their maturity. However, large or prolonged movements in exchange rates may have a material adverse effect on our business, financial condition and results of operations.

vi) If India's inflation worsens or the prices of oil or other raw materials were to rise, we may not be able to pass the resulting increased costs to our customers and this may adversely affect our profitability or cause us to suffer operating losses

India has experienced significant price inflation in the past. In addition, international prices of crude oil and natural gas have recently experienced significant volatility. Inflation, increased transportation costs and an increase in energy prices generally, which may be caused by a rise in the price of oil, or an increase in the price of coking coal and Iron ore in particular, could cause the Company's costs for raw material inputs required for production of our products to increase, which may have a material adverse effect on our results of operations and financial condition if we cannot pass these added costs on to customers.

vii) Stringent labor laws in India may adversely affect our profitability

India has stringent labor legislation that protects the interests of workers, including legislation that sets forth detailed procedures for industrial dispute resolution and employee compensation for injury or death sustained in the course of employment, and imposes financial obligations on employers upon employee layoffs. This may make it difficult for us to maintain flexible human resource policies, discharge employees or downsize, which may adversely affect our business, financial condition and results of operations.

viii) Political, economic and social risks associated with investments in countries other than India could have an adverse effect on our business

In addition to operating in India, we currently operate and have projects in various other jurisdictions including South Africa, Namibia, UAE, Ireland, Australia, Japan, South Korea, Taiwan and Liberia. Certain of these countries are subject to political, economic and social developments that may, individually or in combination, create risks for investors that may be more difficult to predict or measure than would be the case in certain developed economies. Any political instability could have an adverse impact on the economy as a whole. Political disruptions and civil unrest that may occur in any of these countries could potentially have an adverse effect on exports and, consequently, on our business, financial condition and results of operations. For example, the Ebola epidemic in Liberia resulted in stoppage of drilling and exploration work for iron ore during fiscal year 2015. We evacuated staff in Liberia owing to the Ebola risk in 2015. In consideration of the suspension of exploration in Liberia, low iron ore prices, geo-political factors and no plans for any substantive expenditure resulting in continued uncertainty in the project, an impairment charge of \$ 228 million had been recognized, in fiscal year 2016.



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ix) Global economic conditions have been unprecedented and challenging and have had, and continue to have, an adverse effect on the Indian financial markets and the Indian economy in general, which has had, and may continue to have, a material adverse effect on our business, our financial performance and the prices of our equity shares and ADSs

Global market and economic conditions have been unprecedented and challenging and have resulted in tighter credit conditions and recession in most major economies in the last several years. Continued concerns about the systemic impact of potential long-term and wide-spread recession, energy costs, geopolitical issues, the availability and cost of credit, and the global housing and mortgage markets have contributed to increased market volatility and diminished expectations across various economies. These conditions, combined with volatile oil prices, declining business and consumer confidence and increased unemployment, have contributed to volatility of unprecedented levels.

As a result of these market conditions, the cost and availability of credit has been and may continue to be adversely affected by illiquid credit markets and wider credit spreads. Governments and Central Banks in several countries had adopted accommodative monetary policies in order to enhance liquidity and availability of financing and reduce interest rates to help the corporate sector and individuals tide over the liquidity crisis. Restructuring of loans and deferment of period to consider a loan as Non-Performing Assets (“NPA”) came as a rescue to a large number of borrowers. However, expansionary monetary policy with increased infusion of liquidity has generated inflationary pressure in some economies. Also, expansion of credit with less stringent norms may increase the risk of NPA with the commercial banks as the financial ability of many borrowers may be affected due to significantly lower business prospect due to pandemic. Inflationary pressure and concern of NPA in the medium term may cause liquidity tightening measure by the Central Banks. Also, as borrowing by governments have increased, this may raise overall interest rates. Continued turbulence in the international markets and economies and prolonged declines in business consumer spending may adversely affect our liquidity and financial condition, and the liquidity and financial condition of our customers, including our ability to refinance maturing liabilities and access the capital markets to meet liquidity needs. These global market and economic conditions have had an adverse effect on the Indian financial markets and the Indian economy in general, which has had, and may continue to have, a material adverse effect on our business, our financial performance and the prices of our equity shares and ADSs.

x) There are certain differences in shareholder rights and protections between the laws of India and the United States and between governance standards for a US public company and a foreign private issuer such as us

We are incorporated in India and investors should be aware that there are certain differences in the shareholder rights and protections between the laws of India and the United States. There are also certain differences in the corporate governance standards for a domestic US issuer and those applicable to a foreign private issuer such as us. See “Item 10. Additional Information – B. Memorandum and Articles of Association – Comparison of Shareholders’ Rights.”

The Securities and Exchange Board of India (“SEBI”) and the various Indian stock exchanges are responsible for improving and setting standards for disclosure and other regulatory standards for the Indian securities markets. SEBI has issued regulations and guidelines on disclosure requirements, insider trading and other matters. Nevertheless, there may be less information made publicly available in respect of Indian companies than is regularly made available by public companies in the United States as a result of differences between the level of regulation and monitoring of the Indian securities markets and of the transparency of the activities of investors and brokers in India compared to the United States. Similarly, our disclosure obligations under the rules of the NSE and BSE Limited. (“BSE”) on which our equity shares are listed may be less than the disclosure obligations of public companies on the NYSE.

xi) The filing of an insolvency petition under the new bankruptcy code in India by our creditors may affect the Company’s revenues and financial condition

The Insolvency and Bankruptcy Code, 2016, as amended (“Bankruptcy Code”) was notified on August 5, 2016. The Bankruptcy Code encompassing all companies, partnerships and individuals (other than financial firms) and allows creditors to assess the viability of a debtor as a business decision and agree on a plan for its revival or a speedy time bound liquidation. The Bankruptcy Code creates a new institutional framework, consisting of a regulator, insolvency professionals, information utilities and adjudicatory mechanisms, which will facilitate a formal and quicker insolvency resolution and liquidation process. Under the Bankruptcy Code, any financial or operational creditor as well as the Company may approach the NCLT to initiate a corporate insolvency resolution process against a debtor upon default in repayment of at least ₹ 100,000 equivalent to approximately \$ 1,367. However, the threshold of default for initiating a corporate insolvency resolution process against a debtor has been increased to ₹ 10,000,000 (equivalent to approximately \$ 136,724) through a Notification dated March 24, 2020 issued by the Ministry of Corporate Affairs. On receipt of an application from a creditor, the NCLT is required to either admit or reject the application within a period of 14 days from the date of the application. If application is admitted, an interim resolution professional is appointed for managing the affairs of the debtor and a moratorium is declared for a period of 180 days which can further be extended by 90 days prohibiting, inter alia, institution/continuation of suits against the debtor and transfer/disposal of assets of the debtor. The committee of creditors formed by the interim resolution professional is required to formulate a resolution plan to be approved by the NCLT. If no resolution plan is agreed upon by the creditors or if the NCLT rejects the resolution plan, liquidation proceedings are commenced against the debtor. If the Bankruptcy Code provisions are invoked by any of our creditors, it may adversely and materially affect our revenues and financial conditions



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VEDANTA 20-F - IFRS	Donnelley Financial	SG5214AM101255 21.6.2.0	HKR foed0sg	09-Jul-2021 08:34 EST	165852 TX 31	3*
VEDANTA 20-F - IFRS	None		SNG		HTM ESS	OC

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6. Risks Relating to Our ADSs

i) Substantial future sales of our equity shares or ADSs in the public market, or the perception of such sales, could cause the market price of our ADSs to fall

If our existing shareholders sell a substantial number of our equity shares in the open market, or if there is a perception that such sale or distribution could occur, the market price of our equity shares and ADSs could be adversely affected. These sales, or the perception that these sales could occur, also might make it more difficult for us to sell securities in the future at a time or at a price that we deem appropriate or pay for acquisitions using our equity securities.

As of March 31, 2021, we had 3,717,504,871 equity shares outstanding, including 160,903,244 equity shares represented by 40,225,811 ADSs. All our 3,717,196,639 outstanding equity shares are freely tradable on the NSE and BSE, pending allotment and listing of 308,232 equity shares as they are under dispute. Furthermore, Vedanta, through Twin Star and other investment companies, continued to have effective control over 2,422,689,293 of our total outstanding equity shares, which represented 65.2% of our outstanding share capital as of June 25, 2021.

ii) Fluctuations in the exchange rate between the Indian Rupee and the US dollar could have a material adverse effect on the value of our ADSs, independent of our actual operating results

The price of the ADSs is quoted in US dollars. Our equity shares are quoted in Indian Rupees on the NSE and BSE. Any dividends in respect of our equity shares will be paid in Indian Rupees and subsequently converted into US dollars for distribution to ADSs holders.

Currency exchange rate fluctuations will affect the dollar equivalent of the Indian Rupee price of our equity shares on the NSE and BSE and, as a result, the prices of our ADSs, as well as the US dollar value of the proceeds a holder would receive upon the sale in India of any of our equity shares withdrawn from the depository under the deposit agreement and the US dollar value of any cash dividends we pay on our equity shares. Holders may not be able to convert Indian Rupee proceeds into US dollars or any other currency, and there is no guarantee of the rate at which any such conversion will occur, if at all. Currency exchange rate fluctuations will also affect the value received by ADSs holders from any dividends paid by us in respect of our equity shares. Holders of our ADSs will bear all of the risks with respect to a decline in the value of the Indian Rupee as compared to the US dollar, which would adversely affect the price of our ADSs and the US dollar value of any dividends we pay that are received by ADSs holders.

iii) Transfers of the underlying shares by person's resident outside India to residents of India are subject to certain pricing norms

Under current Indian regulations, subject to certain conditions, no prior regulatory approval is required for the sale of any equity shares, including any equity shares withdrawn from the ADSs facilities, by a person resident outside India to a resident of India. However, certain reporting requirements would need to be complied with by the parties to the sale transaction. Also, the prior approval of the RBI would be required in the event of a sale of the equity shares underlying our ADSs by a non-resident investor to a resident investor if the sale price is greater than the maximum price set by the RBI under Indian foreign exchange laws. Any such approval required from the RBI or any other government agency may not be obtained on terms favorable to a non-resident investor, or at all.

iv) Holders of ADSs may be restricted in their ability to exercise preemptive rights under Indian law and thereby may suffer future dilution of their ownership positions

Under the Indian Companies Act, the holders of equity shares of a company incorporated in India have a preemptive right to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares by the company, unless the preemptive rights have been waived by adopting a special resolution passed by 75.0% of the shareholders present and voting at a general meeting.

Holders of ADSs may be unable to exercise preemptive rights for the underlying equity shares of the ADSs unless a registration statement under the Securities Act of 1933, as amended, or the Securities Act is effective with respect to such rights or an exemption from the registration requirements of the Securities Act is available. We are not obligated to prepare and file such a registration statement and our decision to do so will depend on the costs and potential liabilities associated with any such registration statement, as well as any other factors we consider appropriate at the time. No assurance can be given that we would file a registration statement under these circumstances. If we issue any such securities in the future, such securities may be issued to the depository, which may sell the securities for the benefit of the holders of the ADSs. The value the depository would receive from the sale of such securities cannot be predicted. To the extent that holders of ADSs are unable to exercise preemptive rights granted in respect of our equity shares represented by their ADSs, their proportional ownership interests in us would be diluted.



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VEDANTA 20-F - IFRS	Donnelley Financial	VDI-W7-PF3-0372 21.7.8.0	HKR munub0dc	12-Jul-2021 14:14 EST	165852 TX 32	4*
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v) We may be classified as a passive foreign investment company, which could result in adverse United States federal income tax consequences to US Holders

Based on the market prices of our equity shares and ADSs and the composition of our income and assets, including goodwill, although not clear, we do not believe we were a PFIC for United States federal income tax purposes for our taxable year ended March 31, 2021. However, the application of the PFIC rules is subject to uncertainty in several respects and, therefore, the US Internal Revenue Service may assert that, contrary to our belief, we were a PFIC for such taxable year. Moreover, although the asset test (defined below) is required to be calculated based on the fair market value of our assets, we did not do a valuation of our assets and our belief that we were not a PFIC for our taxable year ended March 31, 2021 is, in part, based on the book value of our assets. A non-United States corporation will be considered a passive foreign investment company, or PFIC, for any taxable year if either (1) at least 75.0% of its gross income for such year is passive income or (2) at least 50.0% of the total value of its assets (based on an average of the quarterly values of the assets during such year) is attributable to assets, including cash, that produce or are held for the production of passive income, or passive assets. In addition, a separate determination must be made after the close of each taxable year as to whether we were a PFIC for that year. Because the aggregate value of our assets for purposes of the PFIC test will generally be determined by reference to the market price of our ADSs and equity shares, fluctuations in the market price of the ADSs and equity shares may cause us to become a PFIC. In addition, changes in the composition of our income or assets may cause us to become a PFIC. Accordingly, we cannot assure you that we will not be a PFIC for the taxable year that will end on March 31, 2022 or any future taxable year. If we were a PFIC for any taxable year during which a US Holder (as defined under “Item 10: Additional Information—E. Taxation—United States Federal Income Taxation”) holds an ADSs or an equity share, certain adverse United States federal income tax consequences could apply to the US Holder. See “Item 10: Additional Information—E. Taxation—United States Federal Income Taxation—Passive Foreign Investment Company”.

vi) If a United States person is treated as owning at least 10% of our ADSs or equity shares, such holder may be subject to adverse U.S. federal income tax consequences

If a United States person is treated as owning (directly, indirectly or constructively) at least 10% of the value or voting power of our ADSs or equity shares, such person may be treated as a “United States shareholder” with respect to each “controlled foreign corporation” in our group (if any). If our group includes one or more U.S. subsidiaries, certain of our non-U.S. subsidiaries could be treated as controlled foreign corporations (regardless of whether we are not treated as a controlled foreign corporation). A United States shareholder of a controlled foreign corporation may be required to report annually and include in its U.S. taxable income its pro rata share of “Subpart F income,” “global intangible low-taxed income” and investments in U.S. property by controlled foreign corporations, regardless of whether we make any distributions. An individual that is a United States shareholder with respect to a controlled foreign corporation generally would not be allowed certain tax deductions or foreign tax credits that would be allowed to a United States shareholder that is a U.S. corporation. Failure to comply with these reporting obligations may subject you to significant monetary penalties and may prevent the statute of limitations with respect to your U.S. federal income tax return for the year for which reporting was due from starting. We cannot provide any assurances that we will assist investors in determining whether any of our non-U.S. subsidiaries are treated as a controlled foreign corporation or whether such investor is treated as a United States shareholder with respect to any of such controlled foreign corporations or furnish to any United States shareholders information that may be necessary to comply with the aforementioned reporting and tax paying obligations. A United States holder of our ADSs or equity shares should consult its own advisors regarding the potential application of these rules to their investment in our ADSs or equity shares.

ITEM 4. INFORMATION ON THE COMPANY

A. History and Development of our Company

Our Company Identification Number is L13209MH1965PLC291394. Our registered office is presently situated at 1st Floor, ‘C’ wing, Unit 103, Corporate Avenue, Atul Projects, Chakala, Andheri (East), Mumbai—400 093, Maharashtra, India. Our registered office was relocated from the state of Goa to the state of Maharashtra, with effect from February 2, 2017. The telephone number of our registered office is (91) 022 6643 4500. The register of members of the Company is maintained at the registered office of the Company and also at the office of the Company’s Registrar and Transfer Agent, KFin Technologies Private Limited, Hyderabad. Our website address is <http://www.vedantalimited.com>. Our agent for service of process in the United States is CT Corporation System and are located at 111 Eighth Avenue, New York, New York 10011.

Our equity shares are listed and traded on the NSE and the BSE. Our American Depositary Receipts (“ADRs”) are quoted on the NYSE (NYSE:VEDL).

Our equity shares are beneficially held by the Twin Star, Finsider, Westglobe, Welter Trading, Vedanta Holdings Mauritius Limited, and Vedanta Holdings Mauritius II Limited, which are in turn wholly-owned subsidiaries of Vedanta. Twin Star, Finsider, Westglobe, Welter Trading, Vedanta Holdings Mauritius Limited and Vedanta Holdings Mauritius II Limited held 43.6%, 10.8%, 1.2%, 1.0%, 2.9% and 5.7%, respectively, of our share capital as of June 25, 2021.

SIIL was incorporated in Kolkata, the state of West Bengal, India as Rainbow Investment Limited on September 8, 1975 under the laws of India. SIIL’s name was subsequently changed to Sterlite Cables Limited on October 19, 1976 and then to SIIL on February 28, 1986.

SIIL acquired a 51.0% interest in BALCO from the GoI on March 2, 2001. The exercise of our call option to purchase the remaining 49.0% of the shareholding of GoI in BALCO is still under dispute.

On April 11, 2002, SIIL acquired, through Sterlite Opportunities and Ventures Limited (“SOVL”), a 26.0% interest in HZL from the GoI and a further 20.0% interest through an open market offer. On November 12, 2003, SIIL acquired through SOVL, a further 18.9% interest in HZL following the exercise of a call option granted by the GoI, increasing SIIL’s interest in HZL to 64.9%. In addition, SOVL has a call option which became exercisable on April 11, 2007 to acquire the GoI’s remaining ownership interest in HZL. The exercise of this option has been contested by the GoI and is still under dispute. As per the order of the High Court of Madras dated March 29, 2012, SOVL merged into SIIL.



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VEDANTA 20-F - IFRS	Donnelley Financial	HKRP64RS14 21.6.2.0	HKR pf_rend	09-Jul-2021 05:28 EST	165852 TX 33	2*
VEDANTA 20-F - IFRS	None		SNG		HTM ESS	OC
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In 2007, Vedanta, through its subsidiaries, acquired 51.0% of Sesa Goa from Mitsui Co. Limited which was subsequently increased to 55.13% by fiscal year 2013. Sesa Goa was incorporated as a private company under the laws of India in Panaji, state of Goa, India on June 25, 1965 as Sesa Goa Private Limited. It became a public limited company following a public offering of its shares in 1981. On December 8, 2011, Sesa Goa along with its subsidiary Sesa Resources Limited, completed the acquisition of 20.1% of the equity share capital of Cairn India Limited (now Vedanta Limited - oil and gas business). Prior to the Cairn India Merger with Vedanta Limited, we had a total ownership interest of 59.89% in Cairn India Limited (now Vedanta Limited - oil and gas business) (including equity interests held through its other subsidiary, TMHL)

On February 25, 2012, an all-share merger of Sesa Goa and SIIL to create Sesa Sterlite was announced to give effect to the consolidation and simplification of corporate structure through two series of transactions (together the “Re-organization Transactions” consisting of the “Amalgamation and Re-organization Scheme” and the “Cairn India Consolidation”). Pursuant to the share purchase agreement dated February 25, 2012 between BFL, a wholly owned subsidiary of Sesa Goa and VRHL, BFL acquired 38.7% shareholding in Cairn India Limited (now Vedanta Limited - oil and gas business) and an associated debt of \$ 5,998 million by way of acquisition of TEHL, for a nominal cash consideration of \$ 1 (“Cairn India Consolidation”).

On March 2, 2012, Sesa Goa acquired 100.0% of the equity share capital of Goa Energy Private Limited engaged in the business of power generation from Videocon Industries. The name was subsequently changed to Goa Energy Limited on January 4, 2013.

On August 19, 2013, Sesa Goa furnished to the Securities and Exchange Commission (“SEC”) a notice, as required under Rule 12g-3(f) under the Securities Exchange Act of 1934, as amended (“Exchange Act”) which provided that Sesa Goa was the successor issuer to SIIL under the Exchange Act. The Re-organization Transactions were made effective in the month of August 2013. In accordance with the Re-organization Transactions:

- i. SIIL merged with and into Sesa Goa through the issue of Sesa Goa shares to SIIL shareholders (other than MALCO) on a 3 for 5 basis resulting in the issue of 1,944,874,125 Sesa Goa shares to SIIL shareholders. The holders of SIIL ADSs received 3 Sesa Goa ADSs for every 5 existing SIIL ADSs. The outstanding convertible bonds of SIIL have become convertible bonds of Sesa Goa with equivalent rights and obligations;
- ii. MALCO’s power business was sold to Vedanta Aluminium for cash consideration of ₹ 1,500 million;
- iii. MALCO merged with and into Sesa Goa through the issue of Sesa Goa shares to the shareholders of MALCO on a 7 for 10 basis, resulting in the issue of 78,724,989 Sesa Goa shares to the shareholders of MALCO and therefore MALCO’s holding in SIIL was cancelled;
- iv. Sterlite Energy merged with and into Sesa Goa for no consideration;
- v. Vedanta Aluminium’s aluminium business merged with and into Sesa Goa for no consideration; and
- vi. Through a separate but concurrent amalgamation under Indian and Mauritian law, Ekaterina Limited, a Mauritian company and a wholly owned subsidiary of Vedanta which held Vedanta’s 70.5% ownership interest in Vedanta Aluminium, merged with and into Sesa Goa. SIIL held the remaining 29.5% of the shares of Vedanta Aluminium and upon this concurrent amalgamation scheme becoming effective, Vedanta Aluminium became a wholly-owned subsidiary of Sesa Sterlite.

Further, the notice provided that the equity shares of Sesa Goa with a par value of ₹ 1 each, would be traded in the United States in the form of ADSs, where each ADSs would represent four equity shares of Sesa Goa and such ADSs would be deemed to be registered under Section 12(b) of the Exchange Act by operation of Rule 12g-3(a) under the Exchange Act. The ADSs of Sesa Goa were registered for trading on the NYSE on September 13, 2013.

Pursuant to the Amalgamation and Re-organization Scheme effective on August 17, 2013, our name changed to Sesa Sterlite Limited with effect from September 18, 2013. On September 23, 2013, Sesa Goa submitted to the SEC that the name of Sesa Goa Limited was changed to Sesa Sterlite Limited following the approval from the Registrar of Companies, state of Goa on September 18, 2013. Subsequent to the effectiveness of the Re-organization Transactions, a SLP challenging the orders of the High Court of Bombay at Goa was filed by the Commissioner of Income Tax, Goa and the Ministry of Corporate Affairs at the Supreme Court of India. Further, a creditor and a shareholder have challenged the Amalgamation and Re-organization Scheme in the High Court of Madras. These petitions are pending for hearing and admission.

With effect from August 26, 2013, TEHL, TMHL and Cairn India Limited (now Vedanta Limited—oil and gas business) (including all of its subsidiaries) became subsidiaries of Sesa Goa pursuant to the Cairn India Consolidation. As a result, Sesa Sterlite held 58.8% of the total shareholding of Cairn India Limited (now Vedanta Limited—oil and gas business) as of August 26, 2013. As of March 31, 2016, the Company held 59.9% of the total shareholding of Cairn. During fiscal year 2015, Goa Energy Limited and Sterlite Infra Limited, wholly owned subsidiaries, merged with the Company. The High Court of Bombay had approved the scheme of amalgamation of the Goa Energy Limited on March 12, 2015 and the High Court of Madras had approved the Scheme of Amalgamation of Sterlite Infra Limited on March 25, 2015.

On April 22, 2015, Sesa Sterlite Limited submitted to the SEC regarding the name change to Vedanta Limited following the approval from the Registrar of Companies, Goa on April 21, 2015.



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On June 14, 2015, the Company announced the merger of Cairn India Limited (now Vedanta Limited - oil and gas business) with the Company by way of a Scheme of Arrangement (the "Cairn India Merger"). Thereafter on July 22, 2016, the Company and Cairn India Limited (now Vedanta Limited - oil and gas business) announced the revised terms to the Cairn India Merger. The NCLT, Mumbai Bench approved the Cairn India Merger and their respective shareholders and creditors on March 23, 2017. Thereafter, the board of directors of the Company made the Cairn India Merger operative on April 11, 2017. As per the revised terms of the Cairn India Merger, the Company issued one equity share of face value ₹ 1 each and four 7.5% Redeemable Preference Shares in the Company with a face value of ₹ 10 each to the non-controlling shareholders of Cairn India Limited (now Vedanta Limited - oil and gas business) business for each equity share held. No shares were issued to the Company or any of its subsidiaries for their shareholding in Cairn India Limited (now Vedanta Limited - oil and gas business). The Company continues to be listed on the BSE and NSE, with ADSs listed on the NYSE.

Cairn India Limited (now Vedanta Limited - oil and gas business) business shareholders who became the shareholders of the Company, also received an interim dividend of ₹ 17.70 per equity share as approved by the board of the Company on March 30, 2017.

On December 28, 2017, the Company acquired 51.6% equity shares in ASI, a Japanese manufacturer of LCD glass substrate for a cash consideration of ₹ 1 million (\$ 0.01 million) and acquired debts for ₹ 9,640 million (\$ 139 million). Additionally, a loan of ₹ 460 million (\$ 7 million) was extended to ASI in fiscal year 2018.

Pursuant to the order dated May 30, 2018 of NCLAT, the Company implemented the approved Resolution Plan for ESL. In term of the approved Resolution Plan, on June 4, 2018, the Company, through its subsidiary Vedanta Star Limited ("VSL") acquired management control over ESL as the previous board of directors of ESL was reconstituted on that date. Further, on June 15, 2018, pursuant to the allotment of shares to VSL, VSL held 90.0% of the paid up share capital of ESL. ESL was admitted under corporate insolvency resolution process in terms of the IBC.

In furtherance with the resolution plan and the letters submitted to stock exchanges on June 4, 2018 and June 5, 2018, delisting was an integral part of the Resolution Plan. ESL had intimated the same to its existing shareholders along with the Delisting Price of ₹ 9.54 per equity share as per the approved Resolution plan. During the delisting period, commencing from October 11, 2018 and ending on October 17, 2018 ("Delisting Period"), 46,957 Equity shares representing 0.002% of the paid-up share capital of ESL were validly tendered by the shareholders of ESL. The shares of ESL were delisted from NSE and BSE with effect from December 20, 2018 ("Date of Delisting"). Post delisting VSL has provided an exit opportunity to the Residual Public Shareholders of the Company (other than VSL), holding 196,120,385 equity shares in ESL ("Offer Shares"), who were unable to participate in the delisting offer or who unsuccessfully tendered their Equity Shares during the Delisting Period ("Residual Public Shareholders"), to tender their equity shares for a period of one year from the Date of Delisting, which ended on December 19, 2019.

With the conclusion of the tender period on December 19, 2019 and subsequent to the approval granted by NCLT, Kolkata Bench for the Scheme of Amalgamation of Vedanta Star Limited with Electrosteel Steels Limited, Vedanta Limited will now directly hold 95.49% in ESL as on March 31, 2021.

We had initiated the liquidation of TMHL, TEHL and SSMHL as part of an internal restructuring which has been accepted by Director of Insolvency, Mauritius in fiscal year 2020. TMHL was dissolved with effect from May 19, 2019, TEHL was dissolved with effect from May 21, 2019 and SSMHL was dissolved with effect from May 21, 2019.

Vedanta Limited acquired the Sindhudurg unit of Global Coke Limited on July 28, 2019. Pursuant to an order of NCLT dated February 19, 2019, Global Coke Limited went into liquidation. The Liquidator, pursuant to the IBC issued the sale notice on May 31, 2019 inviting bids for acquiring the units/business of Global Coke Limited. Vedanta Limited holds 100% shareholding in Global Coke Limited. The acquisition complements backward integration opportunity for the Company's existing pig iron division and also increases the Company's footprint in met coke market in south western part of India.

During the Fiscal Year 2021, the following events took place:

1. Acquisition of Ferro Alloys Corporation Limited

Pursuant to the resolution plan submitted by Sterlite Power Transmission Limited as approved by the committee of creditors and the Hon'ble National Company Law Tribunal, Cuttack Bench, vide its order dated January 30, 2020 and been implemented by Vedanta Limited in accordance with such Approved Resolution Plan, Vedanta Limited acquired control over Ferro Alloys Corporation Limited (FACOR), with effect from the closing date, September 21, 2020, in accordance with the terms of the Approved Resolution Plan and as replaced by a new board of directors constituted with adequate representation of the persons appointed by Vedanta Limited and independent directors in compliance with applicable laws. Vedanta Limited holds 100% shareholding in FACOR. FACOR is a company in the business of producing Ferro Alloys and owns a ferro chrome plant with capacity of 72,000 TPA, two operational chrome mines and 100 MW of captive power plant through its subsidiary, FACOR Power Limited ("FPL").

2. Acquisition of assets of Bhachau and Khambhalia coke manufacturing units of Gujarat NRE Coke Limited

In March 2021, the Company was declared the successful bidder in the Liquidation process for Sale of Assets of Bhachau and Khambhalia coke manufacturing units of Gujarat NRE Coke Limited, which was under liquidation under Bankruptcy Code. The total capacity of Bhachau and Khambhalia plants is 594 KTPA and 358 KTPA respectively. The acquisition will complement our existing Iron Ore business via backward integration through provision of the Met Coke Requirement to our existing facilities.

3. Delisting of Vedanta Limited

The Company vide letter dated May 12, 2020 informed the stock exchanges that the Company had received a letter dated May 12, 2020 from one of the members of the promoter and promoter group of the Company ("Promoter Group") namely, Vedanta Resources Limited ("Vedanta") wherein Vedanta has expressed its intention to, either individually or along with one or more subsidiaries, acquire all fully paid-up equity shares of the Company ("Equity Shares") that are held by the public shareholders of the Company (as defined under the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, as amended ("Delisting Regulations")), to be referred to as "Public Shareholders") and consequently voluntarily delist the Equity Shares from BSE and NSE, the recognized stock exchanges where the Equity Shares are presently listed ("Stock Exchanges"), in accordance with the Delisting Regulations ("Delisting Proposal") and if such delisting is successful, then to also delist the Company's America Depositary Shares from the NYSE and deregister the Company from the SEC, subject to the requirements of the NYSE and the SEC.



Further, the board of directors of the Company, in its meeting held on May 18, 2020, had considered and granted their approval for the Delisting Proposal and to seek shareholders' approval for the proposal. The Company had obtained the approval of its shareholders by way of special resolution through postal ballot and remote e-voting on June 24, 2020 for voluntary delisting of its equity shares from BSE and NSE.

The Company vide letter dated October 10, 2020 has informed the stock exchanges that the aforesaid delisting offer is deemed to have failed in terms of Regulation 19(1) of the Delisting Regulations.

4. Voluntary open offer

Vedanta Resources Limited (the Acquirer) together with Twin Star Holdings Limited ("PAC 1"), Vedanta Holdings Mauritius Limited ("PAC 2") and Vedanta Holdings Mauritius II Limited ("PAC 3" together with PAC 1 and PAC 2 to be referred as "PACs"), in their capacity as the persons acting in concert announced a voluntary open offer in accordance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended ("SEBI (SAST) Regulations"), for the acquisition of up to 371,750,500 equity shares, representing 10% of the voting share capital of Vedanta Limited at a price of ₹ 160 per equity share of Vedanta Limited. In terms of Regulations 18(4) and 18(5) of the SEBI (SAST) Regulations, the Acquirer and PACs further decided to: (a) increase the number of Equity Shares to be acquired in the Open Offer to up to 651,000,000 equity shares, representing 17.51% of voting share capital of Vedanta Limited; and (b) increase the offer price to ₹ 235.00 (Indian Rupees Two Hundred Thirty-Five) per equity share including interest of ₹ 1.29 per equity share. Total consideration for the offer is approximately ₹ 153,000 million (\$ 2,092 million). In accordance with the SEBI (SAST) Regulations, the date of commencement of the tendering period ("Offer Opening Date") was Tuesday, March 23, 2021, and date of closure of the tendering period ("Offer Closing Date") was April 7, 2021. The details relating to the Offer are set out in the final letter of offer made available on SEBI's website (www.sebi.gov.in).

In continuation to the updates regarding the offer, the Acquirer has issued a press release dated April 14, 2021 that 374,231,161 equity shares of VEDL have been validly tendered in the voluntary open offer. Following this acquisition, the shareholding of the Acquirer in VEDL has increased from 55.1% to 65.2%.

Our Form 20-F and other filings can be viewed on our website at www.vedantalimited.com as well as the SEC website at www.sec.gov

B. Business Overview

OUR INDUSTRY

Unless otherwise indicated, all data relating to the zinc industry contained in this Annual Report is primarily derived from Wood Mackenzie. Unless otherwise indicated, all data relating to the aluminum industry contained in this Annual Report is primarily derived from CRU Aluminum Market Outlook ("CRU"). Unless otherwise indicated, all data relating to the oil and gas industry contained herein is primarily derived from US Energy Information Administration. Unless otherwise indicated, all data relating to the iron ore industry contained herein is primarily derived from the Resources and Energy Quarterly. Unless otherwise indicated, all data relating to the steel industry contained herein is primarily derived from the World Steel Association and Joint Plant Committee.

Unless otherwise indicated, all financial and statistical data relating to the power industry in India in this Annual Report is derived from the research presentations of National Power Portal and Central Electricity Authority. The data may have been re-classified for the purpose of presentation.

Unless otherwise stated, the years mentioned in this disclosure contained herein are calendar years.

MARKET REVIEW

Global Economy and Commodity Markets

The global economy in 2020 faced an unprecedented disruption from COVID-19 creating a major setback in economies around the world. The declaration of the novel coronavirus as a global pandemic led to the lockdown in several countries and severely hindered economic activities in most parts of the world.

As lockdown restrictions ended, economic activities have picked up in many regions, but at a slow rate resulting in GDP contraction in several nations in 2020. As per National Bureau of Statistics of China, Chinese economy's Industrial Production year-on-year ("y-o-y") growth decreased to negative 13.5% in January-February 2020 but made a comeback at the end of 2020 reaching growth of 7.3% in December 2020.

Most economies faced major contraction in GDP in the second quarter of 2020, while the Chinese economy, experienced year-on-year growth of 3.2%.

However, with the strict lockdown and restricted essential activities from the start of FY 2021, economies have tried to take fiscal and monetary measures to support markets. The IMF has reported that governments of many countries have announced fiscal actions of \$ 16 trillion as of March 17, 2021 to support health care systems, households, and firms since the beginning of the pandemic comprising \$ 10 trillion in additional spending or forgone revenue and \$ 6 trillion of government loans, guarantees, and capital injections, resulting in the global public debt reaching 97.3% of GDP in 2020 and projected to reach around 99% of GDP in 2021. Most of the economies took measures to counter the drastic effect of the COVID-19 pandemic in terms of fiscal and monetary policies. Among various measures of the United States, the support under Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") with \$ 2.3 trillion (approximately ~ 11% of GDP) stimulus package has been concentrated on employee benefits, tax rebate, food safety, corporate bankruptcy prevention, healthcare, and international assistance. The federal funds rate is lowered by 150bp in March 2020 to 0-0.25bp. The Federal Reserve also introduced facilities to support the flow of credit, in some cases backed by the Treasury using funds appropriated under the CARES Act. In March 2021, President Biden provided another round of coronavirus relief with an estimated cost of \$ 1,844 billion (about 8.8% of 2020 GDP) aimed at investing in the public health response and providing time-bound assistance to families, communities and businesses, adding resources to the vaccination program etc., providing direct stimulus payments of \$ 1,400 to eligible individuals etc.



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While in European Union the EU budget and Next Generation EU (“NGEU”) recovery fund (€ 750 billion) has been finalized in December 2020. The European countries having high debts and hit hard by the pandemic like Italy and Spain and Eastern European countries are likely to be the biggest beneficiaries of this measure, as per IMF. 30% of the NGEU and 2021-27 EU Budget has targeted climate change-related spending. Other European Commission’s packages are targeted towards pandemic crisis support, government’s guarantees for loans to European investment banks and job protection.

The Chinese government has also announced the fiscal measure of RMB 4.9 trillion (4.7% of GDP) for spending on epidemic prevention and control, production of medical equipment, unemployment mitigation, tax relief, and additional public investments. The monetary measures provided by the People’s Bank of China and the Chinese government are targeted towards safeguarding financial stability and providing financial relief to affected households, corporates, and regions facing repayment difficulties.

The stimulus packages injected by the economies helped bolster GDP growth from Q3 of 2020 onwards.

With vaccine rollout and backed by stimulus packages, 2021 GDP growth is likely to be higher than 2020. However, the recovery is not balanced and varies widely among advanced economies, emerging economies and developing economies. Government support also brings about increased debt levels of the economy. With around 180 million cases and 3.90 million deaths worldwide reported by WHO till June 25, 2021, the world is still facing a crisis to contain the virus and resume economic activities though policy measures have been initiated to support vaccination worldwide.

Opportunities for the Company

Globally, monetary and fiscal policy has been targeted towards mitigating the adverse effect of the pandemic. Economies have made the efforts through stimulus packages to revive the job markets that have been impacted by the pandemic. Efforts to encourage household investments have been made, which may subsequently increase the global demand for commodities. As the prices of metals have recovered to and even surpassed pre-pandemic level in some cases and there are signs of recovery in the manufacturing industries, Vedanta has a positive outlook to benefit from the commodity market revival.

The revival of industrial activities, driven by fiscal and stimulus packages has been a major contributor to increasing price levels in the metals and minerals market. Resuming mobility-related activities in the economies such as road transport and aviation will affect oil demand, which is likely to revive by the latter half of 2021 due to gradual opening up lockdown and restricted mobility in certain regions. Widespread vaccination efforts will likely further encourage economic activities by the end of the year, which may support the revival of the oil and gas market.

We believe our diversified commodity portfolio and relentless emphasis on reducing costs and digital implementation position us well to take advantage of the expected increase in demand and the resulting improvement in commodity prices.

The Indian Economy

India is Vedanta Limited’s primary market, which we believe has the potential for robust economic revival in 2021. COVID-19 has been particularly challenging for the Indian economy with a prior slow growth rate, declining exports, rising inflation, and a downturn in manufacturing output. The Index of industrial production (“IIP”) decreased drastically to negative 57.3% April 2020 due to stringent lock down across India, hindering economic activities. India’s GDP growth tumbled by negative 24.4% in quarter 1 of fiscal year 2021.

However, the Government of India has taken a number of encouraging steps such as “Aatmanirbhar Bharat Abhiyaan” (Self Reliant India) to aid the country out of Coronavirus crisis and revive the economy. The stimulus package of ₹ 20 trillion or 10% of GDP was announced by the GoI through the measures like free food grain supply to migrants, collateral free loans for businesses, equity funding and subordinate debt for Micro, Small & Medium Enterprises (MSMEs), funds for agricultural infrastructure, emergency working capital for farmers, liquidity support to power distribution companies, increasing borrowing limits of the state governments etc. has boosted confidence in Indian business sectors.

India’s central bank Reserve Bank of India (RBI) also has rolled out a slew of measures to provide support to the industries, to mitigate the impact of COVID-19 and to infuse liquidity in the economy. It took steps to reduce the repo rates and reverse repo rates and implemented the moratorium on payment of term loans amongst other monetary measures. During Mar-May 2020, RBI cut the policy repo rate by 115 basis points. This is on top of a cumulative reduction of 135 bps during February 2019 to February 2020. GoI’s efforts to make finance available to the vulnerable sectors like micro, small & medium enterprises (“MSME”), injecting liquidity in the system, increased borrowing by RBI through target long-term repo operation (“LTRO”) and other measures provided much needed relief to Indian citizens and industries. The RBI also permitted all commercial banks to allow a moratorium of three months on payment of instalments of all term loans falling due between March 1, 2020 and May 31, 2020 and further extended it by another three months till August 31, 2020.

Revival in economic activities and consumption demand have been visible in many economic indicators like industrial production, steel consumption, automobile sales and, electricity generation etc. which indicates an economic recovery, though the second wave of covid pandemic may impact the momentum of the revival.

We expect vaccinations to encourage the economic activities and improve the affected industries. The success of the vaccination drive may also create a positive outlook towards the growth of the economy.



India's real GDP growth, being adversely affected by the pandemic, is estimated to decline by -8% in 2020 by IMF, though it forecasts a strong recover in 2021 with GDP growth of 12.5% which is the highest growth rate amongst the Advanced Economies and Emerging Markets Developing Economies as predicted by IMF.

OPPORTUNITIES FOR VEDANTA LIMITED

India-focused growth agenda

Despite challenges in the global economy due to COVID-19, India continues to fight back with its world-class vaccination manufacturing facility and strong outlook towards the recovery. The country's economic growth is supported by a sound fiscal policy framework, strong regulatory mechanism, wide-ranging structural reforms undertaken by the Government of India and states, and a robust democratic ecosystem that continues to underline the importance of transparency in corporate governance.

We expect the growth of manufacturing sector and Indian economy to accelerate in the second half of 2021, which we believe would lead to increase in private investment.

Going forward, we expect to see an emphasis on infrastructure development on account of growing household income and wide-ranging urbanization. The Government's vision on Aatmanirbhar Bharat, is coupled with steps towards decarbonization and promotion of electric mobility. These initiatives are expected to strengthen the country's demand for commodities, given that India's per capita consumption of all metals including steel, aluminium, copper, and zinc is significantly below the world average. India is the third-largest oil consumer in the world, but in per capita terms, it is only about one-third of the world's average. Given its rising energy needs and increased dependence on crude oil imports, this also offers an opportunity for domestic oil producers to boost production.

Policy support

1. **Aatmanirbhar Bharat Package** – In order to fight against the COVID-19 pandemic and support the Indian economy, the Indian government announced a special economic package of ₹ 20 lakh crore (equivalent to ₹ 20,000 billion) which is equivalent to 10% of India's GDP. Hon'ble Prime Minister of India also called for bold reforms across sectors to drive India towards Atmanirbhar Bharat or self-reliance.

Subsequently under this package, several structural reforms have been announced by Hon'ble Finance Minister including mineral and coal sectors. Major points related to mineral and coal sectors are highlighted below.

- Seamless composite exploration-cum-mining-cum-production regime
 - 500 mining blocks to be auctioned transparently;
 - Removal of distinction between captive and non-captive mines to allow transfer of mining leases and sale of surplus unused minerals;
 - Introduction of Joint Auction of bauxite and coal mineral blocks to enhance the aluminum industry's competitiveness;
 - Development of Mineral Index for different minerals;
 - Rationalization of stamp duty payable at the time of award of mining leases;
 - Exploration-cum-production regime for partially explored coal blocks;
 - Coal evacuation infrastructure development of ₹ 50,000 crores (equivalent to ₹ 500 billion).
2. **Commercial Coal Mining** – In a major policy reform, Hon'ble Prime Minister launched the auctioning of commercial coal mining. This was aimed at fully opening the coal and mining sectors for competition, capital, participation and technology to make the coal mining sector self-reliant. This will have positive impacts on coal consuming sectors such as Steel, Aluminium, Fertilizers and Cement. Salient features of this reform include revenue sharing-based auction methodology from earlier fixed rupees per tonne based auction of coal blocks, permission for commercial exploitation of Coal Bed Methane, rebates in revenue share payments in the event of early production of coal from the coal mine etc.
 3. **Iron and Steel, Aluminium and Copper identified as 'Factory of the World'** – Central Government has identified 20 sectors where India can meet domestic demand as well as become a 'factory of the world' by pushing out more exports and reining in costly imports. Iron and Steel, and Aluminium and Copper industries are included in that list. Ministry of Commerce and Industry will study these sectors in a focused way so that it can be manufactured in India in a competitive way.
 4. **Production-Linked Incentive ("PLI") Scheme:** With an aim to boost investments in domestic manufacturing, the Union Cabinet on India has unveiled the PLI Scheme in ten key sectors. This is also a part of India's endeavor towards self-reliance through enhancing India's manufacturing capabilities and increasing exports. The ten sectors are - (1) Advance Chemistry Cell (ACC) Battery, (2) Electronic/Technology Products, (3) Automobiles and Auto Components, (4) Pharmaceuticals drugs, (5) Telecom and Networking Products, (6) Textile Products, (7) Food Products, (8) Solar PV Modules, (9) White Goods (ACs and LED) and (10) Speciality Steel. The scheme has approved financial outlay of ₹ 145,980 crore (equivalent to ₹ 1,459.8 billion) over a five-year period. This is apart from already notified PLI schemes in the mobile manufacturing and pharmaceutical sector with financial outlay of ₹ 51,311 crore (equivalent to ₹ 513.1 billion).

Though non-ferrous base metal manufacturing sector has not been considered for the PLI scheme, the sector will indirectly get benefitted from higher metal demand from increased manufacturing of battery, automobile, solar PV module and white goods.



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5. **Marketing Freedom for Natural Gas:** Taking a significant step to move towards gas-based economy with the objective of increasing domestic production of natural gas, the Cabinet Committee on Economic Affairs has approved 'Natural Gas Marketing Reforms'.
6. **Union Budget for 2021-22:** Budget has proposed ₹ 5.54 lakh crores (equivalent to ₹ 5,540 billion) for capital expenditure for 2021-22 which is 34.5% more than the Budget Estimate ("BE") of 2020-21, which will increase demand for products consuming metal and mineral. Proposal to set up Development Financial Institution ("DFI") for infrastructure financing for a lending portfolio of at least ₹ 5 lakh crores (equivalent to ₹ 5,000 billion) in three years' time is big boost for infrastructure development which will augment demand for metals and minerals.

The increased allocation to the several schemes such as Road Transport, Jal Jeevan Mission, Metro Projects, Strengthening of Power Systems, and New and Renewable Energy by significant amount will drive the commodity consumption of India.

GoI's clear cut road map on disinvestment of public sector enterprises in all non-strategic and strategic sectors along with monetization of non-core assets of PSEs provides investment opportunities to private sector in good quality assets.

1. Zinc

Overview

Starting in fiscal year 2021 below \$ 1900 per ton, Zinc prices increased to the \$ 2800 per ton mark during the period mainly due to the disruption to global zinc mine supply caused by the pandemic. Disruptions to concentrate supply caused by pandemic due to mine closures in Peru and Mexico have played a major role in the recovery of prices.

As restrictions started to ease and the world resumed operations, both demand and supply started to flow back to the pre-covid levels in Q3 and Q4 thereby maintaining a steady price around \$ 2700 per ton. Refined zinc metal production increased by 1.2% year on year to 13.64 million tons in 2021.

Global Scenario

Renewed virus control measures will have a more modest impact on demand. Many countries are at various stages in rolling out vaccination programmes. Key difference between the ongoing attempts to curtail the spread now and what we saw in the initial efforts in 2020 is that the focus of control measures is much narrower. This narrow focus, together with adaptations to new working conditions in many sectors such as manufacturing, construction and large parts of the service sector, means that the impact on output will be more modest in Q1 and Q2.

We expect the magnitude of the recovery in Q1 and Q2 will be modest, gaining momentum in Q3 and into Q4. We expect governments and institutions to continue their efforts to try and support economies and we expect that zinc consumption to grow by 4%, marking the first annual increase in zinc consumption for three years.

Indian market and opportunities

Every year, India loses approximately 3 to 4% of GDP due to corrosion and Indian industries have now slowly started recognizing this fact, leading them to actively seek solutions. In the construction sector, the need for corrosion protection rebars has recently been picked by few domestic rebar manufacturers who are working in collaboration with the International Zinc Association (IZA) to bring continuous galvanized rebar plant in India. Indian Railways, considering safety and longevity of rail tracks and are working on different mechanisms to protect the web area of rail from corrosion.

Zinc thermal metallization which has been considered globally as the best method to prevent corrosion of railway tracks will be soon be adopted in India.

Galvanizing has been the key driving force of zinc demand mainly in construction and infrastructure and automobiles. The ₹ 118,101 crore (equivalent to ₹ 1,181,010 million) allotment for Ministry of Road transport and highways will boost zinc consumption for road crash barriers and galvanized steel bridges. Also we expect the 100% electrification of broad-gauge railway routes to be completed by December 2023 will contribute towards zinc demand in India as electrification in railways requires galvanization of electric monopoles.

Products and customers

HZL is the largest primary zinc producer in India with an expected 77% market share in 2021. Around 60% of the refined zinc produced by our smelters is sold in the domestic market, and the rest is being exported to South-East Asia and the Middle East. Over 65% of zinc demand comes from galvanising steel, predominantly used in the construction and infrastructure sectors. We also produce Continuous Galvanising Grade ("CGG"), Electro Plating Grade ("EPG") and two grades of zinc for use in die-casting alloys. We are working closely with our customers and enhancing our zinc product portfolio in terms of value-added products ("VAP"). Our focus is to increase the supply of VAP to 25% of total HZL sales in FY 2022 from 17% in fiscal year 2021.

2. Oil and Gas

India's Oil Demand expected to decline in the short run amid COVID-19

The COVID-19 pandemic remains the overarching concern in the global economy. On a global level, the recovery momentum was led by the manufacturing sector, while service sectors such as travel and tourism, leisure and hospitality have hardly gained global momentum, thus very much affecting global oil demand.

Last year, India's fuel consumption plummeted by as much as 70%, led by the world's biggest lockdown. Travel restrictions and teleworking along with lower industrial activity destroyed India's oil demand. As per Petroleum Planning & Analysis Cell in the fiscal year 2021—22 for the period April to May' 2021, the overall industry consumption of petroleum products in India has grown by 30% from 24.7 mmt to 32.1 mmt, over the corresponding period of fiscal year 2020 - 21.



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Oil and gas projects have resumed as downstream demand is steadily recovering. A new bidding round under the GoI's open acreage licencing policy is also expected soon.

Products and customers

Vedanta Limited is the largest private sector producer of crude oil in India. Our crude is sold to hydrocarbon refineries and our natural gas is used by the fertiliser industry and the city gas sector in India.

Market drivers and opportunities

The oil market remains fragile in the early part of 2021 as measures to contain the spread of the new variants of COVID-19 makes the near-term recovery of global oil demand difficult. As per International Energy Agency ("IEA") May' 2021 outlook, the global oil consumption is forecast to rise by 5.4 mb/d from 2020 level to 99.6 mb/d in 2021.

World oil supply rose 330 kb/d to 93.4 mb/d in April and increased further in May as the OPEC+ alliance continues to ease output cuts. Based on the current agreement, global oil production is set to grow by 3.8 mb/d from April to December. For 2021 as a whole, world oil production expanded by 1.4 mb/d y-o-y versus a collapse of 6.6 mb/d in 2020.

Brent and WTI fell to their lowest levels since 2002, settling at \$ 22.74/b and \$ 20.48/b, respectively, in late March 2020. Stronger economic prospects and recovery have steadily boosted prices since November 2020. Crude prices rose in April and May boosted by strong economic trends, supply-side concerns, and despite surging Covid cases in some regions. Crude futures rallied by some \$7/bbl from April 5, 2021 trough, to \$68.81/bbl for ICE Brent and \$65.31/bbl for NYMEX WTI on May 10, 2021.

India is the world's third largest oil consumer, the fourth-largest refiner and a net exporter of refined products. As proven oil reserves are limited compared with domestic needs, we expect India's import dependency to increase significantly in the coming decades. The country currently meets 85% of its oil consumption and more than 50% of its gas consumption through imports.

As per the India Energy Policy Review 2021 by IEA, rising vehicle ownership and road transport use are the major contributors to oil demand with India's transportation energy use projected to grow at the fastest rate in the world, averaging 5.5%, compared with the world average of 1.4% per year.

According to the DGH Annual Hydrocarbon Outlook, Fiscal Year 2019-20, India has prognosticated conventional hydrocarbon resources of over 230 billion barrels of oil and oil equivalent gas, with 70% of these assets yet to be explored.

With the increasing demand and thus imports, India's depleting energy security can prove to be a problem of concern. To utilise its existing resources and decrease the overburdening import bills, the Government has prioritised the reduction of oil and gas imports, increasing domestic upstream activities, diversifying its supply sources and increasing Indian investments in overseas oil fields in the Middle East and Africa. The government also aims to increase the share of natural gas in the country's energy mix to 15% by 2030, from the current 6% aided by favourable policy changes.

The Government is cognisant that several policy reforms are needed to revitalise the exploration and production ecosystem. The five OALP bid rounds, conducted till date, have been successful, with 105 blocks awarded to leading E&P companies, exploration acreage now stands at approx. 2,37,000 sq. kms with the objective of increasing domestic gas production of natural gas and to move towards a gas based economy, in October 2020 the Government of India allowed complete marketing and pricing freedom for natural gas produced from non-regulated fields, including sale to affiliate companies.

This year the government came up with a self-certification policy and natural gas marketing reforms to improve ease of doing business and attract more investments. To facilitate ease of doing business, government rationalized 37 processes in 3 categories required during the life cycle of exploration and development of a block under a PSC contract, of which for 22 such processes, documents shall be accepted on self-certification basis and no approval is required.

Vedanta Limited has a world-class resource base, with 58 blocks in India. With a strengthened growth pipeline in exploration and development, we believe we are well-positioned to meet India's growing demand and contribute to India's vision of becoming Aatma Nirbhar.

3. Iron Ore

Iron ore prices remain strong due to supply disruptions

The iron ore price surged in December and January and is now at its highest level since 2011. Prices have been driven by high demand in China and (fears of) disrupted supply in Brazil and elsewhere. The iron ore price is forecast to remain well above \$ 100 a tonne until late 2021, before easing gradually over subsequent years, ultimately reaching \$ 72 (in real terms) by the end of 2026.

Iron ore prices surged in December, lifting from around \$ 115 per tonne at the start to the month to close out 2020 at over \$ 140 per tonne - the highest level since 2011. Prices have subsequently lifted higher still, averaging over \$ 150 a tonne during January 2021 and reaching \$ 170 per tonne during parts of February.

Prices (and premium prices in particular) have thus remained at near 10 year highs for two months without significant retreat. Prices have been pushed up by consistently high steel production in China, which has been driven by COVID-19 related stimulus measures. These strong demand influences have magnified the impact of lower supply estimates from Vale, which has reduced its production guidance significantly over the past 12 months.



Iron ore production remains highly concentrated, with a small number of firms accounting for a high share of overall output. High entry costs present a significant curb on new competition. The dominant firms have scaled down investment in recent years, in an attempt to reduce debt and adjust to (at the time) relatively low prices and strong supply conditions. On the demand side, competition is far more intense despite the relative domination of the market by China. Chinese steel mills compete with each other and are rivalrous in their efforts to secure available supply and gain access to potential new supply sources.

Market Drivers and Opportunities

The primary drivers of high iron ore prices are expected to hold throughout 2021. Although Vale has announced plans to expand its capacity significantly, much of the resulting output is not expected to reach seaborne markets for at least two to three years. BHP and Rio Tinto are bringing new mines to production in the Pilbara region of Western Australia, but much of the resulting output will substitute for depleting mines in the same area (see Australia section). Consequently, overall output growth is not expected to occur at a pace which reduces prices significantly.

A range of factors could put downward pressure on prices over the coming months. Some price falls are expected, as Vale’s Brazilian operations steadily return to output levels prior to the January 2019 Brumadinho dam collapse. Overall, Brazilian output expected to recover to normal levels by the end of 2021. More rapid progress on this front could lower prices more swiftly. Chinese steel mills, which are facing severe pressure on margins, may also seek to postpone some output in order to manage price pressures over the coming months. Chinese Government stimulus measures could also be phased down in the second half of 2021, reducing the imperative for rapid purchases of iron ore to meet production schedules and allowing some build-up of iron ore at ports.

However, risks also exist in the other direction. The two largest supply sources – Western Australia and Brazil – are both subject to regular disruption to production and transport from extreme weather events. These include heavy rains which sometimes disrupt operations in Brazil, and cyclonic activity which periodically affects Australian shipments from Port Hedland, Dampier and Cape Lambert. The likelihood of further events presents a perpetual risk of price spikes over the coming years.

Products and customers

Iron ore, a key ingredient in steel which is ultimately used in the construction, infrastructure and automotive sectors. Our iron ore mining operations ceased in Goa from March 2018, pursuant to the order from Supreme Court. Meanwhile, the permitted mining capacity at Karnataka has recently been increased to 5.60 million tons from the previous 4.82 million tons.

Copper

Global refined copper consumption remained unchanged in 2020 at 23.5 metric ton vis-a-vis 2019, while demand in China, the largest copper consumer increased by approximately 5%. China has recorded a GDP growth rate of 18.3% y-o-y in the first quarter from a low base last year. GDP was still 10.3% higher than the same period in 2019.

Despite these challenges, global refined consumption is estimated to grow by 2.6% this year to reach 24.1 metric ton. Copper prices hit a 10-year high of just over \$ 10,000 per ton on April 29, 2021 before retracing to close at \$ 9885 per ton by the end of the session. This compared to the all-time high of \$ 10,190 per ton that was set back in February 2011. Prices have risen on the back of a combination of renewed speculative interest, declining LME stocks, a weaker dollar and lower production numbers that suggest some COVID-related supply problems continue. On the supply side, India grappled with availability constraints of refined copper due to Vedanta Limited’s Tuticorin smelter closure for the third year in a row.

Products and consumers

Refined copper is predominantly used in manufacturing cables, transformers and motors as well as castings and alloy-based products. The Tuticorin smelter closure adversely impacted our production in India.

Market drivers and opportunities

Over the medium and long term, we believe copper consumption in India and China is likely to increase, driven by population growth, urbanisation, the rise of aspiring middle class and demand for electric vehicles. These trends are supported by enabling government measures and initiatives. In addition, this high prices for commodities remain a key factor going forward.

The ongoing focus on green infrastructure, coupled with President Biden’s \$ 2 trillion plan have fuelled optimism in copper given the expectation that demand for the metal will grow over the coming years. Sales of electric vehicles (EVs) are increasingly gaining popularity as a means of reducing carbon footprint. Although the pandemic drove global car sales down by 16% in 2020, EV sales jumped by around 40% to around three million vehicles. This trend has continued into the first quarter of 2021, especially in those countries and regions where governments have provided or extended fiscal incentives that have shielded EV purchases from the overall downturn in car markets.

Aluminium

LME prices and world trade scenario

It was a bearish first two quarters for aluminium LME with prices at \$ 1,713 per ton in quarter 1 of 2020 and \$ 1,527 per ton in quarter 2 of 2020, primarily driven by lower demand due to disruption in global economic activity on account of COVID-19 pandemic. With economic activities reviving in second half of 2020, the aluminium LME was bullish in the last two quarters with prices at \$ 1,741 per ton in quarter 3 of 2020 and \$ 1,930 per ton in quarter 4 of 2020. This was driven by increase in demand in the second half of 2020. On a year-on-year basis, there was drop in aluminium LME by 5% to \$ 1,728 per ton in 2020 from \$ 1,811 per ton in 2019.



The global aluminium supply increased marginally by 2% from approximately 63 million tons in 2019 to approximately 65 million tons in 2020 with the increase of production in China. There were hardly any production cuts reported on account of the pandemic. The global aluminium production is expected to increase by approximately 5% to approximately 68 million tons in 2021 primarily being driven by planned smelter ramp ups across India and China. Additionally, the demand showed bearish sentiments due to COVID-19 pandemic and dropped by 3% in 2020 to approximately 63 million tons from approximately 65 million tons in 2019. While the demand in the rest of the world has bounced back to pre-COVID era, the growth in China demand was appreciable since quarter 2 of 2020 and has led the recovery. The global demand for primary aluminium is expected to increase by approximately 9% in 2021 to approximately 69 million tons, the biggest boost coming from construction and transport sector across geographies backed by government stimulus.

The global demand for primary aluminium in 2020 was at approximately 63 million tons, whereas the overall aluminium demand was at approximately 86 million tons. It was reported that the total primary demand outside of China stood at 5 million tons for the first quarter of fiscal year 2021, lower by 22% quarter on quarter, which is one of the biggest quarterly declines since 2009. The total primary consumption in China had fallen to 7 million tons in the fourth quarter of fiscal year 2020, when the pandemic was at its peak in China, but the demand in China has since recovered with an increase of 45% in the first quarter of fiscal year 2021. The global primary aluminium demand for 2021 is estimated to be around 69 million tons.

Consumption is expected to grow over the next decade with innovation in automobile industry across vehicular light-weighting and increasing adoption of electric vehicles. The rapidly urbanising Asia-Pacific and African economies (mainly emerging markets) with demand mainly growing in packaging, automobile, construction and power sectors is expected to keep the global aluminium market buoyant for the years to come.

Products and consumers

Vedanta Limited operates one of the largest single-location smelters in the world at its Jharsuguda facility with a 2.3 mtpa proposed aluminium capacity. For the fiscal year 2021, the estimated share for Vedanta Limited (including BALCO) in India for aluminium was approximately 47% among the primary aluminium producers in India, based on internal estimates. Our product range includes aluminium ingots, primary foundry alloys, wire rods, billets, slabs and rolled products. The Company caters to electrical, automotive, building and construction segments, along with a host of other industries, well supported by its high-quality value-added product portfolio. Around 37% of our total aluminium sales globally were value-added products.

During Fiscal year 2021, approximately 32% of our total sales were to the Indian market, specifically for the use in electrical, construction and transportation industries, of which 60% of domestic sales were for value-added products.

During the year, we expanded our market reach in Asian and North American destinations, primarily in VAP, wherein we increased our billet sales in South-East Asia, Indian Subcontinent and Africa, wire rod in Middle East and North America and primary foundry alloys sales in South Korea. International sales to our established customers in other key Asian, European and North and South American markets increased to 1.36 million tons vis-à-vis last year at 1.26 million tons.

Indian market drivers and opportunities

The Indian market is expected to have robust growth, supported mainly by the increased industrial activity and government focus on infrastructure sector and domestic manufacturing in the country. Total aluminium consumption in India decreased in 2021 from 2020 levels due to the pandemic. We believe the long-term demand for aluminium in India and the sub-continent will remain robust backed by increased industrial activity and government focus on the infrastructure sector in the country. Several government initiatives like Make-in-India, Production Linked Incentive for domestic manufacturing, National Infrastructure Pipeline and National Rail Plan have been rolled out that will push the aluminium demand in the country, propelled by infrastructure, automotive and power sector. The Indian government is investing over \$ 1 billion in its 'Make in India' initiative. The aluminium consumption is expected to rise in India with these initiatives lined up in the country, which is in line with India's 5 trillion-dollar economy vision.

We believe there is a huge potential for increasing aluminium usage in India in building and construction, automotive and packaging industries. We continue to expand our value-added product portfolio in line with evolving market demand, positioning us for growth in the Indian aluminium market.

4. Power

Domestic demand driving capacity expansion

Vedanta Limited operates over 9,000 MW diversified power portfolio in India consisting of 96% thermal power and 4% from renewable energy sources.

India is the third largest electricity producer in the world. The electricity generation target for conventional sources for the fiscal year 2021-2022 had been fixed at 1,356 billion units (BU), 9.83% higher year on year. During fiscal year 2016-2021, electricity production in India grew at a CAGR of 1.0%, driven by Government initiatives and schemes to expand electrification and provide round-the-clock power supply.



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VEDANTA 20-F - IFRS	None		SNG		HTM ESS	0C

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Products and consumers

Of our cumulative power portfolio, 38% is used for commercial power, while the remaining 62% is intended for captive use. Entire power generated for commercial purposes is backed by long-term Power Purchase Agreements with state distribution companies.

The Ministry of Power, GoI issued an order dated June 28, 2019 that has directed the DISCOMs (electricity distribution companies in India) to service entire payments for any power supplied since August 2019 on advance basis. This has brought down the billing payment cycle across India.

Market Drivers and Opportunities

India's power demand is expected to grow rapidly to 1,895 TWh by 2022, from 691 TWh in 2007 at 7% CAGR, driven predominantly by the expansion in industrial activities, a growing population, rising per capita income, policy support and increasing electricity penetration.

The Government has also been supportive of growth in the power sector, delicensing the electrical machinery industry and allowing 100% Foreign Direct Investment ("FDI"). From April 2000 to December, 2020, total FDI in the sector was \$ 15.4 billion, of which \$ 9.8 billion was invested in non-conventional power sources above.

The Government has recently opened the coal sector for commercial mining, with revenue sharing based model, which is expected to ease any coal availability issues during peak demand season. In the wake of surging domestic coal production, the country's power sector is becoming increasingly stable.

At Vedanta, we are looking at expanding the renewable energy generation portfolio. Notification by the Ministry of Power on biomass co-firing allows blending up to 5% – 10% biomass, considering it as renewable power.

This has opened additional avenues for utilising renewable power in existing thermal power plants. Vedanta has successfully completed pilot projects for using biomass for power generation in its thermal power plants at Jharsuguda that supply power for aluminium production.

As of April 30, 2021, India had total installed capacity of 383 GW, of which thermal constituted 235 GW, nuclear 7 GW, hydro 46 GW and renewables at 95 GW. The total captive power installed capacity stood at 78 GW.

Currently, India has a demand-supply gap of around 0.5%, providing an encouraging headroom for growth in the power market. The target for renewable energy has also been increased to 227 GW by 2022, of which 114 GW will be produced through solar power.

Vedanta's power portfolio is well positioned to capitalise on India's growing demand for power.

5. Steel**The construction sector is boosting steel demand**

Global crude steel production reached 1,864.0 million tonnes (Mt) for the year 2020, down by 0.9% compared to 2019. India's crude steel production for 2020 was 99.6 Mt, down by 10.6% on 2019. Japan produced 83.2 Mt in 2020, down 16.2% on 2019. India beats Japan again and maintains the second position. While there is a slight decrease in steel demand recovery from 2019 to 2020, however it is expected to increase by 5.8% in 2021. As a result, steel prices are expected to experience volatility in 2021. India's steel demand has shown a marginal decline of 13.74% from 102.6 Million tons in Fiscal Year 2019 to 88.5 million tons in Fiscal Year 2020. World steel consumption is expected to see a rise of 5.8% in 2021 post virus outbreak. The global steel production volume is estimated to reach 2175 million tonnes in 2024, growing at a CAGR of 4.50% for the period spanning from 2020 to 2024.

India's steel use per capita for finished steel products stood at 74.6 kg, way below the world average of 227.5 kg, suggesting a huge unrealised potential for steel demand growth. Recently, India has been trying to unleash this through an extensive reform agenda and an ongoing push for infrastructure development. These factors, along with favourable demographics, are improving the macroeconomic fundamentals.

India was a net exporter in fiscal year 2021 at 0.59 million tons net exports compared to net importer in fiscal year 2020 with exports increased to 10.79 million tons a growth of 30% in fiscal year 2021 compared to fiscal year 2020 at 8.3 million tons. However, the country is expected to witness a sudden increase in exports in fiscal year 2022 as well.

Products and consumers

We completed the acquisition of ESL, an integrated steel plant on June 4, 2018. ESL is primarily selling Wire rod, TMT and DI pipe products in India mainly to the construction, infrastructure and automotive sectors.

Market drivers and opportunities

Steel demand is expected to see a surge in 2022 owing to recovering economy, sprouting demand, and improving prices. This surge will be influenced by the Government's intention to spend larger capital on infrastructure projects in the coming year which will have a multiplier impact on the demand of steel.



OUR BUSINESS

Overview

We are a globally diversified natural resources company with low cost operations. Our business is principally located in India. We have operations and projects in India, South Africa, Namibia, UAE, Ireland, Australia, Japan, South Korea, Taiwan and Liberia and have over 15,000 employees worldwide. We are primarily engaged in zinc, oil and gas, iron ore, copper, aluminium, commercial power generation and steel businesses and are also developing and operating port operation, glass businesses and infrastructure assets. We have expanded our existing business across oil and gas, copper, zinc, aluminium and iron ore and acquired new businesses, such as, the steel business through acquisition of ESL in 2018. We believe our experience in operating and expanding our businesses in India will allow us to capitalize on attractive growth opportunities arising from India's large mineral reserves, relatively low cost of operations and large and inexpensive labor and talent pools. We believe we are also well-positioned to take advantage of the significant growth in industrial production and investments in infrastructure in India, China, Southeast Asia and the Middle East, which we expect will continue to generate strong demand for metals, oil and gas and power.

We are the leading and only integrated zinc producer with a 77.0% market share by sales volume of the Indian zinc market in fiscal year 2021, according to the India Lead Zinc Development Association ("ILZDA"), and among the primary producers of aluminium with approximately 40.0% primary market share amongst the total domestic sales in India based on internal estimates in fiscal year 2020. Together with our joint operation partners, we account for approximately 25% of India's domestic crude oil production as of March 31, 2021, according to the provisional data published by Petroleum Planning and Analysis Cell of MoPNG.

We are one of the two custom copper smelters in India with a 22.0% primary market share by sales volume in fiscal year 2021, according to the International Copper Association (India).

I. Zinc Business

Our fully-integrated Zinc India business is owned and operated by HZL. In 2021, HZL was the second largest zinc-lead miner and fourth largest zinc-lead smelter based on production volumes and in the lowest cost decile in terms of all zinc mining operations worldwide, according to Wood Mackenzie Production Rankings. We have a 64.9% ownership interest in HZL, with the remainder owned by the GoI (29.5%) and institutional and public shareholders (5.6%). We have exercised the second call option to acquire the GoI's remaining ownership interest in HZL although the exercise is currently subject to dispute. HZL's operations include five lead-zinc mines, one rock phosphate mine, four hydrometallurgical zinc smelters, two lead smelters, one pyrometallurgical lead-zinc smelter, eight sulphuric acid plants, six captive power plants in northwest India, and processing and refining facilities for zinc, lead and silver at Pantnagar, located in the state of Uttarakhand in northern India. HZL's mines supply almost all of its concentrate requirements. The silver refinery of HZL has been added to the London Bullion Market Association's (LBMA) good delivery list for silver with effect from April 16, 2018. HZL is India's third refiner to be listed on LBMA. LBMA lists those refineries whose gold and silver bars have found, when originally tested, to meet the required standard for acceptability in the London bullion market. HZL is among the top 10 silver producers globally.

Our Zinc International business comprises (i) 100.0% stake in Skorpion, which owns the Skorpion mine and refinery in Namibia and (ii) 74.0% stake in Black Mountain Mining, which owns the Black Mountain mine and the Gamsberg mine in South Africa.

II. Oil and Gas Business

Our oil and gas business is primarily owned and operated by Vedanta Limited and its subsidiary – CIHL. The oil and gas business segment has a diversified asset base with 58 blocks in India. The blocks are primarily located across the Indian basins in Barmer, Krishna-Godavari, Cambay, Assam, Gujarat Kutch and Cauvery.

Vedanta Limited is primarily engaged in the business of exploration, development and production of crude oil, gas and related by-products. Oil and gas business continues to contribute significantly to India's domestic crude oil production. Vedanta Limited operates approximately 25% of India's domestic crude oil production as of March 31, 2021.

III. Iron Ore Business

We are engaged in the exploration, mining and processing of iron ore. In India, we own the rights to reserves consisting of 76.2 million tons of iron ore at an average grade of 46.3%, as of March 31, 2021. In addition, we manufacture pig iron and metallurgical coke, and also operate two waste heat recovery plants of 30 MW each in Goa.

Our mining operations are carried out in the states of Goa and Karnataka, both of which became subject to suspension of mining activities due to alleged environmental and other violations by miners, which has adversely impacted our production of iron ore since August 2011. In Goa the suspension was imposed by the state government of Goa and this suspension was upheld by the Supreme Court of India on the mining activities in the state of Goa from September 2012 to April 2014 and in Karnataka suspension imposed by the state government of Karnataka until April 2013. Although we resumed operations in Karnataka after receiving the stage I forest clearance from the state government of Karnataka and a temporary working permission from the MoEF&CC, the temporary working permission expired on July 31, 2014. Karnataka operations were halted for the period from August 1, 2014 to February 27, 2015. We resumed operations in Karnataka after all statutory clearances were in place from February 28, 2015. Following the Supreme Court of India's order in April 2014, High Court of Bombay at Goa in August 2014 has pronounced the order to renew mining leases in Goa. The MoEF&CC and the state government have also revoked their suspension orders subject to limits imposed by the Supreme Court, for renewal of the leases and consent to operate from the Government of Goa. In August 2015, our mining operations resumed in our principal mines after completion of necessary statutory formalities and fulfillment of conditions annexed by the Supreme Court and the state government of Goa. The Supreme Court passed its final order in the matter on February 7, 2018 wherein it set aside the second renewal of the mining leases granted by the state of Goa. The Supreme Court directed all lease holders operating under a second renewal to stop all mining operations with effect from March 16, 2018 until new mining leases (not new renewals or other renewals) and new environmental clearances are granted under the MMDR Act. Our mines in the state of Goa were impacted consequent to the judgement of the Supreme Court. We have filed review petition against the SC judgment dated February 7, 2018.



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VEDANTA 20-F - IFRS	None		SNG		HTM ESS	OC

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We had also acquired the WCL iron ore project in Liberia, which is at the exploration stage, comprising Bomi hills, Bea Mountain and Mano river deposits.

IV. Copper Business

Our copper business is principally one of custom smelters. Our assets include a smelter, a refinery, a phosphoric acid plant, a sulphuric acid plant, a copper rod plant and three captive power plants at Tuticorin in Southern India, a refinery and a copper rod plant and three blister/secondary material processing plant at Silvassa in Western India, a precious metal refinery that produces gold and silver, a doré anode plant and a copper rod plant at Fujairah in the UAE. We own the Mt. Lyell copper mine in Tasmania, Australia. The operation of Mt Lyell mine was suspended in January 2014, following a mud slide incident. Subsequently, the operations at Mt. Lyell copper mine has been placed under care and maintenance since July 9, 2014 following a rock falling on the ventilation shaft in June 2014.

The Government of Tamil Nadu has issued orders dated May 28, 2018 with a direction to permanently seal the existing copper smelter plant unit at Tuticorin. The Company has filed an appeal before NGT, Principal Bench challenging the closure order for sealing of the existing plant. Separately, SIPCOT vide its letter dated May 29, 2018, cancelled 342.22 acres of the land allotted to us for the proposed expansion project, which has been stayed by High court of Madras. Further the TNPCB issued orders on June 7, 2018 directing the withdrawal of the Consent to Establish, which was valid till March 31, 2023. The Company had 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 judgement wherein it dismissed all the Writ Petitions filed by the Company. The Company has approached the Supreme Court and challenged the said High Court order by way of a SLP to Appeal and also filed an interim relief for care and maintenance of the plant. The matter was then listed on December 02, 2020 before Supreme Court Bench. The Bench 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. Further, Hon'ble Supreme Court held that the case will be listed once physical hearing resumes in the Supreme Court. The matter was again mentioned before the bench on March 18, 2021, wherein the matter was posted for hearing on August 17, 2021.

Aluminium Business

Our aluminium business is based out of Chhattisgarh and Odisha. We operate the business in Chhattisgarh through BALCO, in which we have a 51.0% ownership interest, with the remainder owned by the GoI. We have exercised our option to acquire the GoI's remaining 49.0% ownership interest, although the exercise is currently subject to dispute. BALCO's operations include two bauxite mines, one coal mine, 1,710 MW captive power plants, an alumina refinery (operations of which have been suspended since September 2009), a 245,000 tpa aluminium smelter, a 325,000 tpa aluminium smelting and fabrication facilities in Central India.

Our aluminium operations in Odisha were earlier operated through Vedanta Aluminium Limited, which is now merged with Vedanta Limited pursuant to the Re-organization Transactions. The operations include 2.0 million tpa alumina refinery at Lanjigarh with associated 90 MW coal based captive power plant. The alumina refinery at Lanjigarh was commissioned in March 2010 and second stream was restarted in April 2016 increasing the alumina refinery's total capacity to 1.4 million tpa. We also capitalized a debottlenecking project for the alumina refinery in March 2017 increasing the refinery's total capacity to 2.0 million tpa.

At Jharsuguda, the Company operates two smelters with a combined capacity of 1.75 million tpa. The first is one of 0.5 million tpa, which is fully operational. The second is one of 1.25 million tpa capacity which is under ramp-up and once fully operational, it will take the total capacity at Jharsuguda to 1.75 million tpa. We also have associated 1,215 MW and 1,800 MW (three units of 600 MW each) coal based captive power plants at Jharsuguda. Our 1.25 million tpa smelter initially commenced production on December 1, 2015 and 1,176 pots have been capitalized as of March 31, 2021.

V. Power Business

We operate multiple power plants across locations in India. Our power business comprises of 600 MW thermal power plant in Jharsuguda, Odisha, 300 MW thermal power plant in BALCO, Chhattisgarh, 485.5 MW thermal power plants in Rajasthan, 106.5 MW thermal power plant in Tamil Nadu and a 1,980 MW thermal power plant in Mansa, Punjab.

We, currently, operate a 600 MW thermal coal-based commercial power facility at Jharsuguda and it has a power purchase agreement with GRIDCO Limited, a nominee of the state government of Odisha ("GRIDCO").

BALCO used to operate two independent power plants units with a total installed capacity of 600 MW which are a part of its 4 x 300 MW power plant. However, it now just operates a 300 MW unit as an independent power plant. The other 300 MW unit has been converted to a captive power plant, as per order received from Chhattisgarh State Electricity Regulatory Commission ("CSERC") for conversion of 300 MW capacity from independent power plant ("IPP") to captive power plant ("CPP").

In July 2008, Sterlite Energy succeeded in an international bidding process and was awarded the project for the construction of a 1,980 MW (comprising three units of 660 MW each) coal-based commercial thermal power plant at Talwandi Sabo in the State of Punjab in India. The power plant was set up through Vedanta Limited's wholly owned subsidiary TSPL. All 3 units have been fully commissioned now.

Our power business also includes 274 MW of wind power plants operated by HZL and 106.5 MW power plant at MALCO situated at Mettur Dam in southern India. The MALCO plant has been put under care and maintenance from May 26, 2017.



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VI. Steel Business

We operate the steel business through ESL in which we have 95.49% ownership interest as at March 31, 2021. ESL owns and operates an integrated steel manufacturing facility near Bokaro, Jharkhand and has a current capacity of 1.5 mtpa. It primarily consists of one sinter plant, a vertical coke oven plant, two blast furnaces, an oxygen plant, a lime calcination plant, a steel melting shop, a wire rod mill, a bar mill, a captive power plant and a DI pipe plant. ESL is selling primarily TMT bars, wire rods, DI pipes, pig iron and steel billets in open market and has established its presence in the domestic market.

ESL, our subsidiary filed an application for renewal of CTO on August 24, 2017 for the period of five years which was denied by Jharkhand State Pollution Control Board (“JSPCB”) on August 23, 2018. On August 25, 2018, the Hon’ble High Court of Jharkhand granted stay against said order of denial of CTO by JSPCB to allow to continue the operations. Further, the MoEF&CC passed an order revoking the environmental clearance of ESL. ESL challenged the revocation of the environmental clearance before Hon’ble Jharkhand High Court and on September 27, 2018, the High Court stayed the order of MoEF&CC. In December 2019, ESL has been granted the Stage I forest clearance by MoEF&CC. ESL is working out appropriate solution to secure the revised environmental clearance in due course. MoEF&CC, on August 25, 2020, has granted a Terms of Reference to ESL for 3 MTPA plant with conditions like fresh EIA/EMP reports and public hearing. The Hon’ble High Court of Jharkhand had extended the interim protection granted in the pending writ petitions till September 16, 2020. Hon’ble High Court on September 16, 2020 pronounced and revoked the interim stay for plant continuity with effect from September 23, 2020. ESL filed a SLP before Hon’ble Supreme Court against September 16, 2020 order for grant of interim status quo order and plant continuity. Vide order dated September 22, 2020, Hon’ble Supreme Court issued notice and allowed plant operations to continue till further orders. Public hearing has been concluded on December 16, 2020, and ESL has applied for grant of Environment Clearance to MoEF&CC on January 11, 2021 on Parivesh Portal of MoEF&CC and presented before EAC on February 11, 2021. The revised proposal has been submitted on March 14, 2021 post inputs from February 11, 2021 meeting. The application is under perusal at the MoEF&CC. See “Item 8—Financial Information—A. Consolidated Statements and Other Financial Information—Legal Proceedings” for further details. Any unfavourable judgement will result in adverse impact on our operations at ESL.

Strategy

Our strategic goal is to become one of the top diversified natural resources company globally, and our strategy is based on the following five key pillars:

– *Delivering profitable production growth across the portfolio*

We view strict cost management and increases in productivity as fundamental aspects of our day to day operations and continuously seek to improve efficiency. We continued to be in the lowest cost decile in terms of cost of production in our zinc mining operations worldwide in fiscal year 2021, according to Wood Mackenzie, and we intend to continue to improve our production processes, methods and increase operational efficiencies to further reduce our costs of production in all our businesses. Our current initiatives include:

- seeking improvements in operations to maximize throughput, faster ramp up of mining operations, improve plant availability and efficiency to achieve production, increase in our existing facilities with minimum capital expenditures to optimize our asset utilization;
- reducing logistics costs through various initiatives;
- reducing energy costs and consumption, including through continued investment in advanced technologies to reduce power consumption in the refining and smelting processes and in captive power plants to provide the required power;
- a strong development and exploration effort seeking to increase reserves, particularly in our zinc and oil and gas business;
- building and managing our captive power plants to supply a majority of the power requirements of our operations;
- gaining access to relatively large and inexpensive labor and talent pools in India;
- increasing automation to reduce the manpower required for a given level of production volume;
- continuing to improve recovery ratios such that more finished product is obtained from a given amount of raw material;
- reducing purchase costs, including by entering into long-term contracts for raw materials, making investments in mining operations and optimizing the mix of raw material sourcing between long-term contracts and the commodities spot markets to address fluctuations in demand and supply;
- securing additional sources of coal through coal block allocations and coal linkages, which are long-term supply contracts for delivery of coal, for use in power plants;
- improving access to bauxite mines for our aluminium business in Odisha;
- full capacity ramp up at the Jharsuguda-II;
- operationalising our Jamkhani coal block in the fiscal year 2022;
- improving value added product portfolio at Zinc, Aluminum and steel business to improve realisations;
- seeking better utilization of by-products, including through adding additional processing capabilities to produce end-products from the by-products that can be sold at higher prices and help lower the cost of production of our core metals. For example, silver and sulphuric acid are by-products of zinc and lead. We are amongst top ten silver producers of the world, according to Wood Mackenzie;
- commissioning of minor metal plants viz cadmium plant, copper matte, Antimony plant, Cobalt plant, RZO plant etc. at Dariba and Chandaria to increase minor metal credits to cost;
- invest in a rich set of project portfolio comprising enhanced oil recovery projects, tight oil projects, tight gas projects and exploration prospects;
- project execution in partnership with global oil field service companies with a built-in risk and reward mechanism to derive incremental value from schedule and recoveries in oil and gas unit;
- exploration of blocks secured through participation in OALP;
- evaluating additional opportunities to expand the exploration portfolio through participation in Open Acreage Licensing Policy;
- faster ramp up of phase II and phase III of Gamsberg project;
- faster progress on Gamsberg smelter project;



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- ramping up production volumes of silver;
- ramping up shaft at Sindesar khurd and Rampura Agucha mines;
- ramp up of mining capacities at Rajpura Dariba and Zawar mines to 2 mtpa and 5 mtpa respectively;
- debottlenecking of smelters at Dariba and Chanderiya;
- ramp up production at fumer plant;
- aggressive exploration program focusing on delineating and upgrading Reserves and Resources (R&R) within its license areas across mines;
- ramp up of underground mines towards their design capacity;
- to execute growth projects at oil and gas business;
- evaluate further opportunities to expand the exploration portfolio through OALP and other opportunities;
- to expand our R&R base through targeted and disciplined exploration programmes by developing both green field and brown field opportunities;
- disciplined capex and prioritizing capital to high return, low risks project maximizing cash flows for providing the flexibility to invest further;
- resumption of mining operations in Goa through continuous engagement with the Government and the judiciary;
- increase our footprint in iron ore by continuing to participate in auctions across the country, including Jharkhand;
- securing environmental clearance for expansion and debottlenecking of Pig Iron plant to increase production capacity by 1.7 LTPA
- advocacy for removal of E-auction/trade barrier in Karnataka;
- engage with government and relevant authorities to enable the restart of operations for copper business in India;
- to expand operations of Avanstarte Inc during the fiscal year 2022 to the China Market; and
- acquiring attractive, complementary assets in the natural resources segment that add value to our portfolio.

– **Consolidation and simplification of the group structure**

We are continuously seeking to increase our direct ownership of our underlying businesses to simplify and derive additional synergies and better align cash flows and debt as an integrated group by consolidating our corporate structure and integrating our operations. For example, during fiscal year 2017, we successfully completed our merger with Cairn India Limited (now Vedanta Limited - oil and gas business) and during fiscal year 2018, we had initiated the liquidation of TMHL, TEHL and SSMHL as part of an internal restructuring which has been accepted by Director of Insolvency, Mauritius in fiscal year 2020. TMHL was dissolved with effect from May 19, 2019, TEHL was dissolved with effect from May 21, 2019 and SSMHL was dissolved with effect from May 21, 2019.

We own majority ownership interests in BALCO and HZL and have offered to acquire the remaining shares of both BALCO and HZL from the GoI. As on date, these offers have not been accepted by the GoI and therefore there is no certainty that these acquisitions will proceed. *See "Item 4 - Information on the Company - B. Business Overview - Our Business - Options to Increase Interests in HZL and BALCO."*

With approval granted by NCLT, Kolkata Bench, for the Scheme of Amalgamation, Vedanta Star Limited has merged with Electrosteel Steels Limited and we now directly hold 95.49% in ESL.

– **Continuing to add reserves and resources for long-term value**

Our acquisitions of HZL, BALCO, Sesa Resources Limited, Skorpion, Black Mountain Mining, Sterlite Energy, WCL, Cairn India Limited (now Vedanta Limited - oil and gas business), ESL, ASI and FACOR have contributed substantially to our growth. We continually seek new growth and acquisition opportunities in the metals and mining and related businesses in India and elsewhere, including through government privatization programs, where we can leverage our skills and experience. We continue to closely monitor the resource markets in our existing lines of business as well as seek out opportunities in complementary businesses such as coal mining. We also intend to continue to seek out new exploration opportunities for future growth. By selecting opportunities for growth and acquisition carefully and leveraging our skills and experience, we seek to continue to expand our business while maintaining a strong balance sheet and good credit profile.

– **Accelerating cash flows and deleveraging**

We aim to increase our cash flows from operations and decrease capital expenditures, and the indebtedness required to fund capital expenditures. As on March 2021, our projects have an estimated total capital expenditure cost of ₹ 825,312 (\$ 11,284 million), of which ₹ 570,931 million (\$ 7,806 million) had been incurred. Net cash from operating activities was ₹ 295,952 million (\$ 4,046 million) in fiscal year 2021, 62.26% increase from ₹ 182,393 million in fiscal year 2020. We paid interest of ₹ 53,499 million (\$ 731 million) on our indebtedness in fiscal year 2021, a 3.92% decrease from ₹ 55,682 million in fiscal year 2020.

Protect and preserve license to operate

Health and safety continue to be a high priority for us and we are committed to protect and preserve our license to operate. Our business strategy is about ensuring that growth is maximized in a way that is both sustainable and responsive. The four core pillars - responsible stewardship, building strong relationships, adding and sharing values and strategic communication are designed to support the long term development, ensuring long lasting relationship and providing superior returns to all our stakeholders.



We are leading a 'zero harm' culture across the organization and we will continue to strengthen our strategy of responsible stewardship. We aim to focus on zero fatality and reduction in loss time injuries across the businesses.

Basis of Presentation of ore reserves

The reported metal reserves are defined as being either "ore reserves" if reported in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and ore reserves, 2004 Edition, prepared by the Joint ore reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (the "JORC Code") or "mineral reserves" if reported in accordance with the South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves which sets out minimum standards, recommendations and guidelines for public reporting of exploration results, Mineral Resources and Mineral Reserves in South Africa (the "SAMREC Code"). The meanings and definitions are the same. For convenience, we have standardized the term "ore reserves". The results are reported in compliance with Industry Guide 7 of the US Securities and Exchange Commission, or the SEC.

The reported ore reserves of each mine are derived following a systematic evaluation of geological data and a series of technical and economic studies by our geologists and engineers.

- The ore reserves of HZL's Rampura Agucha, Rajpura Dariba, Sindesar Khurd, Zawar and Kayad mines were audited by SRK Consulting (UK) Limited as of March 31, 2021.
- The ore reserves of Skorpion's Skorpion mine were audited by SRK Consultants (UK) Ltd as of March 31, 2021.
- The ore reserves of Black Mountain Mining's Black Mountain mine and Gamsberg mine were audited by SRK Consultants (UK) Ltd as of March 31, 2021.
- The proved oil, condensate, and sales-gas reserves blocks of Vedanta Limited—oil and gas business and its subsidiaries were evaluated by DeGolyer and MacNaughton ("D&M") as of March 31, 2021.
- The ore reserves of our iron ore mines in India were audited by SRK Consulting (UK) Limited as of March 31, 2021.
- The ore reserves of our iron ore mine in Liberia were audited by Roscoe Postle Associates Inc. as of April 6, 2014.
- The ore reserves of BALCO's Mainpat and Bodai-Daldali bauxite mines were audited by SRK Consulting (UK) Limited as of March 31, 2020.

An "ore reserve" is the economically mineable part. It includes diluting materials and allowances for losses which may occur when the material is mined. Appropriate assessments and studies have been carried out and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate that at the time of reporting that extraction could reasonably be justified. Ore reserves are further sub-divided in order to increase confidence into probable ore reserves and proven ore reserves.

In addition to the ore reserves we have identified further mineral deposits as either extensions of or additions to our existing operations that are subject to ongoing exploration and evaluation.

Our Zinc India Business

Overview

Our Zinc India business is owned and operated by HZL. HZL's fully-integrated zinc operations include five lead-zinc mines, one rock phosphate mine, four hydrometallurgical zinc smelters, two lead smelters, one pyrometallurgical lead-zinc smelter, eight sulphuric acid plants and six captive power plants at our Chanderiya, Dariba and Zawar facilities in the state of Rajasthan and processing facilities for zinc and lead as well as a silver refinery at Pantnagar, located in the State of Uttarakhand in northern India. HZL sources all of its concentrate requirements from its mines. HZL's operations also includes 39.6 MW solar power projects installed at its Agucha, Debari and Dariba complexes and a 35.3 MW waste heat recovery power plant adjunct to its captive power plants.

We first acquired an interest in HZL in April 2002 and have since then significantly improved its operating performance through expansion and by improving operational efficiencies and reducing unit costs.

HZL pays royalties to the state government of Rajasthan based on its extraction of lead-zinc ore. With effect from September 2014, the royalty rate increased from 8.4% to 10.0% of the LME zinc metal price payable on the zinc metal contained in the concentrate produced and from 12.7% to 14.5% of the LME lead metal price payable on the lead metal contained in the concentrate produced. For silver, HZL pays royalty at a rate of 7.0% of the silver LBMA price chargeable on silver-metal produced. The royalties are subject to change. Further, the MMDR Amendment Act, notified towards the end of fiscal year 2015, notifies an amount not exceeding royalty to be contributed to the DMF for the benefit of people affected by mining and an additional 2.0% of royalties to the National Mineral Exploration Trust (NMET). DMF contribution has now been notified at 30.0% of base royalty rates. See "Item. 3—Key Information—D. Risk Factors—Risks Relating to Our Industry—Changes in tariffs, royalties, cess, customs duties, export duties and government assistance may reduce our Indian market domestic premium, which would adversely affect our profitability and results of operations".

We have a 64.9% ownership interest in HZL, while the balance share is owned by the GoI (29.5%) and institutional and public shareholders (5.6%). We have exercised the second call option by a letter dated July 21, 2009 to acquire the GoI's remaining ownership interest in HZL although the exercise is currently subject to dispute. See "- Options to Increase Interests in HZL and BALCO - Call Options over shares in HZL".

a. Principal Products

o Zinc

We produce and sell zinc ingots in five international standard grades: Special High Grade (SHG - 99.995%), High Grade (HG - 99.95%), Continuous Galvanising Grade (CGG - 99.5%), Prime Western (PW - 98.0%) and Hindustan Zinc Die-casting Alloy (HZDA - 95.0%). We sell most of our zinc ingots to Indian steel producers for galvanizing steel to improve its durability. Some of our zinc is also sold to alloy, dry cell battery, die casting and chemical manufacturers.



o *Lead*

We produce and sell primary lead ingots of 99.99% and 99.97% purity, primarily to battery manufacturers and to a small extent to chemical manufacturers.

b. By-products

o *Sulphuric Acid*

Sulphuric acid is a by-product of our zinc and lead smelting operations. We sell sulphuric acid to fertilizer and cement manufacturers and in other industries also.

o *Silver*

Silver occurs naturally in our zinc and lead ore and is a by-product of our lead smelting operations. We produce and sell silver ingots primarily to industrial users and traders of silver.

c. Lead-Zinc Mines

HZL normally sources all of the lead-zinc ore required for its business from its underground mines at Rampura Agucha, Zawar, Rajpura Dariba, Sindesar Khurd and Kayad in the state of Rajasthan in northwest India. Lead-zinc ore extracted from the mines is conveyed to beneficiation plants that processes the ore into zinc and lead concentrates. With good ore mineralogy providing a high metal recovery ratio, the Rampura Agucha mine including its satellite Kayad mine accounted for 53.6% of HZL's total mined metal in zinc and lead concentrate produced in fiscal year 2021, with the Zawar, Rajpura Dariba and Sindesar Khurd mines accounting for the remaining 13.7%, 4.9% and 27.8%, respectively. Then zinc and lead concentrates are transported by road to the nearby Chanderiya, Dariba and Debari smelters.

Our mining capacities are governed by reserve and resources, mine plan and environmental clearances. Based on such approvals, the capacities are approximately 6.15 mtpa, 4.0 mtpa, 6.0 mtpa, 1.2 mtpa and 1.2 mtpa for Rampura Agucha mine, the Zawar mine, the Sindesar Khurd mine, the Rajpura Dariba mine and the Kayad mine respectively, in fiscal year 2021.

d. Zinc Smelters

HZL has two types of zinc smelters, namely hydrometallurgical and pyrometallurgical. Four of HZL's smelters are hydrometallurgical and one is pyrometallurgical.

The hydrometallurgical smelting process is a roast, leach and electrowin ("RLE") process. Zinc concentrate is first oxidized in roaster and the gases generated are cleaned and sent to the sulphuric acid plant. The primary output from the roaster, called calcine, is sent to the leaching and purification plant to produce purified zinc sulphate. The purified zinc solution then goes through an electrolysis process to produce zinc cathodes. Finally, zinc cathodes are further processed and casted into zinc ingots at the processing and refining facilities in the state of Uttarakhand in northern India.

The pyrometallurgical smelter uses the imperial smelting process or ISPTM, where the process starts with sintering to remove the sulphur from concentrate and then generated gases are cleaned and sent to the sulphuric acid plant. The output of the sinter machine is fed into an imperial smelting furnace to smelt with preheated metallurgical coke and air. During the smelting process, molten lead is extracted from bottom of the imperial smelting furnace and zinc rises up as vapor. Vapor is condensed in molten lead bath. The molten lead is cooled to separate out the zinc, which is then passed through a refining process to remove impurities and pure zinc metal is casted into ingots. The lead removed through this process is sent to refinery to produce pure lead metal. In this process, silver is also produced as a by-product which is sent to our facilities in Uttarakhand for refining and casting into silver ingots.

e. Lead Smelters

HZL has two lead smelters in Chanderiya and Dariba. The smelter in Chanderiya uses Ausmelt™ technology and the smelter in Dariba uses Shuikoushan Smelting Technology ("SKS") oxygen bottom blowing technology. There is also a lead-zinc smelter at Chanderiya which uses the pyrometallurgical imperial smelting furnace process.

HZL's lead smelter located in Dariba is based on SKS oxygen bottom blowing technology, where lead concentrate is smelted directly in SKS furnace along with fluxes. SKS furnace produces lead bullion and slag. SKS furnace slag is then reduced in blast furnace to produce bullion. Lead bullion produced in the process is then treated in lead refinery plant to produce high purity electrolytic grade lead cathodes through electrolysis. The lead cathodes are further processed and casted into ingots at the processing and refining facilities in the state of Uttarakhand. Slag from blast furnace is fumed to produce zinc oxide dust. Off-gas containing sulphur dioxide gas is cleaned and treated in the sulphuric acid plant. HZL's lead smelter located in Chanderiya is based on Top Submerged Lance ("TSL") technology where lead concentrate is smelted directly in a vertical furnace along with flux. Lead bullion produced in this process is then treated in the lead refinery plant to produce high purity lead ingots. Off-gas containing sulphur dioxide gas is then cleaned and treated in the sulphuric acid plant.

f. Finishing and Delivery to Customers

The zinc and lead cathodes are transported from its hydrometallurgical plants in Rajasthan to its facilities in Uttarakhand in northern India where they are further processed into zinc and lead ingots. One of the residues from smelting is anode slime and another is high grade lead material, both of which are also transported to Uttarakhand facilities from which silver is processed and casted into silver ingots. The facilities in Uttarakhand, process, refine the zinc, lead and silver and distribute the finished products nationwide, making it a centralized finished goods center for our customers. Zinc and lead ingots are also shipped from the facilities in Uttarakhand for exports, although some quantities of zinc and lead ingots are also produced in Rajasthan for both domestic and export customers. The sulphuric acid by-product is sold ex-works from its facilities in Rajasthan to customers in India.



g. Recognition

- Certified as 2.41 times water positive company
- Sixth Largest Producer of Primary Silver in the World and contribute to over 10% of our domestic demand
- 22 MW solar power project at Rampura Agucha, 12 MW at Debari and 4 MW at Dariba are all registered under Gold Standard, which is the most rigorous certification given globally for carbon offset projects
- Hindustan Zinc is included in the list of A rated companies for climate change carbon disclosure project (CDP)
- Hindustan Zinc is a part of business leader’s group COP 26 which is actively engaged in shaping the agenda for the 26th meeting of countries that signed the United Nations’ framework convention on climate change to be held at Glasgow UK in November 2021
- Maintained our first position in Asia-pacific region in the metal and mining sector for third consecutive year and ranked 7th globally in the metal and mining sector
- Hindustan Zinc has featured in the Sustainability Yearbook for the fourth consecutive year

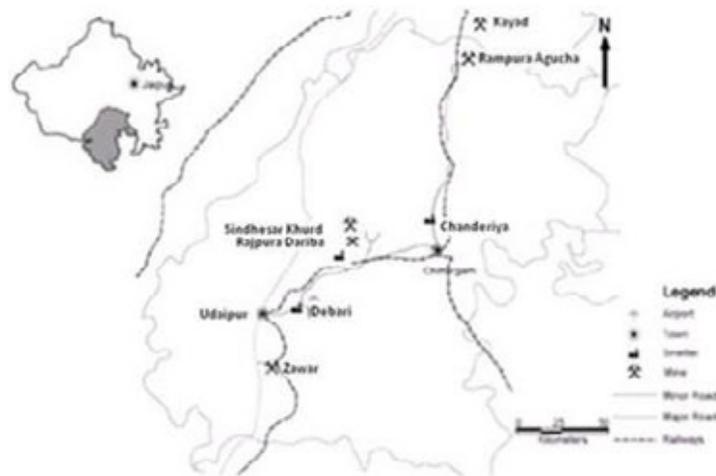
h. Expansion Projects

- Dariba smelting complex has successfully commissioned a 4,500 mtpa freeze precipitation technology plant. This will help to recover sodium sulfate from final multistage RO rejects, which will cater to 1/3 of Dariba’s smelters hydro plant’s input salt requirement.
- Environmental Clearance for Zawar mine expansion from 4 million tons to 4.8 million tons received
- Chanderiya Zinc Smelter has also received environmental clearance for expansion from current 0.42 mtpa to 0.50 mtpa
- Backfill plants at Zawar Mala and Mochia Mines were commissioned
- Due to ongoing COVID-19 disruptions including Visa restrictions for Chinese nationals, final commissioning of fumer plant at Chanderia is not completed yet and efforts are ongoing for an early resumption
- MoU signed with Government of Gujarat to set up 300 KTPA greenfield zinc smelter at Doswada (coastal smelter). Detailed feasibility studies ongoing.

Principal Facilities

Overview

The following map shows the locations of HZL’s facilities in the State of Rajasthan:



Mines

❖ **Rampura Agucha**

The Rampura Agucha lead-zinc mine is located near Gulabpura in the North-west State of Rajasthan.

The good ore mineralogy of the mine provides a high metal recovery ratio and a low overall cost of production for zinc concentrate extracted from the mine. The mining and processing facilities are modern and in good condition.

The ore body is currently mined by underground methods. The open pit operation ceased from the end of March 2018. The capacity of the mine and concentrator was expanded between 2003 and 2010 to 6.2 mtpa for mine and 6.5 mtpa for mill through the purchase of additional mining equipment, upgrades to the truck fleet, improvements to the operational efficiency of the plant and the installation of a new semi-autogenous (“SAG”), mill and ball mill circuit.



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In the underground mines, the ore body is mined by long hole open stoping with pastefill method and loading hauling sequence by using 60 ton truck and a 17/21 ton loader. Ore is fed to the primary crusher and waste is disposed at the waste dump. The mining equipment is largely owner-operated. The processing facility is a conventional crushing, milling and differential lead-zinc floatation plant. Ore is crushed in a series of crushing circuits and then milled in four streams. The zinc and lead concentrates produced are sent to the different smelters of HZL and the tailing portion goes to the tailings dam after thickening. Since 2004, exploration at Rampura Agucha has resulted in significant increases in the reserves at the mine. Following an extensive drilling program to convert mineralized material to reserves, better definition of the ore body boundaries, addition of mineralized material and the conduct of open-pit re-optimization, as well as the commencement of underground mine project work, according to JORC reserves and resources statement, the proven and probable reserves were 42.7 million tons as of March 31, 2021 with an average grade of 11.9% zinc, 1.4% lead and 48.2 ppm silver net off. The drill spacing for the definition of proven reserves were approximately 50 meters by 50 meters while for probable reserves was 100 meters by 100 meters. Open pit mine operation has ceased from the end of March 2018, and underground mine operations are continuously ramping up in sustaining ore production from Rampura Agucha.

As of March 31, 2021, HZL estimates the remaining mine life at Rampura Agucha to be 8 years based on (i) reserves; and (ii) planned production which is determined on the basis of a life-of-mine plan. During fiscal year 2021, the Rampura Agucha underground mine produced 4.27 million tons of ore with 10.89% zinc and 1.6% lead. It produced 414,837 tons of zinc metal in concentrate and 38,349 tons of lead metal in concentrate. The main shaft has completed up to a depth of 950 meters as planned with completion of the north and south vent.

The gross book value of the Rampura Agucha mine's fixed assets and mining equipment (including assets related to the Rampura Agucha's underground mining operations and the Kayad mine) was ₹ 98,660 million (\$ 1,349 million) as of March 31, 2021. The mining lease of Rampura Agucha mine is valid up to March 2030.

Power is primarily supplied from the HZL's captive thermal and solar power plants with two backup 5 MW generators on-site.

❖ *Rajpura Dariba*

Rajpura Dariba is an underground lead-zinc mine and processing facility located northeast of Udaipur in the Rajsamand district in the state of Rajasthan, northwest India.

Mining at Rajpura Dariba commenced in 1983 and is carried out using the vertical crater retreat method and blasting hole mining method with mined out stopes backfilled with cemented classified mill tailings. In certain areas, the ground conditions adversely affect slope stability and dilution. These ground conditions are result of the weak graphitic nature of the shear zone combined with the dissolution of fractured and sheared dolomites by percolating acidic groundwater derived for overlying adjacent oxidized zones. HZL's Rajpura Dariba's mine lease is valid until May 2030. The mine is serviced by two vertical shafts approximately 600 meters deep. The main shaft is 6 meters in diameter and the auxiliary shaft is 4.5 meters in diameter. The main shaft has the capacity to hoist 0.7 mtpa of ore and is equipped with a modern multi-rope koepe winder. All personnel and materials are hoisted in a large counterbalanced cage which is operated by the koepe winder. The surface infrastructure includes ventilation fans, compressors and ore loading facilities. A 2.2 km surface decline was commissioned in September 2013 to increase the ore production.

The ore is crushed underground before being piled on the surface. It is then crushed again and milled before undergoing a lead flotation process to get final lead concentrate. Lead flotation tails are sent to the zinc flotation process to get final zinc concentrate. In one flotation the zinc rougher concentrate is being cleaned in column flotation cells. Then zinc flotation tails proceed to a backfill plant where these are cycloned with the underflow proceeding to intermediate storage where cement is added in preparation for use as underground fill. The cyclone overflow is thickened to recover water ahead of disposal in the tailings dam. The final lead and zinc concentrates are thickened, filtered and stored before they are sent to HZL's smelters.

Power for the mine is supplied largely from HZL's 160 MW captive power plants at Dariba and through a contract with a state-owned entity.

The gross book value of the Rajpura Dariba mine's fixed assets and mining equipment is approximately ₹ 14,300 million (\$ 195 million) as of March 31, 2021.

As of March 31, 2021, HZL estimates the remaining mine life at Rajpura Dariba to be around 14 years based on (i) reserves; and (ii) planned production which is determined on the basis of a life-of-mine plan. According to JORC reserves and resources statement, the proven and probable reserves for the Rajpura Dariba mine as of March 31, 2021 is 28.2 million tons with 5.0% zinc, 1.7% lead and 57 particles per million silver net off. An exploration program is also underway to identify new resources with the potential to be upgraded to reserves and continues to be focused on maintaining the reserve position after annual mining depletion. The drill spacing for proved reserves was approximately 30 meters while for probable reserves was less than 60 meters.

The average grade for each individual stope was defined using standard parameters for internal waste and dilution and a geological cut-off grade of 3.0% combined lead and zinc, though the mineralization generally has a sharp natural contact. The in-situ quantities and qualities were adjusted by applying a mining loss factor of 10.0%, a dilution factor of between 12.0% and 20.0% depending on ground conditions. These parameters are based on a reconciliation of historical production. Stopes with average grades below this economic cut-off grade were excluded from the reserve estimate. The final reserve estimate is the sum of the stopes with an average grade above the economic cut-off limit. As the stopes are all accessed using the existing infrastructure and as there is sufficient capacity on the tailings dam, the capital expenditure was limited to the replacement of mining equipment and was therefore considered not to have a material impact on the cut-off grade.

In fiscal year 2021, 1.21 million tons of ore at a feed grade of 4.6% zinc and 1.22% lead ore was mined at Rajpura Dariba mine which produced 45,925 tons of zinc metal in concentrate and 10,574 tons of lead metal in concentrate.



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❖ *Sindesar Khurd*

The Sindesar Khurd mine is a large scale underground mine deposit that was explored during 1992 to 1995. Mine production began at the Sindesar Khurd mine in April 2006 and HZL's mining permit is valid until March 2049. The Sindesar Khurd mine lies on the same geological belt as the Rajpura Dariba mine. The mine is approachable from Rajpura Dariba mines by road.

The mineralization has been traced over almost 2.5 kilometers along strike and 1.3 kilometer vertical extension. In the mine area, dip is steep westerly, while the dip turns into easterly direction in the lower-southern part of the deposit. The current "mine block" extends over 1,500 meters along strike and up to 570 meters depth extension.

The deposit has been drilled to a depth of approximately 1300 meters below surface and the ore body is traced over approximately 2 kilometers along with the strike with an 1100 meters vertical extension. While the deposit is still open in depth in the southern extension of the present mine block, the area below the mine block and towards the north extension only has narrow and low to moderate grade mineralization intersected.

Exploration at the south part of Sindesar Khurd has been continuing since March 2005 with a drilling program aimed at increasing the size of the ore body. A continuous exploration program from underground is also underway with the aim to upgrade the reserve status so that the stopes planned to be mined out shall be extracted with maximum recovery and thereby reducing mining losses. The drill spacing for proven reserves was 12.5 to 25 meters while for probable reserves was less than 25 to 50 meters.

According to JORC reserves and resources statement, the proven and probable reserves for the Sindesar Khurd mine as of March 31, 2021 is 45.3 million tons with 3.3% zinc and 2.1% lead and 105 particles per million silver net off.

Access to the mine is through shaft and declines (North and South) from the surface while ore is hauled through the declines by low profile dump trucks or LPDTs. The ore body is accessed via horizontal drives on number of levels. The mine currently utilizes blast holes toping with back filling mining method with stope panels varying from 25 to 50 meters in strike.

Ore produced from the mine is treated at 2.0 mtpa beneficiation plant commissioned in 2011 at Sindesar Khurd. The beneficiation plant underwent debottlenecking in January 2015 to increase its capacity from 2 to 2.8 mtpa at Sindesar Khurd. Lead and zinc concentrates are sent to their respective high rate thickeners installed separately for lead concentrate and zinc concentrate generated from the concentrator. At Sindesar Khurd mine, the new 1.5 mtpa capacity beneficiation plant was commissioned in January 2017 which has increased the mine's total beneficiation capacity to 4.3 mtpa. In fiscal year 2019, another 1.5 mtpa beneficiation plant was commissioned which is taking the total milling capacity to 6.2 mtpa. Tailing dewatering and disposal section comprises of hydro cyclone, tailing thickener, neutralization tank, pumping of tailing to tailing pond and reclaimed water pumping. Lead and zinc concentrates are thickened, filtered and stored before they are sent to HZL's smelters. Power for the mill and the mine is supplied from HZL's captive power plant located at Dariba itself. The gross book value at this mine is approximately ₹ 63,358 million (\$ 866 million) as of March 31, 2021.

As of March 31, 2021, HZL estimates the remaining mine life at Sindesar Khurd to be around 8 years based on (i) reserves; and (ii) planned production which is determined on the basis of a life—of—mine plan.

In fiscal year 2021, 4.84 million tons of ore at a grade of 3.38% zinc and 2.52% lead ore was mined at the Sindesar Khurd mine. From the ore produced at Sindesar Khurd mine, 149,996 tons of zinc metal in concentrate and 97,795 tons of lead metal in concentrate was produced in fiscal year 2021.

❖ *Zawar*

Zawar consists of four mines namely, Mochia, Balaria, Zawar Mala and Baroi. The deposit is located near Udaipur city, in the state of Rajasthan in northwest India. The deposits lie within a 36.2 square kilometers mining lease granted by the state government of Rajasthan which is valid until March 31, 2030.

The mineralization ranges over 2.5 to 3.0 kilometers each at Mochia, Balaria and Baroi mines each and 0.6 kilometers at Zawarmala mine. The mineralization ranges below 1 kilometer vertically, while the deposit is still open in depth. An exploration program from the surface and underground is ongoing for lateral and depth extension along with upgrading the resource to reserve.

The mines are accessed through adit, shaft and declines from the surface, while ore is hauled through decline by LPDTs, shaft and locomotives. The ore body is accessed through horizontal drives on a number of levels. The mine currently utilizes a sub-level open stoping mining method with stope sizes ranging from 60 to 80 meters in strike.

According to JORC reserves and resources statement, the proven and probable reserves for the Zawar mine as of March 31, 2021 is 31.5 million tons with 3.1% zinc and 1.6% lead and 23 particles per million silver net off.

Ore produced from the mine is treated at a beneficiation plant at Zawar mines for differential or bulk flotation of zinc and lead metals. The beneficiation plant has undergone debottlenecking to increase its capacity from 1.5 to 2.7 mtpa. Another beneficiation plant having capacity of 2 mtpa was commissioned in fiscal year 2019, increasing capacity to 4.7 mtpa at Zawar. The ore is primarily crushed underground and then hoisted to the surface or crushed at the surface and then transported to beneficiation plant. Thereafter the ore is crushed to 12 to 15 mm in size before being milled to 74 microns. Tailing dewatering and disposal section comprises of hydro cyclone, tailing thickener, pumping of tailings to tailing pond and reclaimed water pumping for reuse. Lead and zinc concentrates are thickened, filtered and then stored before they are sent to HZL's smelters.

In fiscal year 2021, 3.95 million tons of ore mined at a grade of 2.48% zinc and 1.86% lead, which produced 88,769 tons of zinc metal in concentrate and 62,296 tons lead metal in concentrate.

The gross book value of the Zawar fixed assets and mining equipment was approximately ₹ 37,926 million (\$ 519 million) as of March 31, 2021.



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VEDANTA 20-F - IFRS	Donnelley Financial	HKRP64RS04 21.6.2.0	HKR pf_rend	09-Jul-2021 05:28 EST	165852 TX 52	2*
VEDANTA 20-F - IFRS	None		SNG		HTM ESS	0C

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Power is supplied through a combination of an 91.5 MW thermal coal-based captive power plant initially commissioned in December 2008 and a 6 MW captive power plant.

As of March 31, 2021, HZL estimates the remaining mine life of the Zawar mine to be 5 years based on (i) reserves; and (ii) planned production which is determined on the basis of a life-of-mine plan. The focus of underground mine exploration at Zawar is to enhance the ore reserves to expand the mine life by 5 years and to identify new mineralized areas to enhance production capacity. A surface drilling program is underway to locate deeper resources below 100 meter reduce level up to 500 meter reduce level. Underground exploratory drilling is carried out on a grid of between 25 to 30 meters which is then infilled to 12.5 or 15 meters after completing the development for final delineation of ore bodies. Past exploration has outlined additional in-mine mineral resources which require further delineation to add to reserves and further extend the mine life.

❖ **Kayad Mine**

The Kayad lead—zinc mine is located in Ajmer, in the state of Rajasthan.

The Kayad lead—zinc mine deposit was initially prospected by Airborne Mineral Survey and Exploration wing of Geological Survey of India and drilling commenced in August 1988 and was completed in December 1991. The detailed exploration of Kayad deposit was commenced by HZL in the month of June 1999 and continues with a total of 178 kilometers in 1,132 drill holes. According to the reserve report, the proven and probable reserves for Kayad mine as on March 31, 2021 was 2.6 million tons at 6.8% zinc and 0.8% lead and 14 particles per million silver net off. As of March 31, 2021, HZL estimates the remaining mine life of the Kayad mine to be over 2 years based on (i) reserves; and (ii) planned production which is determined on the basis of a life-of-mine plan.

The ground breaking of the mine commenced on June 11, 2011. The access is through a decline which divides into two declines at 420 meter reduce level. Development ore production was achieved in the second quarter of fiscal year 2013, and the mine started operations in fiscal year 2014. The mining method practiced in Kayad is long hole open stoping with cemented rock filling or rock filling in the steeper portions of the deposit; while transverse stoping method at flat portion along with cemented rock filling or rock filling. About 61.5 kilometers of development is planned by 2021. The mining is highly mechanized with twin boom jumbo drills used for face drilling, rock bolting machines used for support and 17 tons and 21 tons diesel load haul dump vehicles coupled with 30 tons, 50 tons and 60 tons low profile dump trucks for loading and hauling. For production, drilling Simba and Solo Drills are being used. The run of mine is stacked in the surface ore stock pile and transported by trucks to the Rampura Agucha mine for beneficiation.

A mine lease of 480.5 hectares was granted to Kayad mine by the state of Rajasthan and is valid until February 2048, subject to further renewal. We have obtained surface land rights over 49.8 hectares. We have also obtained mine plan approval from the Indian Bureau of Mines and received environmental clearance from the MoEF&CC for an increase in lead—zinc ore production capacity from 1.0 mtpa to 1.2 mtpa. We have also obtained consents under various environmental laws to operate the mine, including from the State Pollution Control Board.

In fiscal year 2021, 1.17 million tons of ore at a grade of 5.15% zinc and 0.80% lead ore was mined at Kayad mine which produced 56,456 tons of zinc metal in concentrate and 6,950 tons of lead metal in concentrate. A 33 KV power line was commissioned on February 2, 2012 to meet the constructional power requirements of the mine. Currently, most of the power is being taken from captive power plant in Zawar and some power is taken from state grid. A one megavolt amperes diesel generator is kept as a backup power supply for emergency operations in the event of power failure. For proper power distribution, a two megavolt amperes underground sub-station is commissioned in each of the north and south sections.



Summary of Mine Reserves

The following table sets out HZL's proven and probable zinc and lead reserves as of March 31, 2021:

Mine	Proven Reserves			Probable Reserves			Total Proven and Probable Reserves			Vedanta Limited Ownership	Reserve Life			
	Quantity (million tons)	Zinc Grade (%)	Lead Grade (%)	Silver Grade (g/t)	Quantity (million tons)	Zinc Grade (%)	Lead Grade (%)	Silver Grade (g/t)	Quantity (million tons)			Zinc Grade (%)	Lead Grade (%)	Silver Grade (g/t)
Rampura Agucha	17.3	12.5	1.8	66	25.3	11.6	1.1	36	42.7	11.9	1.4	48		8
Rajpura Dariba	5.3	6.0	1.7	72	22.9	4.8	1.7	54	28.2	5.0	1.7	57		14
Sindesar Khurd	17.5	3.8	2.5	133	27.7	3.0	1.8	87	45.3	3.3	2.1	105	64.9	8
Zawar	17.9	3.1	1.6	20	13.6	3.1	1.6	27	31.5	3.1	1.6	23		5
Kayad	1.2	5.1	0.7	12	1.4	8.3	0.9	15	2.6	6.8	0.8	14		2
Total	59.3	6.3	1.9	71	91	5.9	1.6	54	150.3	6.1	1.7	61	64.9	

References to "g/t" are grams per ton

Additional information:

- The reserve estimates for each of the mines have been prepared by the mining engineer of the respective operation and the same have been audited by SRK Consulting (UK) Limited. The reserves presented for the HZL mines have been adjusted to incorporate losses for mine dilution and mining recovery according to the JORC code.
- The dynamic cut-off grade in terms of zinc equivalent was used for calculating reserves and resources. The zinc equivalent cut-off grade for (i) Rampura Agucha mine is 3.12% for main lens and 2.56% for galena lenses (lead equivalent), (ii) Rajpura Dariba is 2.38%, (iii) Sindesar Khurd is 1.97%, (iv) Zawar is 2.45% and (v) Kayad Mines is 2.50%.
- The metallurgical recovery factor for the following HZL mines is as follows:

Mine	Metallurgical Recovery Factor
Rampura Agucha	
Zinc	94.81%
Lead	97.36%
Rajpura Dariba	
Zinc	95.96%
Lead	96.27%
Sindesar Khurd	
Zinc	96.12%
Lead	97.48%
Zawar	
Zinc	95.46%
Lead	96.65%

- The commodity price for zinc, lead and silver considered for the evaluation of reserves is \$ 2515 per ton, \$ 1974 per ton and \$ 21.56 per ounce ("oz"), respectively. The currency conversion factor used to estimate the reserves was US dollars per Indian Rupees 76.29.
- The reserve quantities disclosed are for the entire mine.



Smelters

Overview

The following table sets forth the total capacities as of March 31, 2021 at HZL’s Chanderiya, Debari, Zawar, Dariba and Pantnagar facilities:

Facility	Capacity				
	Zinc (tpa)	Lead (tpa)	Silver (tpa)	Sulphuric Acid (tpa)	Captive Power (MW)
Chanderiya ⁽¹⁾	585,000	90,000	—	859,000	247.7
Dariba	240,000	120,000	—	710,500	174.2
Debari	88,000	—	—	387,600	7.3
Pantnagar	—	—	800	—	—
Zawar	—	—	—	—	80
Total	913,000	210,000	800	1,957,100	509.2

(1) The processing plant at Pantnagar is a refining and processing facility for zinc and lead ingots from zinc and lead cathodes produced at the Chanderiya and Dariba smelters. Therefore, their production capacities do not increase the total production capacity of HZL’s facilities.

Chanderiya

The Chanderiya facility is located approximately 120 kilometers east of Udaipur in the state of Rajasthan. The facility contains 4 smelters, 3 associated captive power plants and 3 sulphuric acid plants:

- an ISP™ pyrometallurgical lead-zinc smelter with a capacity of 105,000 tpa of zinc and 35,000 tpa of lead that was commissioned in 1991;
- two RLE hydrometallurgical zinc smelters with a capacity of 240,000 tpa each that were commissioned in May 2005 and December 2007. Pursuant to the improvement in operational efficiencies and debottlenecking of plant, zinc smelting capacity of both the plants increased from 170,000 tpa to present.
- an Ausmelt™ lead smelter with a capacity of 50,000 tpa that was commissioned in February 2006 which is further increased to 55,000 tpa in FY 2020
- associated 154 MW (2 captive plants of 77 MW each) and 80 MW coal-based captive power plants commissioned in May 2005 and April 2008, respectively;
- a 14.8 MW fuel based captive power plant transferred from Debari in March 2009 and which was originally commissioned at Debari in March 2003; and
- 3 sulphuric acid plants with a total capacity of 859,000 tpa of sulphuric acid.

Concentrate requirements for the facility are supplied by HZL’s mines. The 154 MW and 80 MW thermal power plant along with 13.7 MW WHRB (Waste Heat Recovery Boilers) power generation facility at Chanderiya provide all of the power for the facility. In addition, two liquid fuel power generation capacity of 14.8 MW are also available. The captive power plants require approximately 75,000 metric tons of coal at 6,000 gross calorific value per month, which is currently met through imports and domestic sources. The impure silver obtained as a by-product from zinc-lead smelting at this smelter is refined at the Pantnagar plant.

Dariba

The Dariba hydrometallurgical zinc smelter is located in the Rajsamand district of Rajasthan which was commissioned in March 2010 having capacity of 220,000 tpa which has increased to 234,000 tpa pursuant to debottlenecking of plant in fiscal year 2019 and further increased to 240,000 in fiscal year 2020. The Dariba facility also includes a 306,000 tpa sulphuric acid plant. In July 2011, we commissioned a new 100,000 tpa lead smelter and pursuant to the improvement in operational efficiencies which was completed in March 2018, the capacity increased by 20,000 tpa to 120,000 tpa. It also includes a 98,500 tpa sulphuric acid plant. A majority of the power requirements of the facility is sourced from the 160 MW coal-based captive power plant and 14.2 MW WHRB power generation facility at Dariba. A new roaster was commissioned in April 2013 in the Dariba facility with an associated sulphuric acid plant capacity of 306,000 tpa. Zinc cathodes are sent to its refining facilities at Pantnagar in Uttarakhand state for refining and processing. The anode slime obtained as a residue from lead smelting at this smelter is refined and processed into silver ingots at the Pantnagar plant.

Debari

The Debari hydrometallurgical zinc smelter is located in the state of Rajasthan. The hydrometallurgical zinc smelter was commissioned in 1968, uses RLE technology and has a capacity of 80,000 tpa which was increased to 88,000 tpa in April 2008, pursuant to improvements made to its operational efficiencies. The Debari facility also includes a 387,600 tpa sulphuric acid plant. A majority of the power requirements of the facility is sourced from the coal-based captive power plant at Chanderiya and Zawar and 7.3 MW WHRB power generation facility. In addition, 2 liquid fuel based power generation capacity of 14.8 MW are also available.

Haridwar

The zinc ingot processing and refining plant in Haridwar in the state of Uttarakhand was commissioned in July 2008. This plant processes and casts zinc ingots from zinc cathodes produced in the Chanderiya smelter and therefore its production capacity does not increase the total production capacity of HZL’s facilities. After expiry of tax holiday benefit, production activities have stopped at the smelter in fiscal year 2018.



Pantnagar

The Pantnagar plant, which is located in the state of Uttarakhand in northwest India, includes a 518 tpa silver refinery that was commissioned in December 2011, a zinc ingot and a lead ingot refining and processing plant that was commissioned in February 2012. Pursuant to the improvement in operational efficiencies and debottlenecking of existing facility, which was completed in March 2019, the Silver smelting capacity increased by 282 tpa (82 tpa in 2018 and 200 tpa in 2019) to 800 tpa. The Pantnagar plant refines and processes zinc and lead ingots from zinc and lead cathodes that are produced by our Chanderiya and Dariba smelters and also refines the impure silver obtained as a by-product from lead smelting conducted at our Chanderiya and Dariba smelters. Therefore, the Pantnagar plant does not increase the total zinc and lead production capacity of HZL’s facilities. Haridwar and Pantnagar facility is also used for nationwide distribution of finished goods as well as for exports.

Production Volumes

The following table sets out HZL’s total production from its Chanderiya, Debari, Dariba and the Pantnagar facilities for fiscal years ended March 31, 2019, 2020 and 2021:

Facility	Product	For the Year Ended March 31,		
		2019	2020	2021
Chanderiya				
ISPT TM pyrometallurgical lead-zinc smelter	Zinc	24,331	21,505	-1,239
	Lead	40,728	54,963	62,512
	Silver	6,400	—	—
First hydrometallurgical zinc smelter	Zinc	191,193	194,353	212,259
	Zinc	209,279	209,921	220,608
Ausmelt TM lead smelter	Lead	45,188	39,953	32,478
Sulphuric acid plants	Sulphuric acid	552,660	546,001	512,980
Dariba				
Hydrometallurgical zinc smelter	Zinc	203,512	200,689	214,465
Lead Smelter	Lead	111,922	86,454	119,409
Sulphuric acid plant	Sulphuric acid	477,217	426,623	516,687
Debari				
Hydrometallurgical zinc smelter	Zinc	67,968	61,817	69,353
Sulphuric acid plant	Sulphuric acid	253,363	267,844	280,296
Pantnagar				
Silver Refinery	Silver	679,183	609,808	705,676
	Zinc	696,283	688,286	715,445
	Lead⁽¹⁾	197,838	181,370	214,398
	Silver	685,583	609,808	705,676
	Sulphuric acid	1,283,240	1,240,468	1,309,963
Total				

(1) Excludes lead containing a high content of silver (high silver lead) produced from the pyrometallurgical lead-zinc smelter for captive use, which was 6,534 tons, 7,088 tons and 6424.40 in fiscal years 2019, 2020 and 2021 respectively.



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The following table sets out HZL's total ore, zinc concentrate, lead concentrate and bulk concentrate production for fiscal years ended March 31, 2019, 2020 and 2021:

Mine (Type of Mine)	Product	Year Ended March 31,		
		2019	2020	2021
		(tons, except percentages)		
Rampura Agucha (Underground)	Ore mined	3,330,011	3,940,097	4,272,902
	Ore grade – Zinc	11.8%	11.13%	10.89%
	Lead	1.7%	1.62%	1.61%
	Recovery – Zinc	86.8%	87.36%	88.84%
	Lead	53.5%	52.55%	55.57%
	Zinc concentrate	718,272	767,935	832,646
	Lead concentrate	59,677	60,695	67,764
Kayad (Underground)	Ore mined	1,199,823	1,139,071	1,174,825
	Ore grade – Zinc	8.2%	6.86%	5.15%
	Lead	1.1%	0.92%	0.80%
	Recovery – Zinc	94.3%	93.05%	93.17%
	Lead	74.0%	72.53%	74.21%
	Zinc concentrate	191,950	138,219	110,447
	Lead concentrate	17,947	13,143	11,772
Rajpura Dariba (Underground)	Ore mined	1,079,955	1,037,608	1,215,169
	Ore grade – Zinc	5.0%	4.85%	4.60%
	Lead	1.2%	1.18%	1.22%
	Recovery – Zinc	83.8%	84.24%	84.41%
	Lead	68.3%	69.33%	69.64%
	Zinc concentrate	91,815	78,365	81,375
	Lead concentrate	23,027	19,119	21,838
Sindesar Khurd (Underground)	Ore mined	5,310,794	5,077,646	4,842,264
	Ore grade – Zinc	3.7%	3.37%	3.39%
	Lead	2.4%	2.05%	2.20%
	Recovery – Zinc	90.4%	91.27%	91.81%
	Lead	88.4%	88.83%	90.00%
	Zinc concentrate	350,272	325,195	318,820
	Lead concentrate	187,273	166,776	173,017
Zawar (Underground)	Ore mined	2,864,587	3,270,668	3,951,282
	Ore grade – Zinc	2.4%	2.52%	2.48%
	Lead	2.0%	1.94%	1.83%
	Recovery – Zinc	78.2%	86.29%	90.57%
	Lead	80.2%	84.05%	86.12%
	Zinc concentrate	104,497	139,241	170,706
	Lead concentrate	70,458	92,014	102,535
Total	Ore mined	13,785,170	14,465,090	15,456,442
	Zinc concentrate	1,456,806	1,448,956	1,513,994
	Lead concentrate	358,382	351,748	376,927

Principal Raw Materials

The principal inputs of HZL's zinc smelting business are zinc and lead concentrates and power. HZL has in the past been able to secure an adequate supply of the principal inputs for its business.

o Zinc and Lead Concentrates

Zinc and lead concentrates are the principal raw material of HZL's smelters. HZL's lead-zinc mines have provided all of its requirements for zinc and lead concentrates in fiscal year 2021. We expect HZL's mines to continue to provide nearly all of its zinc and lead concentrate requirements for the foreseeable future.

o Power

Most of HZL's operations are powered by the coal-based captive power plants at Chanderiya, Dariba and Zawar. HZL imports the required thermal coal from a number of third party suppliers and part of the requirement is sourced by way of linkage with South Eastern Coalfields Limited (a subsidiary of Coal India Limited), Western Coal Field and Northern Coal Field ("NCL").

In past, the coal supplies to Chanderiya had stopped due to pending decision at Ministry of Coal on the linkage supply to plants which have been allocated coal blocks. In February 2014, the coal block allocated to the Chanderiya lead zinc smelter captive power plant was deallocated by the Ministry of Coal. As of January 2016, the coal supplies to Dariba captive power plant stopped due to the expiry of the existing fuel supply agreement and further renewal of such agreement has not yet been sanctioned by South Eastern Coalfields Limited. Linkage coal supplies to HZL's power plants at Zawar are continuing and the linkage quantity for these plants has been restricted to 50.0% of 0.4 million tons. The remaining coal requirements are met through the import of coal from various countries.

HZL currently has Fuel Supply Agreement (FSA) of 0.9 million tons of coal linkage with Ministry of Coal for the supply of Coal. The FSA was signed in September 2017 with Ministry of Coal for coal supplies to Chanderiya and Dariba. Also, a new FSA was signed for Chanderiya in February 2019 from NCL.

HZL Captive Power Plant operations in lieu of short supply of linkage coal from Coal India Limited (CIL) and to cater 100.0% requirement for Coal, is met by sourcing imported coal from various sources/origin around the globe on long term/ spot basis with remaining operations source their required power from existing Captive Power Plants or from local power companies.

o Metallurgical Coke

In addition, HZL's pyrometallurgical smelter at Chanderiya and lead smelter at Dariba requires metallurgical coke that is used in the smelting process. HZL currently sources its metallurgical coke requirements from third parties under long-term/spot contracts and the open market.

Distribution, Logistics and Transport



Zinc and lead concentrates from HZL's lead-zinc mines are transported to the Chanderiya and Debari smelters by road. Zinc and lead ingots, silver and sulphuric acid by-products are transported primarily by road to customers in India directly or via HZL's depots. Zinc and lead cathodes are mostly transported by rail to its processing and refining facilities in Uttarakhand state in northern India. Zinc and lead ingots are transported for exports to ports in India primarily by rail, from where they are loaded on ships. The facilities in Uttarakhand also serve as finished goods center for nationwide distribution of its finished products.



Sales and Marketing

HZL's 10 largest customers accounted for approximately 30.6%, 33.7% and 26.5% of its revenue in fiscal years 2019, 2020 and 2021 respectively. No customer accounted for greater than 10.0% of HZL's zinc business revenue in fiscal years 2019 and 2020. One customer accounted for greater than 10% of HZL's zinc business revenue in fiscal year 2021.

HZL's marketing office is located in Mumbai, and it has field sales and marketing offices in most major metropolitan centers in India. In fiscal year 2021, HZL sold approximately 60% of the zinc metal it produced in the Indian market and exported approximately 28.3% of our Zinc India segment revenue. In lead metal, approximately 84% of total sales was made by HZL in the domestic market, while the remainder of approximately 16% was exported.

In fiscal year 2021, HZL accounted for approximately 71% of domestic sales of zinc metal under annual contracts and approximately 68% of export sales under annual contracts specifying quantity, grade and price, with the remainder sold on the spot market. The contract sales price is linked to prevailing LME price with an additional physical market premium.

Projects and Developments

HZL has been actively conducting exploration, which has resulted in net ore reserves of 150.3 million tons across all mines in fiscal year 2021. Based on long-term evaluation of assets and in consultation with mining experts, we have finalized the next phase of growth, which will involve sinking of underground shafts and developing underground mines. The plan comprises developing a 4.5 mmtpa underground mine at Rampura Agucha mine and expanding the Sindesar Khurd mine from 2.0 mmtpa to 6.0 mmtpa, Zawar mines from 1.2 mmtpa to 4.5 mmtpa, Rajpura Dariba mine from 0.6 mmtpa to 2.0 mmtpa and Kayad mine from 0.4 mmtpa to 1.2 mmtpa. The growth plan will increase mined metal production capacity to 1.25 mmtpa. The estimated cost for these projects amounts to ₹ 122,100 million (\$ 1,669 million). HZL spent ₹ 4,180 million (\$ 57 million) on these projects in fiscal year 2021.

Market Share and Competition

HZL is the largest primary zinc producer in India, with a 77% market share in 2021. Around 70% of the refined zinc produced by HZL's smelters is sold in the domestic market, and the rest is being exported to South-East Asian and Middle Eastern markets. Over 70% of the Indian zinc demand comes from galvanising steel, predominantly used in the construction and infrastructure sectors. HZL also produces CGG, EPG and two grades of zinc for use in die-casting alloys. The Company is working closely with its customers to increase the proportion of VAP in its zinc portfolio. It strives to increase the supply of VAP to 25% of total zinc sales in FY 2022, from 16% in fiscal year 2021.

Our Zinc International Business

Our zinc international business comprises THL Zinc Namibia Holdings (Proprietary) Limited ("Skorpion"), which owns the Skorpion mine and refinery in Namibia and Black Mountain Mining ("BMM"), which owns the Black Mountain mine and the Gamsberg mine in South Africa.

I. Skorpion

Overview

Skorpion was incorporated on June 16, 1998 and is headquartered at the Skorpion Zinc mine site, which is situated 25 kilometers north of Rosh Pinah Namibia. Skorpion's wholly owned subsidiaries are: Skorpion Zinc (Proprietary) Limited, Namzinc (Proprietary) Limited, Amica Guesthouse (Proprietary) Limited and Skorpion Mining Company (Proprietary) Limited. Skorpion Zinc (Proprietary) Limited is an investment holding company, owning the entire share capital in Namzinc (Proprietary) Limited and Skorpion Mining Company (Proprietary) Limited. Namzinc (Proprietary) Limited operates a zinc refinery, which procures oxide zinc ore from Skorpion Mining Company (Proprietary) Limited, which in turn extracts the ore from an open pit zinc deposit. Skorpion Mining Company (Proprietary) Limited is a member of the Chamber of Mines in Namibia.

Principal Products

Skorpion produces SHG zinc ingots of LME grade. Skorpion offers the product to customer's primarily through short term or spot contracts, covering the sale of all zinc ingots produced at the integrated mine and refinery of Skorpion.



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Principal Facilities

The following map shows the location of Skorpion mines in Namibia:



Mines

Skorpion Mines

The Skorpion Zinc Deposit is located in the southern Namib Desert of Namibia, approximately 20 kilometers north-west of the small mining town of Rosh Pinah, 75 kilometers from the Atlantic coastline, and about 40 kilometers from the perennial Orange River, which forms the border with South Africa. The deposit lies just inside the “Sperrgebiet” or forbidden area, now known as Diamond Area 1. The extracted ore is sent to the refinery for further processing.

As of March 31, 2021, the remaining mine life of the Skorpion mine is approximately 8 months (excluding the period the mine is put into care and maintenance) based on (i) reserves; and (ii) planned production which is determined on the basis of a life-of-mine plan. The Skorpion mine has an attached electrolytic refinery with the capacity to produce approximately 150,000 tons of SHG zinc ingots annually. Further opportunities to extend the life of the mine are currently being evaluated based on the sulphide ore bodies in the nearby areas. On March 31, 2020, the board approved a request from management to spend \$ 1 million (increased to \$ 2 million in December 2020) to refresh the feasibility study that was previously performed for the refinery conversion project in order to treat sulphide zinc concentrate from the Gamsberg Mine in South Africa owned by Namzinc’s sister company, Black Mountain Mining (Proprietary) Limited, and start prework for the conversion. Further, Namzinc Board has approved another \$ 1 million pre project capital expenditure in FY 2021 to strengthen the Refinery Conversion feasibility to bring it to final stage for board approval.

Significant progress has been made to make the Refinery Conversion Project economically feasible which include 1) two technology partners (licensors) have completed their technical studies and issued reports; 2) An engineering technical feasibility and bankable feasibility study has been also completed by external parties; 3) Project capital expenditure and business case has been finalized based on the information from the feasibility studies; 4) Management are in the final stages of negotiation with Nampower for the cost of electricity, a significant part of the variable costs in the refinery. A favorable power tariff will ensure a positive internal rate of return and overall viability of the conversion project; and 5) In the addition to the above a civil construction partner has been identified and will be appointed on approval by the board.

In the beginning of 2021, an additional opportunity was identified to increase the Refinery capacity from 150 ktpa to 300 ktpa and by doing that ensure that the full beneficiation cycle is complete and full advantage is ensure by selling SHG Zinc into the market.

The increased sulphide conversion is expected to cost \$ 430 million and will have a 18-24 months construction period. This will result in a plant capacity of 300 kilo tons per annum of zinc metal produced at an estimated cost of production of \$ 640 per metric ton. During July 2021, the Namzinc Board approved \$ 380 million in respect of the Skorpion Zinc Refinery Conversion Project.

On March 31, 2020 the mine was put into care and maintenance after a series of slope failures that occurred in the fiscal year 2020. The pit has been assessed by a series of industry experts who have concluded that the pit is minable but a new mine plan will need to be developed. The directors currently expect mining operations to resume in January 2022 and aligns with the expected completion of the refinery conversion project. The directors estimate this will take eight months from the restart of mining operations to fully mine the declared ore resources in the pit.

Following the mine going into care and maintenance, the refinery has also been put into care and maintenance on April 30, 2020. All Namzinc (Propriety) Limited’s employees have been retrenched effective May 1, 2020 and staff required for the care and maintenance activities of the company have been rehired.



Summary of Mine Reserves

The following table sets out the proved and probable zinc reserves as of March 31, 2021:

Mine	Proved Reserve		Probable Reserve		Total Proved and Probable Reserves		Vedanta Limited Interest (%)	Reserve life (Years)
	Quantity (million tons)	Zinc Grade (%)	Quantity (million tons)	Zinc Grade (%)	Quantity (million tons)	Zinc Grade (%)		
Skorpion	0.2	7.9	0.6	11.7	0.8	10.8	100.0	0.67
Total	0.2	7.9	0.6	11.7	0.8	10.8	100.0	0.67

Additional information:

- The estimate of ore reserves were reviewed by SRK Consultants (UK) Ltd. in accordance reported in accordance with the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves, the JORC Code, 2012 Edition ("JORC").
- The cut-off grade used with our reserve estimate is 3%.
- The metallurgical recovery factor for Skorpion mine ranges from 70% to 88.5%.
- The commodity price considered for the evaluation of reserves is \$ 2,500 per ton and currency conversion factor that were used to estimate our reserves was Namibian Dollar per US dollars 16.36.
- The reserve quantities disclosed are for the entire mine.

Skorpion Facility

The following table sets out the total capacity of the facility at Skorpion as of March 31, 2021:

<u>Facility</u>	<u>Capacity Zinc (tpa)</u>
Skorpion	150,000
Project Increase	150,000
Total	300,000

Production Volumes

The following table sets out the total production from Skorpion zinc refinery, total ore and zinc concentrate production at the Skorpion mine, for fiscal years ended March 31, 2019, 2020 and 2021:

Mine (Type of Mine)	Product	Fiscal Year		
		2019	2020	2021
Zinc refinery	Zinc	65,948	66,967	825
Skorpion (Open-pit)	Ore mined	1,009,243	1,038,936	—
	Ore grade -Zinc	7.63%	7.63%	—
	Recovery -Zinc	77.4%	79.85%	—

Principal Raw Materials

The Skorpion mine did not use any oxides in fiscal year 2021.

Power

The maximum power demand of the Skorpion mine is 85 MW and power is supplied from South Africa and is governed by a tri-partite US Dollar-denominated contract between Namibia Power Corporation (Proprietary) Limited, Eskom Holdings Limited and Skorpion, that currently links the annual increases in power costs to a US inflationary index. The tri-partite contract expired in January 2021. Management are currently in negotiations with NamPower for a new contract to increase demand and finalize a price.

Distribution, Transport and Logistics

Zinc at the Skorpion mine is cast into ingots and transported from the refinery to the port of Luderitz, approximately 300 kilometers away by trucks each having a maximum capacity of 35 tons. On the return trip from Luderitz, these trucks carry sulphur transported to site, which is imported by ship. All other re-agents and consumables are trucked in by a transport contractor.



Sales and Marketing

Skorpion’s 10 largest customers accounted for approximately, 83.6%, 98.52% and 100% of its revenue in fiscal years 2019, 2020 and 2021 respectively. Three of Skorpion’s customers accounted for approximately 49.5%, 82.98% and 88.47% of Skorpion’s revenue in fiscal years 2019, 2020 and 2021. Skorpion’s marketing office is located in Rosh Pinah.

Most of the zinc metal that Skorpion produced in fiscal year 2021 was sold under spot or short term contracts. Approximately 45% of the metal produced is sold in the Southern African Customs Union market and balance is sold to other regions. The contract sales price is linked to prevailing LME price with an additional market premium. Thus, the price that Skorpion receives for its zinc is dependent upon and is subject to fluctuations in the LME price.

Market Share and Competition

The Skorpion mine produces high-grade, high purity SHG zinc ingots that are registered on the LME. It is a 100% export oriented unit with around 20Kt to 35Kt of the total production sold in the Africa region. It is the only and Mining and Zinc Refinery unit in African region.

II. Black Mountain Mining

Overview

BMM consists of the Black Mountain underground mine and the Gamsberg open-pit mine. We own a 69.6% interest in BMM, Exxaro Resources Limited (through its wholly owned subsidiary, Exxaro Base Metals & Industrial Mineral Holdings (Pty) Ltd) holds 24.4% interest and the remaining 6% is held by Employee Trust in BMM. The employee trust scheme runs for 7 years from 1 April 2017. The employee trust is consolidated into BMM and therefore Vedanta’s effective share of BMM is 74%.

The planned production rate for the underground mine is 1.68 mtpa plant feed and the shaft hoisting capacity is approximately 1.22 mtpa from Deeps mine and 0.5 mtpa from Swartberg. All production stopes in the Deeps mine are backfilled and waste filled, integrated into the mining sequence. The planned production at Gamsberg open-pit mine is 4 mtpa plant feed.

During fiscal year 2021, 1,357,068 tons of ore at 2.43% zinc and 2.32% lead were mined from the Black Mountain mine, which produced approximately 62,263 tons of zinc concentrate and 40,006 tons of lead concentrate, containing 30,131 tons of zinc metal and 27,471 tons of lead metal respectively. In addition, the Black Mountain mine also produced 19,278 tons of copper in concentrate and 31 tons of silver in concentrate.

During fiscal year 2021, 1,915,561 tons of ore at 6.24% zinc was mined from the Gamsberg mine, which produced approximately 305,190 tons of zinc concentrate, containing 144,577 tons of zinc.

Principal Products

BMM produces zinc, copper and lead in concentrate and all the zinc and copper concentrate are shipped overseas. A small portion of the lead concentrate is sold locally, with the bulk shipped overseas. The BMM mine started producing Magnetite during the period from the mine tailings.

By-products

Silver

Silver is a by-product of our copper and lead concentrate.



Principal Facilities

The following maps shows the specific location of the Black Mountain mine in Northern Cape in South Africa:



Mines

The Black Mountain underground operation mines a polymetallic ore body, with an attached concentrator producing approximately 62,263 tons of zinc in concentrate and 40,006 tons of lead in concentrate respectively. In addition, the Black Mountain mine also produced 19,278 tons of copper in concentrate and 31 tons of silver in concentrate annually.

The Black Mountain mine is operated pursuant to mining right 58/2008 MR granted pursuant to the Mineral and Petroleum Resources Development Act, 28 of 2002 of South Africa which entitles us to mine for lead, copper, zinc and associated minerals in, on and under an area in the district of Namaqualand measuring 24,195 hectares for a period of 30 years from 2008 to 2038.

Four major stratiform exhalative sediment hosted base metal deposits are located in a 10 by 30 km area, centered on Aggeneys. The deposits are situated in the supracrustal rocks of the mid-Proterozoic age Bushmanland group of the Namaqualand metamorphic complex. The deeps ore body, which is currently being mined, is considered to start at 166 meters above mean sea level, with a down plunge extent of 1.1 km with the deepest position of the ore body being 1,680 meters below the surface. Mineralization in the deeps is hosted by iron formations, massive sulphide and sulphide quartzite. The massive sulphide rock is either banded, massive or occurs as fine grained mylonite. Banding is expressed as 1-5 m thick sulphide bands alternating with quartz rich bands of similar thickness.

Underground drilling of the deeps ore body was started in December 2000 and were completed in 2012. As of March 31, 2021, BMM estimates the remaining mine life of the Deeps mine to be 4 years based on (i) reserves; and (ii) planned production which is determined on the basis of a life-of-mine plan.

Two equal mining methods are deployed, ramp in stope cut and fill and long hole mining. The production rate is 1.68 mtpa plant feed and the shafts combined hoisting capacity is approximately 145,000 tons per month. All production stopes at Deeps are backfilled and waste filled, integrated into the mining sequence.

Power at the zinc mine at Black Mountain is supplied from two 40 MVA transformers at the Eskom Aggeneys substation. Water is supplied by the Pelladrift Water Board, which supplies potable water to the mine from the Orange River for both human consumption and industrial water requirements.

Zinc, lead and copper concentrate from the mine are road hauled to the port of Saldanha with delivery terms to export customers on a cost, insurance and freight basis. Since October 2015, there has been a change in strategy to move the concentrate directly to Saldanha by road, with delivery terms to export customers on a cost insurance and freight basis.

Swartberg was mined on a small scale (25,800 tons per month) from 1995 but production was stopped in 2006 in an effort to procure the Deeps mine in full production. Mining at Swartberg was re-introduced in the year 2012 by a diamond drilling campaign to explore the ore bodies on strike. Down-plunge in depth at this mine was started in the same year. BMM estimates the remaining mine life of the Swartberg mine to be 5.5 years based on (i) reserves; and (ii) planned production which is determined on the basis of a life-of-mine plan.

The Gamsberg ore body is situated approximately 22 kms from Black Mountain. The Gamsberg Project was officially approved by the Company's Board in November 2014. In April 2015, the project schedule was revised after optimizing the mining cost. The pre-start mining (creating access to the mine to enable the start of bulk prestripping) started in July 27, 2015 and the major milestone of creation of north access ramp was achieved by end of April 2017. Bulk pre-stripping commenced in April 2017 and the total pre-stripping of 68 million tons as against the project target tons was completed in July 2018.

The plant and infrastructure order was placed in October 2016 and site construction started in early June 2017. The milestone of first ore feed as part of the commissioning was achieved by end of September 2018, with all construction activities getting completed in October 2018 and trial saleable production started. First shipment was done in December 2018. The plant reached a steady state of production in February 2019 and the plant was capitalized during March 2019. The plant produced 109,253 and 305,190 tons of zinc concentrate in fiscal years 2020 and 2021 respectively.



Summary of Mine Reserves

The following table sets out the proved and probable zinc and lead reserves as of March 31, 2021:

Mine	Proved Reserve			Probable Reserve				Total Proved and Probable Reserves				Vedanta Limited ownership (%)	Reserve life (Years)	
	Quantity (million tons)	Zinc Grade (%)	Lead Grade (%)	Silver (g/t)	Quantity (million tons)	Zinc Grade (%)	Lead Grade (%)	Silver (g/t)	Quantity (million tons)	Zinc Grade (%)	Lead Grade (%)			Silver (g/t)
		Grade (%)	Grade (%)			Grade (%)	Grade (%)			Grade (%)	Grade (%)			
Black Mountain-Deeps	1.3	2.7	3.5	35	2.9	2.9	1.4	20	4.2	2.8	2.0	24	74.0	4
Black Mountain-Swartberg	—	—	—	—	24.4	0.5	1.8	22	24.4	0.5	1.8	22	74.0	4
Black Mountain-Gamsberg	79.4	6.5	0.5	—	30.9	5.2	0.5	—	110.4	6.1	0.5	—	74.0	12

References to “g/t” are grams per ton

Additional information:

Deeps and Swartberg

- The estimate of ore reserves were reviewed by SRK Consultants (UK) Ltd. in accordance reported in accordance with the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves, the JORC Code, 2012 Edition (“JORC”).
- The cut-off rand value used with our reserve estimate is between ZAR 384 and ZAR 775 per ton.
- The metallurgical recovery factor for zinc, lead and copper is 79.4%, 84.1% and 69.1%, respectively.
- The commodity prices for zinc, lead and copper considered for evaluation of reserves were \$ 2,305 per ton, \$ 1,922 per ton and \$ 6,511 per ton, respectively. The average currency conversion factor that was used to estimate our reserves was South African Rand per US \$ 16.36.
- The reserve quantities disclosed are for the entire mine and our share in the reserve quantities is 74%.

Gamsberg

- The estimate of ore reserves were reviewed by SRK Consultants (UK) Ltd. in accordance reported in accordance with the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves, the JORC Code, 2012 Edition (“JORC”).
- The zinc cut-off grade used with our reserve estimate is 1.72%.
- The commodity price for zinc considered for evaluation of reserves was \$ 2,500 per ton. The average currency conversion factor that was used to estimate our reserves was South African Rand per \$ 16.36.
- The reserve quantities disclosed are for the entire mine and our share in the reserve quantities is 74%.



Production Volumes

The following table sets out the total ore, zinc and lead concentrate production at the Black Mountain mine for each of fiscal years ended March 31, 2019, 2020 and 2021:

Mine (Type of Mine)	Product	For the year ended March 31,			
		2019	2020	2021	
		(tons, except percentages)			
Black Mountain (Underground)	Ore mined	1,611,301	1,486,754	1,357,068	
	Ore grade	Zinc	2.30%	2.23%	2.43%
		Lead	3.10%	2.67%	2.32%
	Recovery	Zinc	78.10%	79.68%	79.39%
		Lead	82.00%	85.71%	84.08%
	Concentrate	Zinc	58,874	56,857	62,263
		Lead	55,548	54,694	40,006
	Gamsberg (Open-pit)	Ore mined	1,551,361	3,437,460	1,915,561
Ore grade		Zinc	5.60%	6.55%	6.24%
		Lead	0.40%	0.40%	0.22%
Recovery		Zinc	58.30%	61.7%	68.37%
		Lead	—	—	—
Concentrate		Zinc	17,128	228,258	305,190
		Lead	—	—	—

Principal Raw Materials

There are no major raw materials used in Black Mountain or Gamsberg Mine, except for diesel and backfill cement used underground for TMM machines and backfill of stopes respectively, and chemical reagents, which are used in the floatation process to produce zinc and lead concentrates.

Distribution, Logistics and Transport

Zinc concentrate, lead concentrate and copper concentrate from the mine is hauled by road to the port of Saldanha with delivery terms to export customers on a cost, insurance and freight basis.

Sales and Marketing

BMM produces zinc, lead and copper concentrates that are sold in international markets on a spot basis or a frame contract basis. The commercial terms negotiated include taking into account the percentage of payable metals, treatment and refining charges and applicable prices. Some of the customers of Black Mountain mine are Louis Dreyfus Company Metals Suisse SA and Trafigura PTE Limited.

Gamsberg Mine produces zinc and lead concentrates that are sold in international markets on a spot basis or a frame contract basis. The commercial terms negotiated include taking into account the percentage of payable metals, treatment and refining charges and applicable prices. Some of the customers of Gamsberg Mine are Korea Zinc, MRI Trading AG and Nobel Resources Limited.

All the zinc and lead metal that BMM and Gamsberg Mine produced in fiscal year 2020 was sold under frame or spot contracts specifying quantity, grade and price. The contract sales price is linked to the prevailing LME price with an additional market premium. Thus, the price that BMM & Gamsberg receives for its zinc and lead is dependent upon and is subject to fluctuations in the LME price.

Lisheen

The Lisheen mine is located in County Tipperary, Republic of Ireland. Mining and milling activities at the Lisheen mine ceased in December 2015 and the mine has closed. Concentrator and other plant infrastructure was sold and the rehabilitation of the mine completed. The site transitioned to aftercare in June 2021 and land sales have commenced with portions of sub-divided land being sold.

Our Oil and Gas Business

Overview

Our oil and gas business is primarily owned and operated by Vedanta Limited and its subsidiary – CIHL. The oil and gas business segment has a diversified asset base with 58 blocks in India. The blocks are primarily located across the Indian basins in Barmer, Krishna-Godavari, Cambay, Assam, Gujarat Kutch and Cauvery.

Vedanta Limited - oil and gas business is primarily engaged in the business of exploration, development and production of crude oil, gas and related by-products. Our oil and gas business continues to contribute significantly to India's domestic crude oil production. Vedanta Limited operates approximately 25% of India's domestic crude oil production as of March 31, 2021.



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The following table sets forth details of the assets of Vedanta Limited - oil and gas business and its subsidiaries including their percentage interest and those of their partners as of March 31, 2021:

	Asset	Basin	Our interest	JV partners	Area (in sq. km)
India					
1	RJ-ON-90/1	Barmer	70%	ONGC	3,111
2	CB/OS-2	Cambay	40%	ONGC, Tata Petrodyne	207
3	RAVVA	KG Offshore	22.50%	ONGC, Ravva Oil Singapore, Videocon Industries Limited#	312
4	KG-ONN-2003/1	KG Onshore	49%	ONGC	315
5	KG-OSN-2009/3	KG Offshore	100%	—	1,988
6	AA-ONHP-2017/1	Assam	100%	—	715
7	AA-ONHP-2017/6	Assam	100%	—	279
8	AA-ONHP-2017/14	Assam	100%	—	1,719
9	AA-ONHP-2017/4	Assam	100%	—	839
10	AA-ONHP-2017/5	Assam	100%	—	758
11	AA-ONHP-2017/8	Assam	100%	—	611
12	AA-ONHP-2017/9	Assam	100%	—	18
13	AA-ONHP-2017/11	Assam	100%	—	785
14	AA-ONHP-2017/15	Assam	100%	—	1,367
15	AA-ONHP-2017/2	Assam	100%	—	73
16	AA-ONHP-2017/3	Assam	100%	—	268
17	AA/ONDSF/Hazarigaon/2018	Assam	100%	—	31
18	KG-ONHP-2017/1	KG Onshore	100%	—	2,321
19	KG-ONHP-2017/2	KG Onshore	100%	—	668
20	KG-ONHP-2017/3	KG Onshore	100%	—	49
21	KG/ONDSF/Kaza/2018	KG Onshore	100%	—	115
22	KG-OSHP-2017/1	KG Offshore	100%	—	177
23	KG-DWHP-2017/1	KG Deepwater	100%	—	4,617
24	CY-OSHP-2017/1	Cauvery Offshore	100%	—	Offshore 1,613
25	CY-OSHP-2017/2	Cauvery Offshore	100%	—	Offshore 2,291
26	GK-ONHP-2017/1	Gujarat Kutch Onland	100%	—	Onshore 2,409 Offshore 281
27	GK-OSHP-2017/1	Gujarat Kutch Offshore	100%	—	Onshore 126 Offshore 2,834
28	GS-OSHP-2017/1	Gujarat Kutch Offshore	100%	—	2,627
29	GS-OSHP-2017/2	Gujarat Kutch Offshore	100%	—	674
30	MB-OSHP-2017/2	Mumbai Offshore	100%	—	2,690
31	RJ-ONHP-2017/5	Barmer	100%	—	917
32	RJ-ONHP-2017/6	Barmer	100%	—	925
33	RJ-ONHP-2017/7	Barmer	100%	—	603
34	RJ-ONHP-2017/1	Barmer	100%	—	542
35	RJ-ONHP-2017/2	Barmer	100%	—	1,072
36	RJ-ONHP-2017/3	Barmer	100%	—	1,430
37	RJ-ONHP-2017/4	Barmer	100%	—	1,087
38	CB-ONHP-2017/1	Cambay	100%	—	1,490
39	CB-ONHP-2017/7	Cambay	100%	—	1,335
40	CB-ONHP-2017/10	Cambay	100%	—	2,766
41	CB-ONHP-2017/6	Cambay	100%	—	19
42	CB-ONHP-2017/2	Cambay	100%	—	317
43	CB-ONHP-2017/3	Cambay	100%	—	83
44	CB-ONHP-2017/4	Cambay	100%	—	95
45	CB-ONHP-2017/5	Cambay	100%	—	990
46	CB-ONHP-2017/11	Cambay	100%	—	70
47	HF-ONHP-2017/1	Himalaya Foreland	100%	—	666
48	GV-ONHP-2017/1	Ganga Valley	100%	—	1,817
49	CB-ONHP-2018/1	Cambay	100%	—	185
50	GK-OSHP-2018/1	Kutch	100%	—	1,732
51	GK-OSHP-2018/2	Kutch	100%	—	813
52	MN-OSHP-2018/1	Mahanadi	100%	—	1,825
53	RJ-ONHP-2018/1	Barmer	100%	—	417
54	AA-ONHP-2018/1	Assam	100%	—	249
55	CB-ONHP-2018/3	Cambay	100%	—	519
56	CB-ONHP-2018/4	Cambay	100%	—	559
57	KG-ONHP-2018/1	KG Onshore	100%	—	2,601
58	KG-ONHP-2018/2	KG Onshore	100%	—	230
Total					62,242

In June 2021, Twin Star Technologies Limited, a subsidiary of Volcan, has acquired Videcon Industries Limited through the IBC process. Actual implementation of the acquisition is currently pending.



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o **Rajasthan, RJ-ON-90/1 block, Barmer Basin (operator, 70% participating interest)**

The Rajasthan, RJ-ON-90/1 (the “Rajasthan block” or “RJ Block”) is an onshore block. It is Cairn’s principal production asset where Vedanta Limited along with Cairn Energy Hydrocarbons Limited owns a 70% participating interest pursuant to the production sharing contract. Cairn’s joint operation partner, ONGC, has a 30% participating interest. The Rajasthan block is spread over 3,111 square kms in the west of Barmer district, and consists of three contiguous development areas: (i) Development Area 1, primarily comprising the Mangala, Aishwariya, Raageshwari, Guda and Saraswati fields; (ii) Development Area 2, primarily comprising of the Bhagyam, (NI and NE) and Shakti fields; and (iii) Development Area 3, comprising of the Kaameshwari West fields.

The Mangala field was discovered in January 2004. This was followed by many other discoveries including the Aishwariya and Bhagyam fields. In the Rajasthan block, 38 discoveries have been established since inception. Exploration activities and studies indicate that the block has further potential for reserves that would support future growth opportunities.

Vedanta Limited - oil and gas business also own and operate significant infrastructure assets to facilitate the processing, transportation, and sale of crude oil produced in the Rajasthan block. For fiscal year 2021, Vedanta Limited – oil and gas business’s net average daily production was 61,215 boepd from the Rajasthan block.

o **Cambay, CB/OS-2 block, Cambay Basin (operator, 40% participating interest)**

The Cambay CB/OS-2 (the “Cambay block”) is an offshore block which is located in the Cambay Basin of the state of Gujarat in western India. Vedanta Limited - oil and gas business’s operations in the Cambay block are centered on the Lakshmi and Gauri oil and gas fields and the CB-X development area. Based on exploration and development activities undertaken by Vedanta Limited - oil and gas business, the Cambay block has yielded natural gas discoveries in its offshore Lakshmi and Gauri fields and onshore CB-X field and crude oil discoveries in the former two fields. Vedanta Limited - oil and gas business along with its Joint venture partners ONGC and TATA Petrodyne, commenced its gas production from the Lakshmi gas field in 2002 and from the Gauri field in 2004. Production of co-mingled crude oil, which consists of crude oil plus condensate, from the Gauri field commenced in 2005. Lakshmi and Gauri offshore fields cover areas of 121.1 square kms and 52.7 square kms, respectively, in the Cambay Basin and lie off the coast of the state of Gujarat in water depths of approximately 20 meters. CB-X is an onshore gas field situated in the Cambay block and covers an area of 33.3 square kms. Currently, there is no production from CB-X field. For fiscal year 2021, Vedanta Limited - oil and gas business’s net average daily production was 2,601 boepd from the Cambay block.

o **Ravva, PKGM-1 block, Krishna Godavari Basin, Eastern India (operator, 22.5% participating interest)**

Vedanta Limited - oil and gas business’s production operations in the Krishna-Godavari Basin are centered on the Ravva PKGM-1 (the “Ravva block”), lying off the coast of Andhra Pradesh in Eastern India, in water depths up to 40 meters. Developed in partnership with ONGC, Videocon Industries Limited and Ravva Oil Singapore, Vedanta Limited - oil and gas business became the operator of Ravva block in 1996. For fiscal year 2021, Vedanta Limited - oil and gas business’s net average daily production was 3,479 boepd from the Ravva block.

o **KG Onshore, KG-ONN-2003/1, Krishna Godavari Basin (49% participating interest)**

The onshore block KG-ONN-2003/1, located in the Krishna Godavari basin in the state of Andhra Pradesh, was awarded in NELP V round to a joint venture between Vedanta Limited - oil and gas business and ONGC. Nagayalanka-1Z was the first discovery in the block. For fiscal year 2021, net average daily production was 437 boepd from the KG block. Production from the existing well had commenced in the first quarter of fiscal year 2019. Drilling of three development wells was completed in fiscal year 2019 and all three wells are online.

o **KG Offshore, KG-OSN-2009/3, Krishna Godavari Basin (operator, 100% participating interest)**

The offshore block KG-OSN-2009/3 covers an area of 1,988 square kms and is located in the Krishna Godavari Basin off the coast of the state of Andhra Pradesh. The block is currently in the initial exploration phase and was extended until January 30, 2019 due to access restrictions imposed by Ministry of Defense. A further one-year extension was sought on excusable delay and the removal of access restriction imposed by Ministry of Defence requested. The extension to the exploration activities was granted until December 4, 2020 vide the DGH letter dated June 17, 2020. Further, due to the COVID-19 pandemic, the operator invoked force majeure in the block vide letter dated March 30, 2020 on the grounds that the pandemic made it impossible to conduct petroleum operations and DGH has accepted this claim. Having regard to the invocation of the force majeure, DGH vide a letter dated November 16, 2020 has granted extension to the exploration activities till November 10, 2021.



o **Open Acreage Licensing Policy (“OALP”) (100% participating interest)**

Under the OALP, revenue-sharing contracts have been signed for 41 blocks in October 2018 and for 10 exploration blocks as part of the Open Acreage Licensing Policy Round II & III (OALP-II&III) in July 2019. These blocks offer a rich conventional and unconventional resource play. The secured blocks increased the acreage of Vedanta Limited’s oil and gas business to approximately 65,000 sq. km.

o **Discovered Small Fields (“DSF2”) (100% participating interest)**

Vedanta Limited - oil and gas business has won two discovered small fields in DSF round-2 named as Hazarigaon and Kaza gas field located in Assam and KG basins respectively.

Principal Products

(i) **Oil**

Cairn produces crude oil of various grades with different degrees and contents across fields. The crude oil in the majority of fields in the Rajasthan block is medium sweet oil with high pour point. Conversely, the crude oil produced from the Ravva block and Cambay block are light sweet in nature.

(ii) **Gas**

The Rajasthan, Ravva and Cambay blocks produce natural gas, as well as natural gas commingled with crude oil. While Cairn has been historically selling gas from the offshore blocks of Ravva and Cambay, it commenced gas sales in the Rajasthan block in fiscal year 2014, following the regulatory approval in March 2013.

Production

The table below shows oil and gas production results for fiscal years 2019, 2020 and 2021.

<u>Average Daily Production</u>	<u>Units</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>% Change (2020 Vs. 2021)</u>
Net operated*	Boepd	78,978	85,651	67,732	(21%)
Oil	Bopd	75,411	77,129	59,333	(23%)
Gas	Mmscfd	21	51	50	(1%)

* Including KG-ONN production of 437 boepd in which Vedanta Limited - oil and gas business is a non-operator.

Estimate of Reserves

Set forth in the table below is certain data regarding the estimates of net reserves from fields within the Rajasthan block, Ravva block, Cambay block and KG Onland block as of March 31, 2021. Volumes reported in this table are in millions of barrels of oil equivalent.

<u>Domestic Asset</u>	<u>Basin</u>	<u>Exploration Activity</u>	<u>Development Activity</u>	<u>Net Proved Reserves</u>
Rajasthan block	Barmer	✓	✓	118.88
Cambay block	Cambay	—	✓	1.65
Ravva block	KG Offshore	—	✓	1.06
KG-ONN block	KG Onland	—	✓	1.00
Total				122.59

Technology

The technology landscape is continuously changing at a rapid pace. Such changes create an opportunity to adapt and develop competitive advantage. It is imperative for Vedanta Limited – oil and gas business to adapt cutting edge technology in order to generate incremental value. The agility to inculcate technology as part of business has been demonstrated over the years ranging from enhanced oil recovery mechanism, to project’s concept optimization, hydraulic fracturing, 3D seismic technology etc.

Enhanced oil recovery methods are tertiary recovery methods of producing oil, which is not recovered during the application of primary and/or secondary water-flood recovery methods. Cairn has successfully executed one of the world’s largest polymer flood enhanced oil recovery projects at Mangala. Driven by its encouraging results, Cairn has implemented polymer flood programs on a large-scale at Bhagyam and Aishwariya fields. Both the fields are currently under polymer injection and has been ramped up to its design capacity.

In addition to the application of polymer flood enhanced oil recovery, Cairn is also working towards implementation of the alkaline-surfactant-polymer flood process in the Mangala field as described in sections above. Similar to the lines of Mangala ASP pilot, Cairn is also planning to implement the ASP pilots in Bhagyam and Aishwariya fields.

Hydraulic fracturing or fracing or hydro-frac is the process of providing a conductive path for hydrocarbons to flow from the reservoir to the wellbore, in low permeability reservoirs. The application of this technology is helping in the development of tight gas formation of Raageshwari Deep Gas (“RDG”) field. The field development continues to leverage this and other technologies like auto-driller, next generation automated pipe handling rigs etc. to deliver value and efficiency to the project. Till date 41 wells have been constructed (Drilled & Cased), out of which 33 have also been Hydraulically fractured and 27 wells have been flowed back and ready for hook up. As a result of the successful application of these technologies, Cairn has been able to connect more reservoirs and deliver value to the field development.



Cloud technology was implemented during the Ravva offshore drilling campaign, wherein real time data from the rig was sent to a cloud-based platform through a secured transmission process. The high-end virtual computing systems available in the cloud environment were used to monitor the drilling operation, analyze the data for real time optimization and subsequent decisions for forward actions. The cloud technology had significantly enhanced the computing capability, data analytics, cross functional integration and direct collaboration with field there by reducing the dependency on physical IT infrastructural set up. By virtue of this technology, a safe and successful offshore drilling campaign was delivered with no interruptions due to the lockdown situation.

Due to the large number of directional wells drilled from the existing offshore platform in the Ravva offshore field, high anti-collision issues were observed while planning new wells. To achieve the well objectives and to safely drill the well from the existing slot, a deviated conductor shoe was used during the drilling operation, which deflected the wellbore just below the mud-line in order to gain the required separation from the offset wells. This enabled successful drilling of two wells and thereby adding production from field.

During the Ravva Drilling Campaign the offshore rig had to be placed on a platform where the rig's mat was in close proximity of water injection pipeline. The rig was successfully placed using real time monitoring of rig move with the help of ultrasonic beacons, which were placed on the mudline. This activity enabled the drilling of wells from that platform which resulted in incremental production from the project.

Digital Oil Field ("DOF") has been implemented in the CB/OS-02 offshore block to enable better collaboration among all the stakeholders including business and all functions. The real time field data is being integrated with corporate Historian. This provides individual well status of the offshore platforms. Additionally, real time well parameters can now be monitored from any location anytime. This has enabled faster decision making and has become a foundation to aid various data analytic insights.

Auto gas lift technique has been successfully implemented in CB/OS-02 offshore block for reviving shut-in wells. The shallow gas zones in existing wells were opened at a controlled rate to produce the wells using gas lift. E-line and tractor-stoker equipment were utilized for operations in the highly deviated wells. The positive results have allowed utilization of auto gas lift in additional wells with positive results.

Platform based stimulation operation of water injector wells was conducted in Ravva field using the in-house conceived customized small footprint-based unit called the "Mini stimulation package". This initiative has removed the weather dependency of well stimulation and requirement of platform supply vessel for injector well stimulation. This project has resulted in improved water injection, enabling pressure maintenance in the block and improved production performance from the producer wells.

Seismic technologies were implemented which have proven to be reliable in characterizing thin LLM oil accumulations in Ravva offshore field. Some such opportunities are identified as stratigraphically bound isolated Lower Late Miocene (LLM) reservoirs shallower than main reservoir interval. Positive Amplitude variation with offset (AVO) signature has helped in identification and detailed characterization of hydrocarbon bearing thin sand bodies. Conceptual geological model integrated with the seismic technologies like high resolution spectral decomposition images, fluid factor seismic and 3D geo-body extraction was used to decipher geometry and extent of these sands and to have a robust in-place estimate. These advanced seismic technologies have been implemented to identify and assess the opportunities followed by optimization of the well trajectories to be placed at the most favorable subsurface location to maximize recovery.

In OALP blocks, our objective is to reduce cycle time from exploration to production by adopting innovative technology. We have implemented a Full Tensor Gravity Gradiometry™ (FTG) airborne survey to optimize time and cost-intensive seismic data acquisition to fast track drilling. This is the largest onshore FTG survey program in India covering an area of 1,200 LKM in Assam blocks, 8,000 LKM in Kutch blocks, 15,229 LKM in Cambay blocks and 11,439 LKM in Rajasthan blocks.

In addition, we applied Satellite-based Sub-Terrain prospecting (STeP®), which includes eight remote sensing and computational technologies within a six-month time frame covering an area of 3650 sq.km. This is the first application in oil and gas exploration in India to provide information to optimize and prioritize areas for exploration focus.



Principal Facilities

Overview

The following map shows the locations of Cairn's blocks in India:



* Map not to scale

➤ Rajasthan

Rajasthan Block Production Sharing Contract ("Rajasthan Block PSC")

Vedanta Limited - oil and gas business along with Cairn Energy Hydrocarbons Limited are working in partnership with its joint venture partner, ONGC in connection with the Rajasthan Block located in the Barmer district. The Rajasthan block PSC was signed in May 1995 between the GoI and a consortium consisting of ONGC and Shell India Production Development BV.

Vedanta Limited - oil and gas business acquired interest in the Rajasthan Block from Shell India Production Development B.V. in two tranches and held 100% interest on June 20, 2003. Under the Rajasthan Block PSC, the GoI has an option to acquire a participating interest of 30.0% in any development area containing a commercial discovery. The GoI exercised their right in all three development areas, specifically, Development Area 1 in 2005, Development Area 2 in 2007 and Development Area 3 in 2009, acting through its nominee ONGC, and acquired a 30.0% participating interest in each. As of March 31, 2021, ONGC holds 30.0%, Vedanta Limited - oil and gas business holds 35.0% participating interest in the Rajasthan block and the remaining 35.0% interest being held by Cairn Energy Hydrocarbons Limited, which is a wholly owned subsidiary of Vedanta Limited.

As per terms of the Rajasthan Block PSC and permissions from the GoI, the crude oil and condensate produced from the Rajasthan block is being sold to both, the public sector undertakings refineries and private refineries. As of March 31, 2021, commercial sales arrangements are in place for over 150,000 bopd with public sector undertakings and private refineries

The Rajasthan Block PSC established a Management Committee for the Rajasthan block which consists of four members, two of whom are nominated by and represents the GoI and the licensee, i.e. ONGC, taken together, and two of whom are nominated by and represents Vedanta Limited - oil and gas business and Cairn Energy Hydrocarbons Limited. The Management Committee must unanimously approve annual work programs, budgets, proposals for the declaration of a discovery as commercial, field development plans, and the delineation of or additions to a development area as provided in Rajasthan Block PSC.

The Rajasthan Block PSC was initially valid until May 2020, unless it is terminated in accordance with its terms, but may be extended by mutual agreement among the parties for up to an additional term of five years, provided in case of commercial production of natural gas which is expected to continue beyond 2020, the production sharing contract shall be extended for a period of 35 years from May 15, 1995. There is also a provision to further extend the Rajasthan Block PSC by agreement of the parties if production of crude oil or of natural gas is expected to continue after the relevant period.

By way of a notification dated April 7, 2017, the MoPNG issued a policy for the grant of extension to the PSCs signed by the GoI awarding Pre-New Exploration Licensing Policy Exploration Blocks ("Pre-NELP Extension Policy"). The Pre-NELP Extension Policy defines the framework for granting extensions for Pre-New Exploration Licensing Policy ("Pre-NELP") blocks. Pre-NELP Extension Policy, amongst others, provides for an increased share of profit petroleum by 10% for the GoI during the extended term of the Rajasthan Block PSC.

The applicability of the Pre-NELP Extension Policy, however, remains sub judice before the Supreme Court of India (on June 30, 2021, we filed SLP before the Supreme Court of India against order of Delhi High Court dated March 26, 2021).

See "Item 8 - Financial Information - A. Consolidated Statements and Other Financial Information - Legal Proceedings" for further details.

The Rajasthan block had benefitted from a tax holiday of seven years from fiscal year 2009 (the year of commencement of commercial production from the Rajasthan block) to March 31, 2016. However, during the seven-year tax holiday, MAT rules were applicable which resulted in a taxation of book profits computed in accordance with the generally accepted accounting principles as used in India. Any MAT paid can be carried forward for a total period of 15 years from the year of payment and used to reduce corporate tax to be paid in future years in excess of MAT payable in those years.



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Under the Rajasthan Block PSC, all crude oil sales made to the GoI or Government Companies as well as private buyers are valued at a weighted average F.O.B. selling price per barrel of a basket of international crude oil as agreed by all parties which is quoted in Platts, a provider of energy information. For any delivery period in which sales take place, the price is set at a price per barrel determined by calculating the average for the month of such delivery of the mean of the high and low F.O.B prices.

The crude oil produced at the Rajasthan block is benchmarked to Dated Brent and Bonny Light, a low sulphur crude oil published in Platts Crude Oil Marketwire on a daily basis. The pricing formula also adjusts for differences in yield and quality.

In the event of any dispute, difference or claim between the parties to the Rajasthan Block PSC arising out of or in connection with any of the terms and conditions of the said PSC or concerning any interpretation or performance thereof which cannot be settled amicably may be referred a sole expert, to be appointed by the parties to the dispute jointly, who is to be an independent and impartial person of international standing with relevant qualifications and experience. Under the provisions of the Rajasthan Block PSC, the decision of the sole expert is final and binding on the parties and not subject to arbitration. The Rajasthan Block PSC also provides for settlement of any dispute, difference or claim between the parties through arbitration.

Operations

The Rajasthan block achieved net production of 22.3 mmbob in fiscal year 2021, down by 23%, primarily due to delay in execution of growth projects owing to implementation of nationwide lockdown imposed by the Government of India to curb the spread of COVID-19 and natural reservoir decline at Mangala Bhagyam Aishwariya (MBA) fields. The decline was partially offset by addition of wells brought online as a part of Mangala Infill, MPT Upgrade, Aishwariya and Bhagyam Polymer and Aishwariya Barmer Hill (ABH). Business continues to drive efforts towards volume growth via capacity additions and new wells. The overall equipment effectiveness (OEE) of the Mangala Processing Terminal stood at over 97% for the year.

Development Area 1, primarily comprising the Mangala, Aishwariya, Saraswati, Guda and Raageshwari oil and gas fields, produced a net average 54,719 boepd during fiscal year 2021, lower by 25% year on year, with the Mangala field being the largest contributor. During fiscal year 2021, Development Area 2, primarily comprising Bhagyam, NE and NI fields, produced on an average 6,399 boepd, lower by 6% year on year. Production was from Kaameshwari in Development Area 3 during the year and averaged at 97 barrels of oil per day in fiscal year 2021.

The Rajasthan block received approval from the GoI to begin selling natural gas in March 2013. The eight-inch gas pipeline which runs along the oil pipeline is being used to supply gas to domestic buyers, sales through GIGL pipeline commenced in November 2018. This is an efficient application diligent usage of resources in an environmentally friendly way. During fiscal year 2021, the average gas production from Raageshwari deep gas field was 123.7 mmscfd and average sales was 96.0 mmscfd. Construction of new gas facility is completed and ramp up is underway. This shall lead to incremental sales of approximately 100 mmscfd.

The following table sets out the net average oil and gas daily production from the Rajasthan block for the years ended March 31, 2019, 2020 and 2021:

Average Daily Production	Units	2019	2020	2021	% Change (2020 vs 2021)
Net operated	Boepd	72,849	79,720	61,215	(23%)
Oil	Bopd	70,085	72,143	53,992	(25%)
Gas	Mmscfd	17	45	43	(5%)
Net Development Area 1	Boepd	63,511	72,741	54,719	(25%)
Net Development Area 2	Boepd	9,147	6,797	6,399	(6%)
Net Development Area 3	Boepd	191	183	97	(47%)

➤ Mangala

The Mangala field commenced production in August 2009 and continues to be the largest contributor to production from the Rajasthan asset. To increase the ultimate oil recovery and support for production volumes, Cairn has embarked on an enhanced oil recovery project, which was successfully executed in fiscal year 2016.

In order to accelerate recovery from the Mangala field, an infill drilling campaign consisting of 15 wells was carried out during fiscal year 2018. Further, during fiscal year 2019, Cairn executed a 45 well infill drilling campaign in the field. Drilling and hook up of all 45 wells got completed during fiscal year 2021.

➤ Bhagyam

Bhagyam, the second largest field in Rajasthan, forms part of Development Area 2 and commenced production in January 2012.



Cairn is looking to replicate the success of the Mangala enhanced oil recovery program to enhance recovery from the Bhagyam field through the execution of polymer flooding. Drilling and hook up of all 28 wells has been completed during fiscal year 2021. Surface facility development for polymer implementation has completed and polymer injection has been ramped up to its design capacity.

➤ **Aishwariya**

Aishwariya, the third largest discovery in Rajasthan, commenced production in March 2013. Vedanta Limited—oil and gas business is replicating the success of the Mangala enhanced oil recovery program to enhance recovery from the Aishwariya field through the execution of polymer flooding. All the 14 planned wells have been drilled and hooked during fiscal year 2021. Surface facility development for polymer implementation has completed and polymer injection has been ramped up to its design capacity.

➤ **South Satellite fields including Raageshwari, Saraswati, Guda and Kaameshwari**

The Raageshwari oil field commenced production in March 2012, while the Saraswati field commenced production in May 2011. Kaameshwari and Guda oil fields commenced production in May and June 2017, respectively.

Availability of the integrated processing and evacuation facility has reduced operating costs and has therefore made these fields economically viable.

Facilities

➤ **Mangala Processing Terminal**

The Mangala processing terminal is spread over an area of 1.6 square kms and is a core asset. The Mangala processing terminal processes crude oil produced from various oil fields in the Rajasthan block. The Mangala processing terminal is currently operational with four oil processing trains. The aggregate liquid handling nameplate capacity of the oil processing trains is 1,300 kblpd. The oil processing train primarily consists of slug catchers, production heaters, a production separator and settling tank for oil water separation and degassing. Stabilized crude after meeting export crude specification is transported to refineries through a 24-inch diameter continuously heated and insulated pipeline. The Mangala processing terminal's integrated production facilities support the field development plan approved production, which is in line with Cairn's unified Rajasthan block offtake capability.

➤ **Raageshwari Gas Processing Facility**

The Raageshwari gas terminal about 70 kms from the Mangala processing terminal, comprises facilities to remove condensable hydrocarbon liquids and water from the gas produced from Raageshwari gas terminal wells. Gas produced and processed at Raageshwari gas terminal was supplied solely to Mangala processing terminal and to the heating stations along the oil export pipeline from Mangala processing terminal. In March 2013, Vedanta Limited—oil and gas business commenced the commercial sale of gas from the Raageshwari deep gas field. This was the first step towards unlocking the natural gas potential of the Rajasthan assets. An ongoing drilling programme with surface upgradation project is expected to increase natural gas production and sales from the field. The construction of the new gas facility is completed and ramp up is underway. The upgraded facility along with existing and early production facility shall have the capacity to process approximately 240 mmscfd of gas. On the pipeline front, GSPL India Gasnet Limited ("GIGL") has commissioned a pipeline connecting Raageshwari Gas Terminal to Pali and thereon connecting to Palanpur in Gujarat. Gas flow via GIGL line commenced during the third quarter of fiscal year 2019.

➤ **Power facilities**

At the Rajasthan block, captive power is generated at the Mangala processing terminal via steam turbine generators and Raageshwari gas terminal via gas engines. The total power capacity across Mangala processing terminal and Raageshwari gas terminal aggregates to 93.3 MW. The gas used as fuel is the associated gas from the fields at Rajasthan. For power requirements exceeding the power generation capacity, which is based on associated gas availability, Cairn taps into the Rajasthan state grid power or buys it through open access from the energy exchanges at lower rates.

➤ **Mangala Development Pipeline**

The Mangala development pipeline is designed to evacuate the crude oil and transport gas from the Rajasthan block. Beginning at the Mangala processing terminal and Raageshwari terminal respectively, the 24-inch crude oil and 8 inch gas pipeline passes through eight districts across two states, Rajasthan and Gujarat. The pipeline ends at Bhogat near Jamnagar on the western coast of India. There are buffer crude storage terminals at Radhanpur and Viramgam for sales to Indian Oil Corporation and off-take lines at Salaya for sales to the Reliance India Limited and Nayara Energy Limited refineries in Jamnagar. Since its commissioning, total cumulative crude oil sales of 594 million barrels have been achieved through the existing pipeline facilities up to March 31, 2021. With the use of drag reducing agents, the proven dispatch capacity of the Mangala development pipeline has been enhanced to around 250,000 bbls per day. Given its length, the Mangala development pipeline incorporates a pipeline intrusion detection system to provide surveillance along its entire length by using fibre optics. Vedanta Limited—oil and gas business's pipeline operations received accreditation of ISO: 14001 systems in fiscal year 2018 and ISO45001 in fiscal year 2019.

In fiscal year 2014, gas sales commenced through the 8 inch gas pipeline. Capacity was further enhanced through installation of higher capacity gas compressors at Raageshwari and Viramgam terminals to nearly double gas sales capability, as well as modification of impellers of the mainline booster pumps at Viramgam. During fiscal year 2016, stabilization of the compressors and optimization of plant operations aided production. GSPL India Gasnet Limited ("GIGL") commissioned a pipeline connecting Raageshwari Gas Terminal to Pali and thereon connecting to Palanpur in Gujarat. Gas flow via GIGL line commenced during the third quarter of fiscal year 2019 resulting in higher sales.



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In November 2015, the Salaya-Bhogat pipeline and terminal at Bhogat were commissioned and the first cargo of 500,000 barrels of Rajasthan crude oil was successfully loaded in December 2015, through the Bhogat terminal for Mangalore Refinery and Petrochemicals Limited (“MRPL”). The terminal has provided access to a larger market for Rajasthan crude oil.

➤ **Bhogat Terminal Facilities**

The Bhogat terminal in the Jamnagar district, Gujarat, is a 160-hectare site located eight kms from the Arabian Sea coast. The terminal will facilitate the storage and evacuation of crude oil by sea. The terminal consists of tankages with storages capacity of around 2.1 million barrels of Rajasthan crude. It also has associated facilities for the operation of terminal and marine export of crude. The evacuation facility includes two 24 inch sub-sea export pipelines from the Bhogat landfall point to the single point mooring system to enable crude transfer and a single point mooring system and sub-sea pipeline end manifold in deep sea to enable tanker berthing and loading. The terminal was commissioned in November 2015 and the dispatch of Rajasthan crude to MRPL has commenced. In fiscal year 2018 supplies of RJ crude to Bharat Petroleum Corporation Limited (“BPCL”) commenced from Bhogat terminal. During fiscal year 2020, we successfully loaded cargos from Bhogat terminal during monsoon season by deploying additional marine support infrastructure to ensure safe operations.

Exploration

Cairn is rejuvenating its oil and gas exploration efforts in the prolific Barmer Basin. We are evaluating opportunities to commence drilling campaign of exploration and appraisal wells to build on the resource portfolio.

➤ **Ravva**

Ravva Block PSC

The PSC for the exploration, development and production of the Ravva block (the “Ravva PSC”) was signed on October 28, 1994 between GoI and a consortium consisting of ONGC, Videocon Industries Limited (formerly Videocon Petroleum Limited), Ravva Oil Singapore and Cairn Energy India Pty Limited (formerly known as Command Petroleum (India) Pty Limited) (“Command Petroleum”) with Command Petroleum being designated as the operator. In 1996, Cairn Energy Plc acquired Command Petroleum, including its interest in the Ravva block, and subsequently Vedanta Limited - oil and gas business (since merged with Vedanta Limited) became the operator.

As at March 31, 2021 Vedanta Limited - oil and gas business holds a 22.5% working interest in the Ravva block with the remaining interests currently held by ONGC (40%), Videocon Industries Limited (25%) and Ravva Oil Singapore (12.5%) (together the “Ravva Joint Operating Partners”). Ravva PSC was originally valid until October 27, 2019 and has now been extended for 10 years by GOI in accordance with the provision of the “Policy on the Grant of the extension to Production Sharing Contract Signed by Government awarding small, medium sized and discovered field to private joint ventures” dated March 28, 2016. The PSC addendum recording this extension has been executed by all parties.

The extension policy, amongst others, provides for an increased share of profit petroleum of 10% for the GoI during the extended term of the Ravva PSC and payment of royalty and cess as per prevailing rate in accordance with the Petroleum and Natural Gas Rules, 1959 (“PNG Rules”) and Oil Industry (Development) Act, 1974 (“OIDA Act”). Under the Ravva PSC, Vedanta Limited - oil and gas business is entitled to recover 100% of development and production costs from crude oil and natural gas sales before any profit is allocated among the parties. The recovery of exploration cost during the extension period shall be governed in accordance with the provision of Office Memorandum 2013 and 2019 issued by MoPNG on Exploration in Mining lease area post expiry of the Exploration period which provides that the exploration cost can be recovered after the approval of Field Development Plan by management committee.

As per the terms of the Ravva PSC, the crude oil and condensate produced from the Ravva block is being sold to the public sector undertakings refineries as well as private refineries. As of March 31, 2021, commercial sales arrangements are in place in line with the production with public sector undertakings and private refineries. All sales to the GoI nominees are to be valued at a monthly average of high and low of F.O.B. selling price per barrel in US dollars based on a pricing formula based on Bonny Light, ascertained on Platts

The Ravva PSC provides that royalties and cess are payable on production and sales respectively. Until October 27, 2019 the royalty rate on crude oil and casing head condensate was set at ₹ 481 per metric ton (\$ 0.87 per barrel), regardless of the value of the crude oil. A levy on the production of crude oil under the provisions of the OIDA Act (the “OIDA Cess”) was set by the Ravva PSC at ₹ 900 per metric ton of crude oil production (\$ 1.63 per barrel).

Post Ravva PSC extension, the royalty payable on natural gas is set at 10% of the wellhead value of the natural gas (typically 9% of natural gas revenue). OIDA Cess is not payable on natural gas production. Royalties and OIDA Cess on crude oil are as per prevailing rate of 10% of Well Head price and 20% of sales prices respectively under PNG Rules and OIDA Act. Payment of royalty and OIDA cess payments are recoverable under the Ravva PSC before any profit is allocated among the parties. As ONGC originally discovered the Ravva block, Vedanta Limited - oil and gas business and other members of the Ravva Joint Operating Partner are obliged to make a series of production payments to ONGC based on cumulative crude oil production. The method of calculating the production payments is set out below.

Particulars	Gross Payment	Net Payment by
	Owed to ONGC	Vedanta Limited -
	(\$ million)	oil and gas
		business
		(\$ million)
For every 25 million barrels produced up to 75 million barrels	9.0	3.4
For every 5 million barrels produced between 75-100 million barrels	1.8	0.7
For every 5 million barrels produced between 100-225 million barrels	1.7	0.6
For every 5 million barrels produced between 225-250 million barrels	1.4	0.5
For every 5 million barrels produced over 250 million barrels	0.9	0.3



Disputes have arisen between the Ravva Joint Operating Partners over the interpretation of the Ravva PSC which have required arbitration. For example, a dispute arose between the GoI and Ravva Joint Operating Partners on the issue as to how the ONGC Carry is to be recovered and calculated, along with other issues.

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. See “Item 8 – Financial Information - A. Consolidated Statements and Other Financial Information - Legal Proceedings” for further details

Operations

The production of Ravva block increased from 1,976 boepd in fiscal year 2020 to 3,479 boepd in fiscal year 2021. This was primarily due to new wells brought online through Ravva drilling campaign which was successfully completed during fiscal year 2021.

The following table sets out the net average daily production of oil and gas from the Ravva block for the years ended March 31, 2019, 2020 and 2021:

<u>Average Daily Production</u>	<u>Units</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>% Change (2020 vs. 2021)</u>
Net operated	Boepd	1,728	1,976	3,479	76%
Oil	Bopd	1,446	1,518	2,715	79%
Gas	Mmscfd	2	3	5	67%

➤ *Facilities*

Currently, there are eight unmanned offshore platforms and a 225-acre onshore processing facility at Surasaniyanam, Andhra Pradesh, for processing the natural gas and crude oil produced from the offshore field. The Ravva onshore terminal operates under internationally recognized environmental standard (ISO 14001) and occupational health and safety standard (OHSAS18001). The onshore processing facility has the capacity to handle 90,000 barrels per day of liquid, 95 mmscfd of natural gas, and 110,000 bbls of water injection per day. The terminal also has the capacity to store 1.0 mmbbls of crude oil and captive power generation capacity of 10 MW.

➤ **Cambay**

Cambay Block PSC

Exploration, development and production of the Cambay block is governed by a PSC between the GoI and a consortium consisting of ONGC, Tata Petrodyne Limited (“Tata”) and Vedanta Limited - oil and gas business (the “Cambay Joint Operating Partners”) which was signed on June 30, 1998 (the “Cambay PSC”) and runs until 2023 unless the Cambay PSC is terminated earlier in accordance with its terms and may be extended for a further period of not exceeding five years, provided that in the event of commercial production of non-associated natural gas the Cambay PSC may be extended for period not exceeding 35 years from the June 30, 1998.

By way of a notification dated April 7, 2017, the MoPNG issued a policy for the grant of extension to the production sharing contracts signed by the GoI awarding Pre-New Exploration Licensing Policy (“Pre-NELP”) Exploration Blocks which defines the framework for granting extensions for Pre-NELP blocks. The Pre-NELP Extension Policy, amongst others, provides for an increased share of profit petroleum of 10% for the GoI during the extended term of the Cambay PSC. The Cambay Joint Operating Partners are in the process of filing under MoPNG Policy dated April 7, 2017 for the grant of extension to the PSC, for a period of ten years beyond the existing PSC period (i.e. till June 29, 2033), to commercially monetize the remaining resources in the block.



Vedanta Limited - oil and gas business's participating interest in the Cambay Basin joint operation consists of a 40% interest in the Lakshmi, Gauri and CB-X development areas. The remaining interests in these development areas are held by ONGC (50%) and Tata (10%).

Operations

The Cambay block started production in calendar year 2002. During fiscal year 2021, the block produced 2,601 boepd, lower by 25% year on year. This was primarily due to natural field decline partially offset by production optimization measures.

The following table sets out the net average oil and gas daily production from the Cambay block for the years ended March 31, 2019, 2020 and 2021:

Average Daily Production	Units	2019	2020	2021	% Change (2020 Vs. 2021)
Net operated	Boepd	4,282	3,475	2,601	(25%)
Oil	Bopd	3,761	3,030	2,196	(28%)
Gas	Mmscfd	3.1	2.7	2.4	(9%)

➤ **Facilities**

An 82-acre onshore processing facility at Suvali processes natural gas and crude oil from the Lakshmi and Gauri fields. This facility has a capacity to process 150 mmscfd of natural gas and 12,000 bopd of crude oil and includes a three-stage separator oil processing train, four storage tanks of combined capacity of 40,000 bbls as well as 4.8 MW captive power generation capacity. As part of the asset's long-term facility augmentation plan, the liquid handling capacity has been augmented. The oil processing capacity has been increased by debottlenecking the liquid processing train by adding additional heater and heat exchangers. Also the water treatment and disposal capacity was increased by augmentation of the Effluent Treatment Plant (ETP) capacity from 3,000 bwpd to 6,000 bwpd and laying of new water disposal pipeline. The processing plant and offshore infrastructure are certified to ISO 14001 and ISO 45001 standards.

➤ **Power Generation facilities**

Cairn's current power generation facilities are set up to address the captive power requirements to run its routine business operations. The total installed capacity across upstream and midstream operations are 195 MW. The following table sets forth information relating to the existing power capacity as of March 31, 2021:

Fiscal year commissioned	Capacity (MW)	Location	Fuel used
2010 and 2014	60	Rajasthan Mangala processing terminal	Steam turbine
2010	3.3	Rajasthan Raageshwari gas terminal	Gas based
2021	30	Rajasthan Raageshwari gas terminal	Gas based
2010	14.4	Gujarat Viramgam terminal	Gas Based
2015	39.9	Gujarat Bhogat Terminal	Gas Based
2010	32.9	Pipeline Above Ground Installations (AGI's)	Gas Based
2003	4.8	Cambay	Gas based
1999 and 2003	10	Ravva	Gas based

➤ **KG Onshore**

KG-ONN-2003/1, Krishna Godavari Basin (49% participating interest)

The onshore block KG-ONN-2003/1, located in the Krishna Godavari basin in the state of Andhra Pradesh, was awarded in NELP V round to a joint venture between Vedanta Limited - oil and gas business and ONGC. Vedanta Limited - oil and gas business and ONGC entered into a PSC on September 23, 2005 (the "KG-ONN-2003/1 PSC"). Vedanta Limited - oil and gas business has 49% participating interest in the block.

The Declaration of Commerciality for the two Nagayalanka discoveries (Nagayalanak-1z and Nagayalanka SE-1) was approved at the management committee meeting held in July 2014. Operatorship was then transferred to ONGC as per the KG-ONN-2003/1 PSC. Production from the existing well had commenced in the first quarter of fiscal year 2019. Drilling of three development wells was completed in fiscal year 2019 and all the three wells are online.



<u>Average Daily Production</u>	<u>Units</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>Change (2020 Vs. 2021)</u>
Net operated	Boepd	119	480	437	(9%)
Oil	Boepd	119	438	430	(2%)
Gas	Mmscfd	—	0.2	0.0	(82%)

➤ **KG Offshore**

KG-OSN-2009/3, Krishna Godavari Basin (operator, 100% participating interest)

The offshore block KG-OSN-2009/3 covers an area of 1,988 square kms and is located in the Krishna Godavari Basin off the coast of the state of Andhra Pradesh. Vedanta Limited - oil and gas business is the operator and holds a 100% interest in the block. Block KG-OSN-2009/3 is a shallow water block with water depths within the block ranging between near shore to 400 meters. The PSC was signed on June 30, 2010 and the petroleum exploration license was granted in August 2010. The block is currently in the initial exploration phase and was extended until January 30, 2019 due to access restrictions imposed by Ministry of Defense. A further one-year extension was sought on excusable delay and the removal of access restriction imposed by Ministry of Defence was requested. The extension to the exploration activities was granted until December 4, 2020 vide the DGH letter dated June 17, 2020. Further, due to the COVID-19 pandemic, the operator invoked force majeure in the block vide letter dated March 30, 2020 on the grounds that the pandemic made it impossible to conduct petroleum operations and DGH has accepted this claim. Having regard to the invocation of the force majeure, DGH vide a letter dated November 16, 2020 has granted extension to the exploration activities till November 10, 2021.

➤ **Blocks awarded under Open Acreage Licensing Policy (“OALP”)**

Vedanta Limited’s oil and gas business were awarded 51 blocks under OALP I, II and III and revenue sharing contracts have been signed for them with \$ 800 million commitment. The 51 blocks, comprising 40 onshore and 11 offshore blocks, are located primarily in established basins, and with some optimally located close to existing infrastructure.

Full Tensor Gravity Gradiometry™ (FTG) airborne survey implemented to prioritise area of hydrocarbon prospectivity has been completed in Assam, Cambay, Rajasthan & Kutch region. The exploration prospect maturation process is digitalized to fastrack the decision to drill.

Initial phase of seismic acquisition program has been completed in Assam, Cambay, Rajasthan and Offshore GS-GK region. Second phase of seismic is ongoing in Rajasthan and Cambay.

Early drilling opportunities have been identified based on reprocessing and interpretation of vintage data in Rajasthan, North East & Cambay region. It is planned to utilize modular production facilities Extended Well Test (EWT), Quick Production Facility (QPF) to fastrack production.

First well KW-2 Udip has been drilled in Rajasthan’s Barmer Basin during fiscal year 2021. Drilling and related preparation activities are ongoing in Cambay and North East.

➤ **Discovered Small Fields (“DSF2”)**

Vedanta Limited—oil and gas business has won two discovered small fields in DSF round-2 named as Hazarigaon and Kaza gas field located in Assam and KG basins respectively. These discovered fields are providing synergy to existing Vedanta Limited—oil and gas business blocks in the vicinity.

➤ **Sales and Marketing**

Cairn’s ten largest customers accounted for approximately 100% of its revenue in fiscal years 2019, 2020 and 2021 respectively. Four of Cairn’s customers accounted for approximately 91% of its business revenue in fiscal year 2021.

In fiscal year 2021, Cairn sold 100% of the oil and gas it produces in the Indian market.

100% of the oil and gas that Cairn produced in fiscal year 2021 was sold under annual/monthly contracts specifying quantity and price. For Rajasthan, during fiscal year 2021, crude oil price for private companies was benchmarked to Dated Brent, international benchmark crude for low sulphur crude grades. For PSU companies, Cambay and Ravva blocks, the price was benchmarked to Bonny Light, West African low sulphur crude that is frequently traded in the region, with appropriate adjustments for crude quality. The crude oil price benchmarks are based on crude oil sales agreement.

➤ **Projects and Developments**

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 Vedanta Limited - oil and gas business’s principal projects are set out below:

(i) *Mangala infill, Bhagyam & Aishwariya Enhanced oil recovery (“EOR”) and FM3/5 Infill*

The success of the polymer enhanced oil recovery at Mangala is being replicated at Bhagyam and Aishwariya fields to increase recovery rates. Drilling and hook up of 42 well campaign has been completed during fiscal year 2021. Surface facility development for polymer implementation has completed and polymer injection has been ramped up to its design capacity.



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In addition, Cairn has also completed drilling and hook up of 45 infill wells in the prolific Mangala field during fiscal year 2021.

Based on the success of the FM3 infill drilling campaign, Cairn has identified opportunities to further accelerate production by drilling four horizontal wells in FM3 & FM5 sands. The project also entails drilling of several deviated wells for FM2/3 sands and conversion of 3 wells to polymer injector. Drilling is expected to commence during first half of fiscal year 2022.

(ii) Barmer Hill and Tight Oil Appraisal

The development of Barmer Hill and Satellite fields is a key growth driver for Cairn, with a focus on increasing production through the development of these fields. The Barmer Hill formation can be classified into two major development opportunities namely, Barmer Hill North consisting of oil prone porcellanite rocks and Barmer Hill South consisting of muddy porcellanites.

The Aishwariya Barmer hill is the first tight oil project being monetized. Aishwariya Barmer hill stage I production from seven existing wells commenced during second quarter of fiscal year 2018. Aishwariya Barmer hill stage II consists of drilling and fracking of 39 new wells, new surface facilities including well hook-ups, pipeline augmentation and installation of de-gassing facility. Drilling of all 39 wells have been completed as of March 31, 2021, and 27 of these wells are now hooked up. The remaining twelve wells are being progressively hooked up to ramp up volumes. Surface facility construction is completed and commissioned.

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

The tight oil appraisal for four biggest discoveries (Vijaya and Vandana, Mangala Barmer Hill, DP and Shakti) entails the drilling and extended testing of ten new wells with multi-stage hydraulic fracturing. Eight of these wells had been drilled as of March 31, 2021.

(iii) Raageshwari Deep Gas development

Gas development in the Raageshwari Deep Gas field continues to be a strategic priority. Early production facility has been commissioned during fiscal year 2020 and ramped up to its design capacity of 90 mmscfd.

Further construction of new gas terminal through integrated contract is completed and ramp up is underway. It is expected to deliver additional approximately 100 mmscfd of gas production. This will ramp up the overall Rajasthan gas production to 240 mmscfd.

In order to realise the full potential of the gas reservoir, contract for the drilling of 42 wells is underway and as of March 31 2021, 41 wells have been drilled, of which 23 wells are hooked up. They are being progressively hooked up to ramp up volumes.

(iv) Surface facility upgrade at Mangala Processing Terminal

The Mangala processing terminal facility upgradation is nearing completion and all the major sub-systems of liquid handling are under operation. Intra-field pipeline augmentation project has been completed. The project has resulted in increase in liquid handling capacity by 30% at the Mangala processing terminal.

(v) Ravva Exploration and Development

An integrated development campaign which was commenced during third quarter of fiscal year 2020 got successfully completed during fiscal year 2021. Seven well drilling program resulted in ~11 kboepd of incremental volumes from Ravva Block

➤ **Reserves and Other Oil and Gas Information**

The definitions used for proved, proved developed and proved undeveloped oil and gas reserves are in accordance with the Securities and Exchange Commission Rule 4-10 of Regulation S-X. Proved oil and natural gas reserves are those estimated quantities of crude oil, natural gas and natural gas liquids that geological and engineering data demonstrate with reasonable certainty to be economically producible in future years from known reservoirs, under existing economic and operating conditions including a 12-month average price prior to the end of the reporting period, unless prices are defined by contract, and cost at the date of estimation.

DeGolyer and MacNaughton performed an independent evaluation of our 100% estimated reserves base as of March 31, 2021. See the reserves appraisal report by DeGolyer and MacNaughton, dated April 20, 2021, included as exhibit to this Annual Report.

All the proved reserves presented herein are based on production sharing contracts with the GoI. As such, all net reserves are based on an entitlement calculation which converts Cairn's share of cost recovery and profit petroleum under each contract to a volume equivalent of net reserves in accordance with SEC guidance on calculating net reserves subject to these agreements. For further information on our proved reserves, see "Supplementary Information on Oil and Gas Exploration and Production".

➤ **Proved Reserves**

Proved reserves estimates are based on the requirement of reasonable certainty with technical and commercial assessments based on conventional industry practices. Only technologies that have been tested in the field and have been demonstrated to provide reasonably certain results with consistency and repeatability in the formation being evaluated or in an analogous formation are applied. To determine a reasonable certainty of commercial recovery, the process involves a general method of reserves assessment that relies on the integration of three types of data:

1. Well data used to assess the local characteristics and conditions of reservoirs and fluids.
2. Field-scale seismic data to allow the interpolation and extrapolation of these characteristics within and outside the immediate area of the local well control.



3. Data from relevant analogous fields. The data includes appraisal wells or sidetrack holes, full logging suites, core data, and fluid samples.

In the fields in which estimates of proved reserves have been prepared, reserves have only been estimated from those quantities of oil or gas in place that are above a penetrated hydrocarbon contact or above a lowest known hydrocarbon elevation. In the estimation of reserves associated with improved recovery operations, reserves are based on existing field performance parameters or from the performance of an analogous reservoir located in an adjacent field producing from the same geologic formation, in the same environment of deposition, with a similar geologic structure, containing the same drive mechanism, and containing in aggregate reservoir properties no more favorable than the reservoir of interest. In the estimation of reserves associated with enhanced oil recovery, estimates of reserves have been prepared on the basis of the performance of a pilot project that has exhibited a positive production response located within the field and reservoir in which the reserves have been attributed.

The table below sets forth our estimated net proved developed and undeveloped reserves of crude oil and natural gas by region as of March 31, 2021, based on average fiscal year 2021 prices:

<u>Particulars</u>	<u>Oil (mmbbls)</u>	<u>Natural Gas (bcf)</u>	<u>Total oil and gas products (mmboe)</u>
Proved developed Reserves			
India	98.96	98.75	115.42
Proved undeveloped Reserves			
India	5.34	11.02	7.17
Total proved reserves	104.30	109.77	122.59

Note: Gas is converted to oil equivalent using a factor of 6,000 cubic feet of gas per 1 barrel of oil equivalent.

The table below summarizes information about the changes in total proved reserves for 2019, 2020 and 2021:

➤ **Total Proved Developed and Undeveloped Reserves**

<u>Reserves quantity information</u>	<u>Oil (mmbbls)</u>	<u>Natural Gas (bcf)</u>	<u>Total oil and gas products (mmboe)</u>
March 31, 2018	47.36	11.16	49.22
Revisions of previous estimates*	99.82	89.22	114.68
Improved recovery	4.87	0.05	4.88
Purchases or (sales) of minerals	—	—	—
Extensions and discoveries	2.31	2.75	2.77
Production	(27.53)	(7.81)	(28.83)
March 31, 2019	126.83	95.37	142.72
Revisions of previous estimates	5.40	42.37	12.47
Improved recovery	—	—	—
Purchases or (sales) of minerals	—	—	—
Extensions and discoveries	0.04	0.00	0.04
Production	(28.23)	(18.71)	(31.35)
March 31, 2020	104.04	119.02	123.88
Revisions of previous estimates	21.47	9.21	23.00
Improved recovery	—	—	—
Purchases or (sales) of minerals	—	—	—
Extensions and discoveries	0.67	0.00	0.67
Production	(21.88)	(18.46)	(24.96)
March 31, 2021	104.30	109.77	122.59

* Includes impact of 10-year extension of the production sharing contracts for RJ-ON-90/1 and PKGM-1 blocks.



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➤ ***Proved Developed and Undeveloped Reserves***

Total proved reserves as of March 31, 2020, were 123.88 mmboc. For the year ending March 31, 2021, total revisions of 23.01 mmboc comprised an increase of 9.66 mmboc based on technical revisions due to improved production performance and an increase of 13.35 mmboc due to revisions based on commodity prices. These total revisions comprised an increase of 0.51 mmboc for the Cambay block (CB/OS-2), no change for the Nagayalanka block (KG-ONN-2003/1), an increase of 21.41 mmboc for the Rajasthan block (RJ-ON-90/1), and an increase of 1.09 mmboc for the Ravva block (PKGM-1). No revisions were made due to improved recovery. Extensions and discoveries of 0.67 mmboc were on account of inclusion of the NL and Raageshwari South-1 fields which were approved for development in the Rajasthan block. After adjusting for production of 24.96 mmboc, the total proved reserves as of March 31, 2021, were 122.60 mmboc.

Proved developed reserves as of March 31, 2020, were 108.23 mmboc. For the year ending March 31, 2021, total revisions of 32.15 mmboc comprised an increase of 19.75 mmboc based on improved production performance and the progression from proved undeveloped to proved developed reserves, and an increase of 12.40 mmboc due to revisions based on commodity prices. These total revisions comprise 0.56 mmboc for the Cambay block, no change for the Nagayalanka block, 30.13 mmboc for the Rajasthan block, and 1.46 mmboc for the Ravva block. No revisions were made due to improved recovery. No revisions were made due to extensions and discoveries. After adjusting for production of 24.96 mmboc, the total proved developed reserves as of March 31, 2021, were 115.42 mmboc.

Proved undeveloped reserves as of March 31, 2020, were 15.65 mmboc. For the year ending March 31, 2021, total revisions were 9.14 mmboc. Technical revisions comprised a decrease of 10.09 mmboc based on the progression from proved undeveloped to proved developed of reserves and revision of existing technical estimates. These technical revisions were offset by an increase of 0.94 mmboc due to changes in commodity prices. These total revisions comprised a decrease of 0.04 mmboc in the Cambay block, no change in the Nagayalanka block, a decrease of 8.72 mmboc in the Rajasthan block, and a decrease of 0.37 mmboc in the Ravva block. No revisions were made due to improved recovery. Extensions and discoveries of 0.67 mmboc were on account of inclusion of the NL and Raageshwari South-1 fields which were approved for development in the Rajasthan block. The proved undeveloped reserves as of March 31, 2021, were 7.17 mmboc. There are no material amounts of proved undeveloped reserves that remain undeveloped for five years or more.

➤ ***Internal controls over reserves estimation process***

Cairn maintains an internal staff of petroleum engineers, geoscientists and economists who work closely with our independent reserves engineers to ensure the integrity, accuracy and timeliness of data furnished to our independent reserves engineers in their estimation process and who have knowledge of the specific properties under evaluation. All the activities of reserves estimation are being coordinated by Chief Reservoir Engineer who is primarily responsible for overseeing the preparation of our reserves estimates and for the internal control over our reserves estimation. The Chief Reservoir Engineer has more than 29 years of industry experience, in the exploration and production sectors as a practicing reservoir engineer, with broad experience in reserves assessment, field development and management.

During each fiscal year, our technical team meets with DeGolyer and MacNaughton (“D&M”) who are provided with full access to complete and accurate information pertaining to the properties to be evaluated and all applicable personnel. In addition, other pertinent data is provided such as seismic information, geologic maps, well logs, production tests, material balance calculations, well performance data, operating procedures and relevant economic information.

➤ ***Independent reserves estimation***

Reserves estimates presented herein for our Indian assets are based on the D&M Reserves Reports, completed on April 20, 2021, a copy of which has been filed as an exhibit to this Annual Report.

D&M, a Delaware corporation with offices in Dallas, Houston, Calgary, Moscow and Algiers, has been providing consulting services to the oil and gas industry for more than 75 years. The firm has more than 150 professionals, including engineers, geologists, geophysicists, petro physicists and economists that are engaged in the appraisal of oil and gas properties, the evaluation of hydrocarbon and other mineral prospects, basin evaluations, comprehensive field studies and equity studies related to the domestic and international energy industry. D&M restricts its activities exclusively to consultation and does not accept contingency fees, nor does its own operating interests in any oil, gas or mineral properties, or securities or notes of its clients. The firm subscribes to a code of professional conduct, and its employees actively support their related technical and professional societies. The firm is a Texas Registered Engineering Firm.

Thomas C. Pence, Senior Vice President with D&M was responsible for the preparation of the D&M Reserves Report. Mr. Pence studied at the Texas A&M University and graduated as a Bachelor of Science in Petroleum Engineering in the year 1982. He is a registered professional engineer in the State of Texas and a member of the International Society of Petroleum Engineers. He has more than 38 years of experience in oil and gas reservoir studies and reserves evaluations.



The D&M Reserves Report covered 100% of our total proved reserves. In connection with the preparation of the D&M Reserves Report, D&M prepared its own estimates of our proved reserves. In the process of the reserves evaluation, D&M did not independently verify the accuracy and completeness of information and data furnished by Cairn with respect to ownership interests, oil and gas production, well test data, historical costs of operation and development, product prices, or any agreements relating to current and future operations of the fields and sales of production. However, if in the course of the examination something came to the attention of D&M that brought into question the validity or sufficiency of any such information or data, D&M did not rely on such information or data until it had satisfactorily resolved its questions relating thereto or had independently verified such information or data. D&M independently prepared reserves estimates to conform to the guidelines of the SEC, including the criteria of “reasonable certainty,” as it pertains to expectations about the recoverability of reserves in future years, under existing economic and operating conditions, consistent with the definition in Rule 4-10(a) of Regulation S-X. D&M issued the D&M Reserves Report based upon its evaluation. D&M’s primary economic assumptions in estimates included oil and gas sales prices determined according to SEC guidelines, future expenditures and other economic assumptions (including interests, royalties and taxes) as provided by Cairn. The assumptions, data, methods and procedures used, including the percentage of our total reserves reviewed in connection with the preparation of the D&M Reserves Report were appropriate for the purpose served by such report, and D&M used all methods and procedures as it considered necessary under the circumstances to prepare such reports.

However, uncertainties are inherent in estimating quantities of reserves, including many factors beyond our and our independent reserves engineers’ control. Reserves engineering is a subjective process of estimating subsurface accumulations of oil and natural gas that cannot be measured in an exact manner, and the accuracy of any reserves estimate is a function of the quality of available data and its interpretation. As a result, estimates by different engineers often vary, sometimes significantly. In addition, physical factors such as the results of drilling, testing and production subsequent to the date of an estimate, economic factors such as changes in product prices or development and production expenses, and regulatory factors, such as royalties, development and environmental permitting and concession terms, may require revision of such estimates. Cairn’s operations may also be affected by unanticipated changes in regulations concerning the oil and gas industry in the countries in which Cairn operates, which may impact our ability to recover the estimated reserves. Accordingly, oil and natural gas quantities ultimately recovered will vary from reserves estimates.

➤ **Oil and gas production, production prices and production costs**

The following tables set forth our production of crude oil and natural gas on entitlement interest basis, by geographic area for the years ended March 31, 2019, March 31, 2020, and March 31, 2021:

Geography ⁽⁴⁾	For the year ended March 31,								
	2019			2020			2021		
	Crude Oil (mmbbls)	Natural Gas ⁽¹⁾ (bcf)	Total (mmboe)	Crude Oil (mmbbls)	Natural Gas ⁽¹⁾ (bcf)	Total (mmboe)	Crude Oil (mmbbls)	Natural Gas ⁽¹⁾ (bcf)	Total (mmboe)
India⁽²⁾	27.53	7.81	28.83	28.23	18.71	31.35	21.88	18.46	24.96
Mangala ⁽³⁾	18.39	—	18.39	18.64	—	18.64	12.88	—	12.88
Others	9.14	7.81	10.44	9.59	18.71	12.71	9.00	18.46	12.08
Total	27.53	7.81	28.83	28.23	18.71	31.35	21.88	18.46	24.96

Notes:

- (1) Natural gas production figures are the production volumes of natural gas available for sale, excluding flared and re-injected gas and gas consumed in operations.
- (2) For the computation of EI production, Ravva royalty fees have not been netted off.
- (3) Mangala field is separately included as it contains more than 15% of our total proved reserves.
- (4) Cairn along with Petro SA filed closure application with PASA to exit from South Africa operations and the same has been accepted and closure certificate has been granted by PASA on September 20, 2019.



The following table sets forth our average sales prices by geographic area and by-product type for the last three years:

Particulars		During the year ended March 31,		
		2019	2020	2021
Average sale prices in India (in \$)				
Oil	per barrel	66.0	59.4	38.67
Natural gas	per mscf	7.5	5.5	4.22

The following table sets forth our average production costs by geographic area for the last three fiscal years:

Geography	For the year ended March 31,		
	2019	2020	2021
(\$ per boe)			
India - Oil and gas	26.8	22.4	21.7

The cost of production for oil and gas business consists of:

- expenditure incurred towards the production of crude oil and natural gas including statutory levies, such as cess, royalties (except Rajasthan block) and production payments payable pursuant to the PSCs as well as operational expenditures such as costs relating to manpower, repairs and maintenance of facilities, power generation and fuel for such facilities, water injection, insurance, storage, transportation and freight of crude oil and natural gas, among others. The total production cost is divided by the net interest quantity of oil and gas produced to determine the cost of production per barrel of oil equivalent See "Item 5. Operating and Financial Review and Prospects – Factors Affecting Results of Operations—Royalty and cess payments" for further details.

➤ **Drilling and other exploratory and development activities**

The following table sets forth the number of net productive and dry exploratory and development wells drilled for the last three fiscal years. For more information about our on-going exploration and production activities, see "Information on the Company — Business Overview — Our Business — Our Oil and Gas Business — Principal Facilities".

Productive and Dry Exploratory and Development Wells

	2019	2020	2021
(Number of wells)			
Net productive exploratory wells drilled:			
India	2	4.97	1.7
Total productive exploratory wells drilled	2	4.97	1.7
Net dry exploratory wells drilled:			
India	—	—	—
Total dry exploratory wells drilled	—	—	—
Total number of net exploratory wells drilled	2	4.97	1.7
Net productive development wells drilled:			
India	59.4	68.4	13.5
Total productive development wells drilled	59.4	68.4	13.5
Net dry development wells drilled:			
India	—	—	—
Total dry development wells drilled	—	—	—
Total number of net development wells drilled	59.4	68.4	13.5

➤ **Present activities**

The following table summarizes the number of wells in the process of being drilled as of March 31, 2021.

	Gross	Net
(Number of wells)		
Number of wells being drilled		
India	1	0.7
Total wells drilling	1	0.7



➤ **Oil and gas properties, wells, operations and acreage**

Cairn's blocks containing proved reserves have leases which currently expire in May 14, 2030 for Rajasthan block, October 27, 2029 for Ravva block, June 29, 2023 for Cambay block and September 24, 2031 for KG-ONN block. Estimates of proved reserves disclosed as of March 31, 2021, and all preceding periods for each block represent only those quantities that were estimated to be recoverable prior to the expiration date of the respective PSC. No reserves were estimated or included for quantities that may be recoverable after the expiration date of the PSCs.

The following tables show the number of gross and net productive oil and natural gas wells and total gross and net developed and undeveloped oil and natural gas acreage in which Cairn had interests as of March 31, 2021.

➤ **Gross and Net Productive Wells and Gross and Net Developed and Undeveloped Acreage**

	As of March 31, 2021			
	Oil		Natural gas	
	Gross	Net	Gross	Net
	(Number of wells)			
Gross and net productive wells⁽¹⁾				
India	579	384.6	74	47.5
Total gross and net productive wells	579	384.6	74	47.5

	As of March 31, 2021	
	Gross	Net
	(acres)	
Gross and net acreage⁽²⁾		
Developed acreage		
India	56,730	31,618
Total developed acreage	56,730	31,618
Undeveloped acreage		
India	15,930,301	15,594,758
Total undeveloped acreage	15,930,301	15,594,758

Notes:

- (1) A gross well or acre is a well or acre in which a working interest is owned, while a net well or acre is deemed to exist when the sum of fractional ownership working interests in gross wells or acres equals one.
- (2) Developed acreage is acreage assignable to productive wells; productive wells include producing wells and wells mechanically capable of producing.
- (3) Undeveloped acreage encompasses those leased acres on which wells have not been drilled or completed to a point that would permit the production of economic quantities of oil or gas regardless of whether such acreage contains proved reserves. Users of this information should not confuse undeveloped acreage with undrilled acreage held by production under the terms of the lease. Cairn's lease holdings comprise earlier five blocks and new 53 blocks acquired under OALP and DSF-2 round in India.



➤ **Delivery Commitments**

(i) **Crude Oil**

Cairn sells crude oil from its various operating fields under production under a variety of contractual obligations. Prior to start of every fiscal year under the various PSCs between Cairn and GoI, GoI nominates volumes that would be up-lifted by its nominee refinery based upon the expected production from the field during the year. Cairn is free to tie-up with other domestic refineries (including private refineries) for the surplus available volume that is not nominated by GoI.

For fiscal year 2021, GoI has nominated approximately 92 kbpd of Rajasthan block and 25 kbpd of Ravva & Cambay block. Cairn has reasonable endeavor crude oil sales agreements and there is no minimum committed quantity, thus, resulting in no financial implication.

(ii) **Natural Gas**

The delivery commitments for Cairn's share of gas sales from Rajasthan Block (participating interest) for the month of June 2021 is approximately 103.8 mmscf per day which is based on estimated gas production from the fields.

For Cambay block, Vedanta Limited - oil and gas business's share of gas sales commitment (participating interest) for the month of June 2021 is approximately 2.8 mmscf per day. This delivery commitment changes on a monthly basis based on estimated gas production from the fields. For Ravva block, there is no annual commitment for gas sales for fiscal year 2022.

Cairn believes its domestic proved reserves will be sufficient to deliver the above mentioned contracted volumes.

Distribution, Logistics and Transport

(i) **Rajasthan**

The Mangala processing terminal has been designed as a centralized hub facility to handle crude oil production from the fields in the Rajasthan block that have been discovered by Cairn. Once crude oil reaches the Mangala processing terminal, generally via the pipeline, it is processed and transported to public-sector customers or private refineries that have purchased it. See "— Facilities—Mangala Processing Terminal" for more details.

(ii) **Cambay**

The 82-acre onshore processing facility at Suvali processes natural gas and crude oil from the Lakshmi and Gauri fields. It has a capacity to process 150 mmscfd of natural gas and 12 kbpd of crude oil and includes a three-stage separator oil processing train, four storage tanks with combined capacity of 40,000 bbls as well as 4.8 MW captive power generation capacity. The processing plant and offshore infrastructure are certified to ISO 14001 and ISO 45001 standards.

The crude oil produced from Suvali Onshore Terminal is transported via truck tankers approximately 15 km to Adani Hazira Port Private Limited. Thereafter, the crude cargo is sold to coastal refineries via sea tankers.

The processed natural gas is sold through the Gujarat State Petronet Limited pipeline facility to CLP India Private Limited and Gujarat Gas Corporation Limited.

(iii) **Ravva**

Currently, there are eight unmanned offshore platforms and a 225-acre onshore processing facility at Surasaniyanam for processing the natural gas and crude oil produced from the offshore field. The Ravva onshore terminal operates as per the internationally recognized environmental standard (ISO 14001) and the occupational health and safety standard (OHSAS18001). The onshore processing facility has the capacity to handle 90 kbpd of crude oil, 95 mmscfd of natural gas and 110,000 bbls of water injection per day. The terminal also has the capacity to store 1.0 mmbbls of crude oil.

The crude oil produced from the wells in the Ravva block is sent to the onshore processing terminal via subsea pipelines. The crude oil is processed and stored in the storage tanks at the terminal. Thereafter, the crude oil is transported to local refineries (nominated by GoI) via a 20-inch export pipeline (approximately 16 km long) from the terminal to a ship tanker, which is moored to the single point mooring buoy located in the field. The single point mooring buoy and associated equipment are together termed as tanker mooring and loading facility.

Natural gas from the wells after treatment is transported to buyer's (GAIL) pipeline.

➤ **Market share and Competition**

The oil and gas exploration and production industry in India has tremendous potential for investment. Acreages to explore and exploit hydrocarbon resources are offered under an open acreage licensing system by the MoPNG under the Hydrocarbon Exploration and Licensing Policy. The GoI has launched special bid rounds for small discoveries, thereby further enhancing competition to acquire acreage.

For Vedanta Limited- oil and gas business, competition faces from Indian companies, including Indian National Oil Companies- ONGC and Oil India Limited ("OIL") as well as private players like Reliance Industries Limited. The GoI has a major stake in ONGC and OIL. ONGC has been awarded the majority of the exploration blocks in the nine NELP licensing rounds and has also acquired 17 blocks under the four OALP auctions that have been held to date. OIL has won 21 blocks under the four OALP bid rounds.

Many of these competitors have access to financial or other resources substantially in excess of those available to Vedanta Limited- oil and gas business and accordingly may be better positioned to acquire and exploit prospects, hire personnel and market production. In addition, many of Vedanta Limited's competitors may be better able to withstand the effect of external changes in industry conditions such as worldwide crude oil and natural gas prices and levels of supply and the application of government regulations, which affect Vedanta Limited's business and which are beyond Vedanta Limited's control.



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VEDANTA 20-F - IFRS	Donnelley Financial	VDI-W7-PFL-2253 21.7.8.0	HKR victn0dc	15-Jul-2021 14:10 EST	165852 TX 82	5*
VEDANTA 20-F - IFRS	None		SNG		HTM ESS	OC

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Vedanta Limited – oil and gas business is a significant contributor to India’s domestic crude oil production, operating approximately 25% as derived from the provisional data published by Petroleum Planning and Analysis Cell of MoPNG statistics as of March 31, 2021.

➤ **Seasonality**

Our oil and gas business is not subject to seasonality as demand for oil and gas is consistent throughout the year.

Our Iron Ore Business

Overview

Our iron ore business is carried out in the states of Goa and Karnataka. Our iron ore business includes exploration, mining and processing of iron ore. In fiscal year 2021, we produced approximately 5.02 million dmt of saleable iron ore fines and lumps. The sales for fiscal year 2021 were at 6.5 million dmt as compared to sales of 6.6 million dmt in fiscal year 2020.

We currently operate a metallurgical coke plant and a pig iron plant with an installed capacity of 522,000 TPA and 832,000 TPA respectively in Goa and Maharashtra. The second metallurgical coke plant with an installed capacity of 120,000 TPA was acquired in first half of fiscal year 2020, at Sindudhurg, Maharashtra, which became operational on September 9, 2019.

On August 26, 2011, the Supreme Court of India passed an order suspending mining activities in the Chitradurga and Tumkur districts of Karnataka. In view of this order, our activities at this mine were stopped with immediate effect. On April 18, 2013, this suspension was lifted by the Court and in December 2013, the operations were resumed after getting necessary regulatory clearances. Although we resumed operations in Karnataka based on the stage I forest clearance from the state government of Karnataka and a temporary working permission from the MoEF&CC, the temporary working permission expired on July 31, 2014. Karnataka operations were halted for the period from August 1, 2014 to February 27, 2015. We resumed our operations in Karnataka after all statutory clearances were in place from February 28, 2015.

On August 22, 2011, we acquired a 51.0% ownership interest in WCL, a Liberian iron ore exploration company which was a wholly owned subsidiary of Elenilto Minerals & Mining LLC, for a cash consideration of \$ 90 million. On December 20, 2012, we acquired the remaining 49.0% of the outstanding common shares of WCL from Elenilto Minerals & Mining LLC for a cash consideration of \$ 34 million.

In October 2015, we proposed to the state government of Jharkhand to set up a 1 mtpa pig iron plant in Jharkhand, for Dhobil mining lease. On May 6, 2016, Stage-I MoU was signed between the state government of Jharkhand and Vedanta Limited to set up a 1 mtpa hot metal plant. Further on November 1, 2017, Stage II MoU was signed. The exploration drilling in our lease area commenced in May 2017 and report was submitted to the state government of Jharkhand in October 2017. The exploration report was examined by a technical committee comprising experts from Geological Survey of India, IBM and state geology and mining departments. In March 2018, the technical committee approved report for the purposes of issuing a letter of intent to Vedanta Limited for the grant of a mining lease for the Dhobil iron ore mine. In March 2021 we moved to Hon’ble High Court of Jharkhand for an early decision on issuance of Letter of Intent for mining lease, Court had passed direction to State Government to take decision in 4 weeks, however no reply submitted by the State Government, matter is pending in High Court. On March 28, 2021, GoI has enacted amendments in MMDR Act 1957, in which one of the amendment is deletion of Section 10A2(b) of the Act under which our right to get Dhobil lease was saved. Further, an opinion has been obtained on the point that in the case the mining lease is not being given to us, whether in that case we are entitled for reimbursement of investments made by us and as per opinion Section 10A(2) (b) (inserted by the MMDR Amendment Act, 2021) which specifically provides that the holder of a prospecting license whose right to obtain a mining lease had lapsed on March 28, 2021, shall be reimbursed the expenditure incurred towards reconnaissance or prospecting operations, however this is subject to the rules to be framed under Section 13 (2) (u) of the MMDR Act by the Central Government, which is yet to be notified.

Principal Products

Iron ore

Our iron ore reserves consist of both lump and fine ore. As of March 31, 2021, the percentage of lump ore in the reserves was approximately 20.0% in Karnataka. The mines in Karnataka consists of average 49.1% grade deposits. We sell lump ore from our mines in Karnataka primarily to domestic pig iron or steel producers. The majority of other iron ore produced by Goa mines was sold to purchasers in China, but during the fiscal year 2021, no Iron ore were mined from Goa mine pursuant to the Supreme Court’s order.

Pig iron

We produce basic, foundry and nodular grade pig iron in various sub grades for steel mills and foundries.

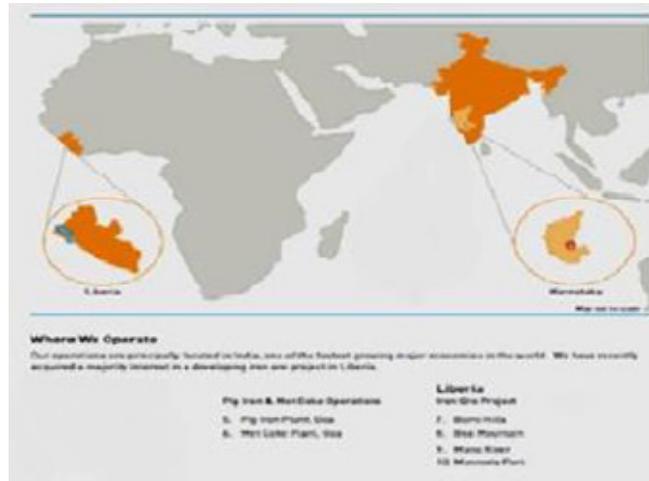
Metallurgical coke

We also produce metallurgical coke, which is primarily used for captive consumption for producing pig iron in India.



Principal Facilities

The following map shows details of the locations of our iron ore business in India and around the world.



Mine in Karnataka - A. Narrain (ML No 2677)

Our main operations in Karnataka is at the A. Narrain mine Meghalahalli, Chitradurga, ML 2677, which is located approximately 200 kms northwest of Bangalore. The open-pit mine is operated by us and is well connected by rail, with the nearest stations, Sasalu and Amruthapura, and M/s Mineral Enterprises served by Chikkajajur (MMEC) railway siding located 16 kms, 17 kms and 4 kms respectively, from the mine. The nearest port at Mangalore is approximately 430 kms from the mine and the nearest airport is located at Bangalore, approximately 230 kms from the mine.

The leasehold area of the mine is 160.6 hectares, which is classified into two blocks, namely the south block, which is 123.5 hectares, and the north block, which is 37.1 hectares. These two blocks are joined by a narrow stretch of land approximately 30 meters in width and 660 meters in length along the eastern side of the leasehold area. We have operated the mine since 1994. The MoEF&CC granted us the environmental clearance for production of 6.0 mmtpa in fiscal year 2009 but due to conditions introduced by the Supreme Court, the production capacity of the mine was reduced to 2.29 mmtpa. However, in April 2018, the Central Empowered Committee enhanced the production capacity of the mine to 4.51 mmtpa. Our application to further enhance production capacity was favorably considered by Central Empowered Committee (Supreme Court appointed body), on March 4, 2020 and the annual mining capacity has been increased upto 5.89 MTPA. The State Government of Karnataka has allocated the production quantity of 4.82 MTPA from FY 2020 onwards. In FY 2021, the state government increased the production quantity of to 5.60 MTPA effective from 2021 onwards.

The geological formation of this region belongs to the Archean-Proterozoic age. The geology of the mine consists of Archean formations locally termed "Dharwars" which contain rich and large iron ore deposits. The leasehold area forms part of the Chitradurga-Tumkur schist belt and part of a regional isoclinal fold. The strike direction of the ore body dips westerly at an angle of about 60 degrees to 70 degrees. Hematite is the principal ore mineral and limonite, goethite and magnetite constitute the associated minor minerals of the mine. The mineralized horizon extends over a length of about two kms. The footwall comprised decomposed quartzite and phyllite, and the stratigraphy is cross cut by late dolerite dykes and sills which are manifested by pink clayey zones in the mine area.

Currently, the north and the south block of the mine have mechanized mining operations. The open-pit mines have a bench height of seven meters, haulage roads of 12 meters to 15 meters in width and an overall pit slope of less than 26 degrees. The mine is equipped with dry process facilities for processing all grades of ore.

The lateritic overburden is removed either by blasting or ripping/dozing, loaded onto and transported by 30 ton trucks. The ore mined is processed at the mine's processing facilities, which involves crushing and dry screening processes. The processed ore is then transported by road to the railway yard, for onward transport to customers in Karnataka, Goa and other places. Ore produced in Karnataka ranges from 56.0% to 62.0% iron content and comprises 80.0% fines and 20.0% lumps.

Since the mine was taken over by us, exploration at the mine involved the drilling of a total of 73,951 meters in 660 boreholes as of March 31, 2020. No exploration took place in FY 2021. The deposit is extensively sampled in vertical and inclined drill hole grid intervals in side direction of 50 meters and in cross section average of 25 meters with most of the holes covering a depth of 50 meters to 200 meters. Power at the mine is supplied by a 725 KV and 320 KV generator. All power supplied to the mine and plant is through generators.

The gross value of fixed assets, including capital works-in-progress, was ₹ 8483 million (\$ 116 million) as of March 31, 2021.

During the last year, a parcel of land relating to the Iron Ore business having carrying value of ₹ 1,211 million (\$ 16 million) was reclassified from Land and Building to other financial asset due to an ongoing legal dispute relating to title of the land. During the previous year, the financial asset was fully impaired.

The economic cut-off grade at the mine is determined by the requirement to meet various sales contracts and the need to maintain stockpiles to meet the contract specifications.

The reserves in proved reserve category at the Karnataka mines are estimated based on drilled boreholes spaced at 50 meters along predefined section lines and occasionally off of the section lines, the probable reserves are estimated based on drilled boreholes spaced at 50 meters from the proved reserves and the possible reserves are estimated based on drilled boreholes spaced at 25 meters from the probable reserves. As the area is drilled at approximately 50 meter by 50 meter grids, the physical continuity of the ore is well demonstrated.



Mine in Liberia - WCL

WCL comprises three concession areas (Bomi Hills, Bea Mountain and Mano River). Due to an Ebola epidemic exploration in Liberia has been suspended in fiscal year 2015.

The table below sets out proved and probable iron ore reserves as of March 31, 2021 at mines that we own or have rights to:

Mine	Proved Reserves		Probable Reserves		Total Proved and Probable Reserves	
	Quantity	Iron Grade	Quantity	Iron Grade	Quantity	Iron Grade
	(Million tons)	(%)	(Million tons)	(%)	(Million tons)	(%)
A. Narrain	17.47	56.4	58.75	43.2	76.22	46.3
Total iron ore reserves	17.47	56.4	58.75	43.2	76.22	46.3

Additional Information

1. The reserve estimates have been prepared by the Geologists and Mining Engineers at Vedanta Limited and SRK Consulting (UK) Limited reviewed in accordance with JORC code. The estimates were independently audited by SRK in 2021.
2. Ore reserves are estimated at a variable cut-off grade based on ore type; the minimum cut-off grade was 30.0% Fe for Siliceous Ore and 45.0% Fe for normal ore.
3. The ore bodies are of relatively significant size with good continuity of the mineralized zones and little internal dilution, the contacts are well constrained, free digging and diluting material can also carry grade, a mining recovery of 98.0%; a mining dilution of 2.0%; is considered.

During the year ended March 31, 2016, the Group recognized an impairment charge in respect of the exploratory assets in West Africa (Western Cluster, Liberia) on account of low iron ore prices, geo-political factors, and also due to the fact that there are no plans for any substantive expenditure given the continued uncertainty in the project. Therefore, the Company did not receive any certification of reserves and resources for the current period.

Amona plant

We commenced operations at the Amona plant in Goa in 1992 and have been engaged in the manufacture and sale of pig iron since then. Our metallurgical coke plant at Amona produces a range of coke fractions from over 70 mm for foundries, 20 mms to 70 mms for blast furnaces and 6 mms to 20 mms for the ferrous alloy industry. Approximately 80.0% to 90.0% of the total production of metallurgical coke is consumed by us for our pig iron production and the remainder is sold to customers primarily located in India. The cost of the input coal blend is the single most important cost component for the production of coke. Our production consists primarily of low ash coking coal and we import 100.0% of low ash coking coal each year. In order to ensure a stable raw material supply, we have long-term supply contracts for the procurement of such coal. Electric power for us is supplied by our power unit which generates power from the waste heat of our metallurgical coke plant and the blast furnace gas from us.

Vazare Plant

On July 28, 2019, Vedanta Limited acquired Sindhudurg plant of Global Coke Limited which was under liquidation as per the IBC for a cash consideration of ₹ 335 million (\$ 4 million) The assets acquired mainly included land, building and plant & machinery of similar value as the cash consideration. The acquisition complements backward integration opportunity for Company's existing pig iron division and also increase the Company's footprint in met coke market in south western part of India.

The following table sets out the total rated capacities as of March 31, 2021 at our Amona and Vazare facility:

Particulars	Rated capacity		
	Metallurgical Coke (tpa)	Pig Iron (tpa)	Power (MW)
Amona Plant	522,000	832,000	60
Vazare Plant	120,000	—	—

Production

The table below sets out our total production of saleable ore for fiscal years ended on March 31, 2019, 2020 and 2021:

Mine/Mine Type	Product	Year Ended March 31		
		2019	2020	2021
Goa (open-pit)	Iron ore	0.24	—	—
Sesa Resources Limited (open-pit)	Iron ore	—	—	—
A. Narrain (open-pit)	Iron ore	4.12	4.36	5.02
Total iron Ore	Iron ore	4.36	4.36	5.02
Amona Plant	Metallurgical coke	0.50	0.43	0.45
	Pig iron	0.69	0.68	0.60
Vazare Plant	Metallurgical coke	—	0.04	0.04



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Principal Raw Materialso **Iron ore operations**

There are no direct raw materials used in our iron ore mining and processing operations. Indirect raw materials include power, fuel and lubricants. We procure these indirect materials from various vendors. The electricity required for our operations is supplied by the government grid and supplemented by our owned and hired diesel generator sets. The prices of fuel and necessary lubricants are volatile and the price of power is dependent on tariffs imposed by state governments.

o **Pig iron operations**

The principal raw materials for the manufacture of pig iron are iron ore, metallurgical coke, limestone and dolomite. Iron ore is largely sourced from mines in Karnataka and Goa. The iron ore is transported from Karnataka by truck and railway rakes and from Goa by truck barges. Iron ore requirements are met through supplies from our own mines, and through purchases from other mines in Karnataka and Goa. Our metallurgical coke requirements are met by supplies from our metallurgical coke division. Limestone and dolomite are purchased from mines in Karnataka and transported to us by trucks.

o **Metallurgical coke**

The principal raw materials for the manufacture of metallurgical coke are hard and semi-hard coking coals. These raw materials are imported from various international suppliers primarily from Australia.

Power

Electricity for our metallurgical coke and pig iron manufacturing operations is supplied by captive power plant, which generates power from the waste gases of our metallurgical coke plant and the blast furnace.

Distribution, Logistics and Transport

Sales from our Karnataka mines to Indian domestic customers take place on an ex-mine basis, and the transportation is handled by the customer.

Sales and Marketing

Due to regulatory restrictions our entire iron ore from Karnataka has to be sold domestically.

Pig iron - Currently, the majority of the pig iron produced by us is sold within India to foundries and steel mills. The sale of pig iron is generally done on a spot basis with delivery schedule over the month. The prices of pig iron are fixed on a both delivered and ex-works basis, with material being sent on a freight-to-pay and prepaid basis.

Metallurgical coke - Approximately 80.0% to 90.0% of our total metallurgical coke production during fiscal year 2021 was used for the production of pig iron. The balance was sold in the domestic Indian market to foundries, pig iron producers, ferrous alloys producers and zinc producers as well as export market.

The sale of metallurgical coke to the other customers is done on a spot basis with delivery schedule over the month.

We have a marketing office in Goa to sell our pig iron and metallurgical coke products. Our sales and chartering needs are managed from the office at Goa.

Our ten largest customers accounted for approximately 42.7%, 45.28% and 56.64% of revenue for iron ore business in fiscal years, 2019, 2020 and 2021 respectively. No customer accounted for greater than 10.0% of our revenue in fiscal year 2019. One of the customer accounted for more than 10.0% of our revenue in fiscal year 2020 and two customers accounted for more than 10% of our revenue in fiscal year 2021.

Market Share and Competition

The total sales of iron ore for fiscal year 2021 was 6.5 million dmt. Domestic sales of iron ore for fiscal year 2021 was 4.4 million dmt, and total exports for fiscal year 2021 was 1.95 million dmt. Out of the total sales in fiscal year 2021, 69.1% was from Karnataka mines and the remaining 30.9% was from Goa.

Our primary competitors in both the public and private sectors in India include National Mineral Development Corporation, Rungta Mines Limited, Mineral Sales Private Limited and Essel Mining and Industries Limited. In addition, our international competitors include Fortescue Metal Group, Sierra Leone, Vale, BHP Billiton Limited, and Rio Tinto.

Seasonality

Our iron ore mining operations in Karnataka are not substantially affected by seasonality.



Our Copper Business

Overview

Our copper business is principally of custom smelting and includes a smelter, a refinery, a phosphoric acid plant, a sulphuric acid plant, a copper rod plant and three captive power plants at Tuticorin in southern India, a refinery and a copper rod plant and three blister/secondary material processing plant at Silvassa in western India, a precious metal refinery, a doré anode plant and a copper rod plant at Fujairah in the UAE. In addition, we own the Mt. Lyell copper mine in Tasmania, Australia.

The Government of Tamil Nadu has issued orders dated May 28, 2018 with a direction to permanently seal the existing copper smelter plant unit at Tuticorin. Separately, SIPCOT vide its letter dated May 29, 2018, cancelled 342.22 acres of the land allotted to us for the proposed expansion project, which has been stayed by High court of Madras. Further the TNPCB issued orders on June 7, 2018 directing the withdrawal of the Consent to Establish, which was valid till March 31, 2023. The Company has filed appeal before the Appellate Tribunal of the TNPCB challenging the withdrawal of the said Consent to Establish. The Company had filed writ petitions before Madras High Court challenging the various orders passed against the company in 2018 and the hearing was concluded on January 8, 2020. On August 18, 2020, the Madras High Court delivered the judgement wherein it dismissed the Writ Petitions filed by the Company. The Company has approached the Supreme Court and challenged the said High Court order by way of a SLP to Appeal and also filed an interim relief for care and maintenance of the plant. The matter was then listed on December 02, 2020 before Supreme Court Bench. The Bench after having heard both the sides concluded that at this stage the interim relief in terms of trial run could not be allowed. The matter is now listed for hearing on August 17, 2021. Further, considering the voluminous nature of documents and pleadings, the matter shall be finally heard on merits See "Item 8 - Financial Information - A. Consolidated Statements and Other Financial Information - Legal Proceedings." for further details.

Principal Products

– Copper Cathode

Our copper cathodes are square shaped with purity levels of 99.9% copper. These cathodes meet international quality standards and are registered as LME "A" grade. The major uses of copper cathodes are in the manufacture of copper rods for the wire and cable industry and copper tubes for consumer durable goods. Copper cathodes are also used for making alloys like brass, bronze and alloy steel, with applications in transportation, electrical appliances and machines, defense and construction.

– Copper Rods

Our copper continuous cast rods meet all the requirements of international quality standards including the ASTM B 49: 2010 or the BS EN 1977:1998 standards. Our copper rods are currently used primarily for power and communication cables, transformers and magnet wires.

– Sulphuric Acid

We produce sulphuric acid at our sulphuric acid plant through conversion of sulphur dioxide gas that is generated from the copper smelter. A significant amount of the sulphuric acid produced at the Tuticorin smelter is consumed by our phosphoric acid plant in the production of phosphoric acid, and the remainder is sold to fertilizer manufacturers and other industries.

– Phosphoric Acid

We produce phosphoric acid at our phosphoric acid plant by chemical reaction of sulphuric acid and rock phosphate, which we import. Phosphoric acid is sold to fertilizer manufacturers and other industries.

– Anode Slime

We produce anode slimes from the copper refining process that contain gold and silver which we currently sell primarily to Fujairah and balance to third parties. We sell the anode slimes to Fujairah Gold FZC as the doré anode plant has been shifted to our precious metal refinery at Fujairah.

– Other By-products

Gypsum and slag are by-products of our copper smelting operations which we sell to third parties.

Supply of Copper Concentrate

As a custom smelter, we source a significant majority of our copper concentrate from third party suppliers at the LME price less a TcRc. The smelter at Tuticorin has been closed during the fiscal year 2019, therefore Copper Anodes and Blister has been procured from external sources for production of copper cathode in Silvassa Refinery.

Delivery to Customers

The copper cathodes, copper rods, sulphuric acid, phosphoric acid and other by-products such as gypsum are shipped for export or transported by road to customers in India.

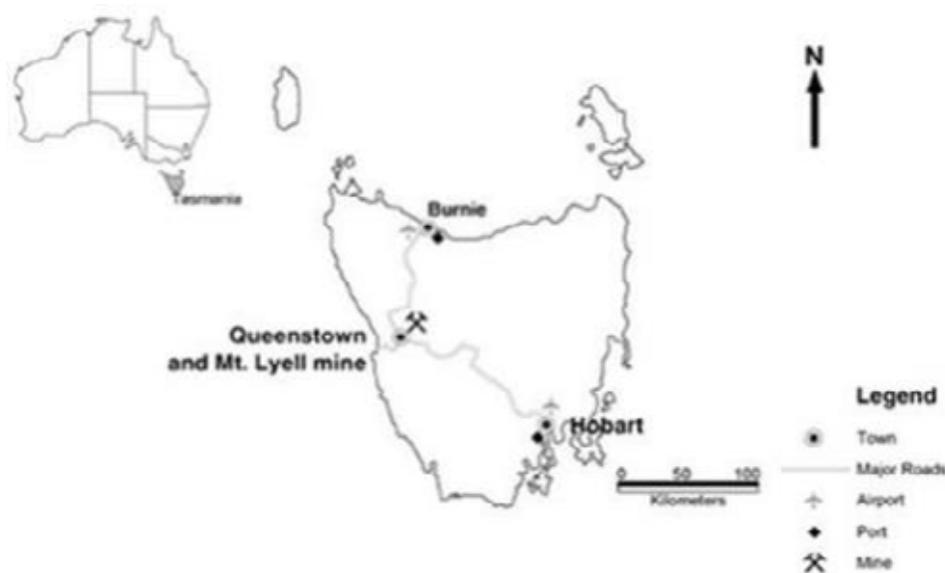


Principal Facilities

1. Our Copper Mine

Mt. Lyell Mine - Tasmania

The following map shows the location of the Mt. Lyell mine in Tasmania:



The Mt. Lyell mine is located at Queenstown, Australia. It comprises of an underground copper mine and a copper processing facility and is owned and operated by CMT. The Mt. Lyell mine is owned and operated under the terms and conditions as stipulated in mining leases 9M/2013 (previously 1M95) and 10M/2013 (previously 5M95) granted by the state government of Tasmania. Mining lease 9M/2013 was granted on January 1, 1995 for a period of 15 years and the mining lease 10M/2013 was granted on February 1, 1995 for a period of 14 years and 11 months. Both leases have been renewed for a period of 18 years and are valid up to December 30, 2027. The mine is also covered by the Copper Mines of Tasmania (Agreement) Act 1999, which, in conjunction with an agreement between the state government of Tasmania and CMT entered into pursuant to that Act, limits CMT's environmental liabilities to the impact of current operations, thereby insulating CMT from any historical legacy claims. The operation of Mt Lyell mine was suspended in January 2014, following a mudslide incident.

Monte Cello acquired CMT in 1999 from Mt. Lyell Mining Company Limited when Mt. Lyell Mining Company Limited entered into voluntary administration due to hedging difficulties. We acquired Monte Cello, and CMT, from Twin Star's subsidiary in 2000.

The principal deposits in the Mt. Lyell region are all of the volcanic disseminated pyrite-chalcopyrite type, which accounts for 86.0% of the known ore in the region. The geology of the Mt. Lyell mine consists of a series of intercalated felsic to mafic-intermediate volcanics. Lithologies are highly altered quartz-sericite-chlorite volcanics with individual units delineated largely by the relative abundance of phyllosilicates. Volcaniclastic and rhyolitic lithologies occur sporadically throughout the sequence, as does pervasive iron mineralization in the form of haematite, magnetite and siderite.

Chalcopyrite is the principal ore mineral and occurs chiefly in higher grade lenses enveloped by lower grade halos. The overall structure of Mt. Lyell is that of a steeply dipping overturned limb of a large anticline. The hanging wall (stratigraphic footwall) of the ore body consists of weakly mineralized chloritic schists with disseminated pyrite. The footwall is sharply defined by the Great Lyell Fault—Owen Conglomerate contact which truncates the ore body at its southern end.

The Mt. Lyell mine is under care and maintenance following a rock falling on the ventilation shaft in June 2014. The western tharsis deposit lies to the west of the Prince Lyell ore body. Additional targets include Tasman and Crown, Glen Lyell, Copper Clays and NW Geophysics. The tailings dam is a valley-fill type and excess water is discharged via a spillway. The water quality is sampled before the water is released from the site. The tailings dam was raised as CMT's accepted closure plan is to flood the tailings.

The processing plant is approximately 31 years old and has been partially refurbished following CMT's acquisition with the addition of crushers, a float cell and a regrind mill at the surface. The condition of the process plant is ageing but is well maintained to ensure it remains in safe and efficient condition.

Power at the mine is supplied through an electricity supply agreement with TasNetworks Proprietary Limited and Hydro Tasmania Proprietary Limited.

The net value of fixed assets, including capital work-in-progress was approximately AUD 12.1 million (\$ 9 million) and AUD 6 million as of March 31, 2021 and March 31, 2020 respectively.

At the time of finalization of reserve statement as on March 31, 2021, no mineral reserves have been determined due to government statutory restrictions imposed post the mud slide incident in January 2014.



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2. Our Smelter and Refineries

Overview

(i) Tuticorin

Our Tuticorin facility, established in 1997, is located in Tamil Nadu in southern India. Our Tuticorin facility currently consists of a 400,000 tpa copper smelter, a 246,000 tpa copper refinery, a 96,000 tpa copper rod plant, a 1,300,000 tpa sulphuric acid plant, a 230,000 tpa phosphoric acid plant and three captive power plants with capacities of 7.5 MW, 24.0 MW and 160.0 MW. The coal based power plant of 160 MW is primarily used for captive consumption

Tuticorin facility will meet most of the facility's power requirements once the proposed expansion to 800,000 tpa is complete.

The smelter at the Tuticorin facility utilizes IsaSmelt™ furnace technology. The refinery uses IsaProcess™ technology to produce copper cathode and the copper rod plant uses Properzi Continuously Cast and Rolled, copper rod technology from Continuus-Properzi spa., Italy, to produce copper rods.

On March 29, 2013, the TNPCB ordered the closure of the copper smelter at Tuticorin due to complaints about a noxious gas leak by local residents. On April 1, 2013, Vedanta Limited (then Sterlite Industries India Limited) filed an application in the NGT challenging the order of the TNPCB on the basis that the plant's emissions were within permissible limits. NGT ordered in favour of Vedanta Limited on August 8, 2013 clearing all allegations raised against Vedanta Limited with respect to gas leak incident. However, the TNPCB filed a civil appeals in 2013 against the order of NGT.

TNPCB granted renewal of the CTO to the existing Copper Smelter which was valid till March 31, 2018. The application for renewal of CTO from April 1, 2018 for existing copper smelter, required as per procedure established by law, was rejected by TNPCB vide rejection order dated April 9, 2018. The Company then filed an appeal before the TNPCB Appellate Authority challenging the rejection order. During the pendency of the appeal, TNPCB vide its order dated May 23, 2018 ordered closure of existing copper smelter plant and disconnection of power supply with immediate effect. Further, the Government of Tamil Nadu, issued orders dated May 28, 2018 with a direction to seal the existing copper smelter plant permanently. Consequently, TNPCB issued another notice dated May 28, 2018 directing sealing and closure of the unit. The Company believes these actions by the authorities were not taken in accordance with the procedure prescribed under applicable laws.

Subsequently, the Directorate of Industrial Safety and Health passed orders dated May 30, 2018, directing the immediate suspension and revocation of the Factory License and the Registration Certificate for the existing smelter plant.

Then the Company had appealed before the NGT, Principal Bench. Hearing the appeal, the NGT has referred the matter to an Independent Committee presided by retired Chief Justice of the Meghalaya High Court along with one expert member each from MoEF&CC and Central Pollution Control Board (CPCB) which heard all the affected parties including Company and through the reports produced on the issue of environmental compliance as well as the impact on inhabitants as perceived or actual. The Independent Committee visited the plant in September 2018 and heard TNPCB as well as Vedanta Limited's defence on the violations pointed out by TNPCB for rejection of CTO renewal application and heard interveners supporting and opposing reopening of Sterlite Copper and State authorities and TNPCB.

The NGT through an order dated December 15, 2018 has set aside the impugned orders passed by State of Tamil Nadu and TNPCB and directed TNPCB to pass fresh orders of renewal of consent and authorization to handle hazardous substances, subject to appropriate conditions for protection of environment in accordance with law within three weeks from this order date. It has also allowed to restore electricity for operations of the plant. The order is subjected to Vedanta Limited complying with certain directions as specified in the order.

Meanwhile, Madurai bench of Madras High Court ordered to maintain 'Status quo' till January 21, 2019 in response to a Public Interest Litigation (PIL) filed by one of the Tuticorin resident challenging the order of NGT. This Public Interest Litigation (PIL) was later withdrawn in light of appeal filed before Supreme Court by State of Tamil Nadu and TNPCB.

The State of Tamil Nadu and TNPCB approached Supreme Court in Civil Appeals on January 2, 2019 challenging the judgment of NGT dated December 15, 2018 and this appeal was clubbed with the previously filled appeal by TNPCB against the NGT order dated August 8, 2013. The Supreme Court heard all the parties during January and February 2019 on maintainability as well as merits. The Supreme Court vide its judgment dated February 18, 2019 set aside the judgments of NGT dated December 15, 2018 and August 8, 2013 solely on the basis of maintainability holding that the same were not maintainable before NGT. The Supreme Court did not venture into the merits of the matter. The Supreme Court gave the Company liberty to approach Madras High Court for filing a writ petition against the orders challenged in aforesaid appeals before NGT. The Supreme Court also indicated mentioning the matter before Chief Justice of Madras High Court for an expeditious hearing considering that the Company's plant has been shut for a long period and the Company is exporting a product which is an important import substitute.

The Company then filed a writ petition before Madras High Court challenging the various orders passed against the Company in 2018 and 2013. The case was heard on March 1, 2019 wherein the Company pressed for interim relief for care and maintenance of the plant. No interim relief was granted to the company. The High Court Division Bench proceeded to hear the matter on a continuous basis, as a specially ordered case. The hearings were concluded on January 8, 2020. On August 18, 2020, the Madras High Court delivered the judgement 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 SLP to Appeal. The SLP was admitted on August 31, 2020 wherein the court had directed the parties to file their counters and rejoinders if any. Subsequent to the same, the counter affidavits and the rejoinders were filed by the parties and the matter was listed on November 16, 2020 wherein Vedanta Limited had informed the court for a need to look at a workable approach and an option to resume the plant operations (at least on a trial basis so that allegations of pollution could be checked). Pursuant to the same an IA was filed by the Company. The Matter was then listed on December 2, 2020 before Supreme Court Bench comprising of Justices Rohinton Nariman, Naveen Sinha & K M Joseph. The Bench 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. In a subsequent development, the State and TNPCB had filed an SLP as well, but on the limited point of expunging of certain paras in the Madras HC judgement, wherein adverse remarks were made against the state government officials and TNPCB officials. Matter was listed on January 21, 2021 wherein we had also appeared. The State TNPCB SLP has been clubbed with our main SLP matter. During hearing, judge also indicated that physical hearing will start soon. We mentioned the matter before the bench on March 18, 2021, wherein the bench posted the matter for final hearing on August 17, 2021. The company filed an IA for interim access to plant for care and maintenance and also sought the running of the Oxygen plant to support the nation during the COVID crisis. Vide orders dated April 27, 2021, the Supreme Court allowed the operation of the Oxygen Plant on a stand-alone basis under the supervision of a committee. The orders are valid till July 31, 2021 and may be extended depending on the situation prevailing then. The company has moved an application giving the status of the Oxygen Plant operations.

**Silvassa**

Our Silvassa facility, established in 1997, is located in the union territory of Dadra and Nagar Haveli in western India. Silvassa facility consists of a 133,000 MT of blister/secondary material processing plant which is developed by converting its existing two rod plants, a 216,000 tpa copper refinery plant, and a new Copper Rod Mill with an installed capacity of 258,000 tpa that was commissioned in October, 2019. Its refinery uses IsaProcess™ technology in the production of copper cathode and its copper rod plants use Contirod technology to produce copper wire rods. Our Silvassa facility draws on the state power grid to satisfy its power requirements.

Capacities

The following table sets forth the total capacities as of March 31, 2021 at our Tuticorin and Silvassa facilities:

Facility	Capacity					
	Copper Anode ⁽¹⁾ (tpa)	Copper Cathode ⁽²⁾ (tpa)	Copper Rods ⁽²⁾ (tpa)	Sulphuric Acid ⁽³⁾ (tpa)	Phosphoric Acid ⁽³⁾ (tpa)	Captive Power (MW)
Tuticorin ⁽⁴⁾	400,000	246,000	96,000	1,300,000	230,000	191.5
Silvassa	175,000 ⁽⁶⁾	216,000	258,000 ⁽⁵⁾	—	—	—
Total	575,000	462,000	354,000	1,300,000	230,000	191.5

- (1) Copper anode is an intermediate product produced by copper smelters and is not sold to customers. It is used for the production of copper cathode by copper refineries. Approximately one ton of copper anode is required for the production of one ton of copper cathode.
- (2) Copper cathode is used as an input material for copper rods. Approximately one ton of copper cathode is required for the production of one ton of copper rods.
- (3) Sulphuric acid is used as a starting material for phosphoric acid. Approximately 2.8 tons of sulphuric acid are required for the production of one ton of phosphoric acid.
- (4) Currently the operations are suspended as detailed above.
- (5) Silvassa New CCR plant with a capacity of 258,000 tpa commissioned in October 2019.
- (6) In the fiscal year 2020, with new technology intervention, the company has converted its two rod plants into blister/secondary material plant with an installed capacity of 133,000 MT of Anode production per annum. During the year, these plants have produced secondary material of 95,000 tons which further supported the refinery at Silvassa in Copper Cathodes

Fujairah

Fujairah Gold FZC is located in the Fujairah Free Zone 2. Our Fujairah facility is strategically located on the coast of the Arabian Sea. The precious metal refinery was commissioned in March 2009 and began production in April 2009, with a capacity of 20 tons of gold and 105 tons of silver. Outotec Oyj, Finland, supplied the technology for the precious metal refinery. Fujairah Gold FZC commissioned a copper rod plant at a project cost of \$ 13 million, with an annual capacity of 12.5 tons per hour with production having commenced in May 2010 and generated a production of 57,993 metric tons of rod, 35 kilograms of gold and 5,180 kilograms of silver in fiscal year 2021. Continuus Properzi spa, Italy, has supplied the rod mill equipment for this project, and the copper cathode required for the copper rod plant is being sourced from the smelters of the Vedanta Group and third parties. The doré anode plant that was shifted from Tuticorin to Fujairah was commissioned in June 2012 for smelting of “anode slime” to “doré anode” which is the raw material for the precious metal refinery.



Production Volumes

The following table sets out our total production from Tuticorin and Silvassa for fiscal years ended March 31, 2019, 2020 and 2021:

Facility	Product	Units	For the Year Ended March 31,		
			2019	2020	2021
Tuticorin ⁽⁴⁾	Copper anode ⁽¹⁾	Tons	4	—	—
	Sulphuric acid ⁽²⁾	Tons	—	—	—
	Phosphoric acid ⁽²⁾	Tons	182	—	—
	Copper cathode ⁽³⁾	Tons	2,873	—	—
	Copper rods ⁽³⁾	Tons	2,282	—	—
Silvassa	Copper cathode ⁽³⁾	Tons	86,644	77,487	101,435
	Copper rods ⁽³⁾	Tons	108,915	100,216	122,390
Fujairah	Rod	Metric ton	82,627	68,865	57,993
	Gold	Kg	814	33	35
	Silver	Kg	10,640	2,700	5,180

- (1) Copper anode is an intermediate product produced by copper smelters and is not sold to customers. It is used for the production of copper cathode by copper refineries. Approximately one ton of copper anode is required for the production of one ton of copper cathode.
- (2) Sulphuric acid is used as a starting material for phosphoric acid. Approximately 2.8 tons of sulphuric acid are required for the production of one ton of phosphoric acid.
- (3) Copper cathode is used as a starting material for copper rods. Approximately one ton of copper cathode is required for the production of one ton of copper rods.
- (4) Currently the operations are suspended as detailed above.

Since Mt. Lyell mine has been placed under care and maintenance following a rock falling on the ventilation shaft in June 2014, there was no copper extraction from these mines for fiscal years ended March 31 2019, 2020 and 2021.

Principal Raw Materials

Overview

The principal inputs of our copper business are copper concentrate, rock phosphate, power, fuel and sulphuric acid. Other inputs include coke, lime, reagents and oxide ore. We have in the past been able to secure an adequate supply of the principal inputs for our copper production.

Copper Concentrate

Copper concentrate is the principal raw material of our copper smelter. We source our copper concentrate requirements either through long-term contracts or on spot markets. We purchase copper concentrate at the LME price less a TcRc that we negotiate with our suppliers but which is influenced by the prevailing market rate for the TcRc. The smelter at Tuticorin has been closed during the fiscal year 2019, therefore copper anodes and blister has been procured from external sources for production of copper cathode in Silvassa Refinery.

In general, Vedanta Limited’s long-term agreements run for a period of three to five years; and are renewable at the end of the period. The quantity of supply for each contract year is fixed at the beginning of the year and terms like TcRc and freight differential are negotiated each year depending upon market conditions. For copper blisters and anodes, the long term agreements are limited to a period of one year. In fiscal year 2021, we sourced approximately 72.28% of our copper anodes / blister requirements through long-term agreements.

Vedanta Limited also purchases copper concentrate on a spot basis to fill any gaps in its requirements based on production needs for quantity and quality. These deals are struck on the best possible TcRc during the period and are specific for short-term supply.

Rock Phosphate

Vedanta Limited’s rock phosphate is sourced primarily from Jordan at spot prices. Vedanta Limited is currently exploring the sourcing of rock phosphate from countries such as Morocco, Nauru, Togo, Algeria and Israel to diversify its supply base.

Power

The electricity requirements of our copper smelter and refinery at Tuticorin are primarily met by the on-site captive power plants. This plant uses coal that is imported from third parties. Our other captive power plants at Tuticorin operate on furnace oil that is procured through long-term contracts with various oil companies. During fiscal year 2021, no power was consumed for production purpose as the plant at the Tuticorin has been closed since FY 2019. We have outsourced the day-to-day operations and maintenance of our captive power plants at Tuticorin. Our Silvassa facility relies on the state power grid for its power requirements.



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VEDANTA 20-F - IFRS	Donnelley Financial	VDI-W7-PF3-0491 21.7.8.0	HKR rathg0cb	15-Jul-2021 13:58 EST	165852 TX 91	7*
VEDANTA 20-F - IFRS	None		SNG		HTM ESS	OC

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Distribution, Logistics and Transport

Copper concentrate sourced from third parties is received at the port of Tuticorin and then transported by road to the Tuticorin facility.

Once processed at the Tuticorin facility, copper anodes are either refined at Tuticorin or transported by road to Silvassa. The smelter at Tuticorin was closed since the fiscal year 2019 and has not reopened. Accordingly, we have been procuring Copper Anodes and Blister from external sources for production of copper cathode in Silvassa Refinery. Copper cathodes, copper rods, sulphuric acid, phosphoric acid and other by-products are shipped for export or transported by road to customers in India.

Sales and Marketing

The 10 largest customers of our copper business accounted for approximately 45.5%, 40.6% and 47.61% of our copper business revenue in fiscal years 2019, 2020 and 2021 respectively.

Our copper sales and marketing head office is located in Mumbai, and we have field sales and marketing offices in most major metropolitan centers in India. We sell our copper rods and cathodes in both the domestic and export markets. In fiscal years 2019, 2020 and 2021 exports accounted for approximately 24.3%, 29% and 7.58% of the revenue of our copper business, respectively. Our export sales were primarily to China, UAE, Qatar, Belgium, Nepal and Taiwan. We also sell phosphoric acid and other by-products in both the domestic and export markets.

Domestic sales are normally made on the basis of prevailing LME prices as selected by the customer. The price for copper we sell in India is normally higher than the price we charge in the export markets due to the tariff structure on costs, smaller order sizes that domestic customers place and the packaging, storing and truck loading expenses that we incur when supplying domestic customers.

Our export sales of copper are made on the basis of both long-term sales agreements and spot sales. The sales prices of our copper exports include the LME price plus a producer's premium. We do not enter into fixed price long-term copper sales agreements with our customers.

Market Share and Competition

We own one of the two custom copper smelters in India and had a primary market share of 20% by sales volume in India. The other major custom copper smelter in India is owned by Hindalco Industries Limited, with the remainder of the primary copper market in India primarily served by imports and Hindustan Copper Limited.

Copper is a commodity product and we compete primarily on the basis of price and service, with price being the most important consideration when supplies of copper are abundant. Our metal products also compete with other materials, including Aluminium and plastics that can be used in similar applications by end-users. Copper is sold directly to consumers or on terminal markets such as the LME. Prices are established based on the LME price, though as a regional producer we are able to charge a premium to the LME price which reflects the cost of obtaining the metal from an alternative source.

Projects and Developments

Vedanta Limited had undertaken expansion projects to setup Copper smelter plant II at Tuticorin costing ₹ 44,240 million (\$ 605 million) to increase its total copper capacity to 800,000 tpa.

Vedanta Limited has incurred ₹ 8,645 million (\$ 118 million) on these projects as of March 31, 2021. However, the expansion of the smelter was temporarily put on hold due to pending environmental clearances.

The application for renewal of the Environmental Clearance for the proposed Expansion Project has expired on December 31, 2018. We made a fresh application dated March 12, 2018 before the Expert Appraisal Committee of the MoEF&CC wherein a sub-committee was directed to visit the Expansion Project site prior to prescribing the Terms of Reference.

In the meantime, the Madurai Bench of the High Court of Madras in a Public Interest Litigation held vide its order dated May 23, 2018 that the application for renewal of the Environmental Clearance for the Expansion Project shall be processed after a mandatory public hearing and the said application shall be decided by the competent authority on or before September 23, 2018. In the interim, the High Court ordered the Company to cease construction and all other activities on site for the proposed Expansion Project with immediate effect. Separately, State Industries Promotion Corporation of Tamil Nadu ("SIPCOT") vide its letter dated May 29, 2018, cancelled 342.22 acres of the land allotted to us for the proposed Expansion Project. Further the TNPCB issued orders on June 7, 2018 directing the withdrawal of the CTE which was valid till March 31, 2023.

Hearing the case of expansion project, Madras High Court vide its order dated October 3, 2018 has granted an interim stay in favour of the Company against order of SIPCOT dated May 29, 2018, cancelling 342.22 acres of the land allotted to us. The MoEF&CC has updated on its website that Vedanta Limited's environmental clearance for expansion project will be considered for ToR either upon verdict of the NGT case or upon filing of a Report from the State Government/ District Collector, Thoothukudi. The existing EC has expired on December 31, 2018. We had applied for fresh environmental clearance in February 2018, but the application was not processed citing the pending litigation. Presently the EC application file has been closed by MoEF&CC.

The Company has also filed Appeals before the TNPCB Appellate Authority challenging withdrawal of CTE by the TNPCB. The matter is pending for hearing and is listed for filing of counter by TNPCB on August 4, 2021. During the fiscal year 2020, the Company has recognised a provision on impairment on its expansion project of ₹ 6, 692 million (\$ 91 million).



Our Aluminium Business

Our aluminium business is in Chhattisgarh and Odisha. We operate the business in the state of Chhattisgarh through BALCO, in which we have a 51.0% ownership interest, whereas our aluminium operations in Odisha were previously operated through Vedanta Aluminium, which was merged into Vedanta Limited pursuant to the Re-organization Transactions.

(a) BALCO

Overview

Our aluminium business in Chhattisgarh is owned and operated by BALCO. BALCO's aluminium operations comprises two bauxite mines, the Chotia coal block, 1,710 MW power plants, an alumina refinery (operations of which had been suspended since September 2009), a 245,000 tpa aluminium smelter, a 325,000 tpa aluminium smelter and fabrication facility, all of which are located in Korba in the State of Chhattisgarh in Central India.

BALCO's Bodai-Daldali bauxite mines is located in Kawardha district of Chhattisgarh. Bauxite is transferred to our alumina refinery in Lanjigarh, which converts bauxite to alumina and supplies alumina back to BALCO. In return, BALCO pays conversion price to us based on our actual cost of production plus reasonable margin. Balance of the BALCO's alumina requirements are sourced from third parties and from Vedanta Limited on sale basis at Arm's length price. Mining operations at Bodai-Daldali bauxite mine located in the Kawardha district have been suspended since April 2020 as low ore quality has rendered operations becoming uneconomical.

BALCO's other bauxite mine is Mainpat bauxite mine, which is an open pit mine located in the Surguja district of the state of Chhattisgarh. The Mainpat mine has been in production since 1993. Mining lease of the Mainpat mine has been renewed and is valid until July 8, 2042. During fiscal year 2020, mining operations were disrupted and under temporary suspension since October 11, 2019 as ore quality rendered operations uneconomical.

We own a 51.0% ownership interest in BALCO and have management control of the company. On March 19, 2004, we exercised an option to acquire the remaining ownership interest in BALCO, which is owned by the GoI. The exercise of this option has been contested by the GoI. See "- Options to Increase Interests in HZL and BALCO" for more information.

Principal Products

- *Primary Aluminium*

Primary aluminium is produced from the smelting of metallurgical grade alumina. BALCO produces primary aluminium in the form of ingots and wire rods for sale. Ingots are used extensively for aluminium castings and fabrication in the construction and transportation industries. Wire rods are used in various electrical applications, especially in the form of electrical conductors and cables.

- *Rolled Products*

Rolled products, namely coils and sheets, are value-added products that BALCO produces from primary aluminium. Rolled products are used for a variety of purposes in different industries, including manufacturing of aluminium foil, printing, transportation, consumer durables, building and architecture, electrical and communications, packaging and general engineering industries.

Delivery to Customers

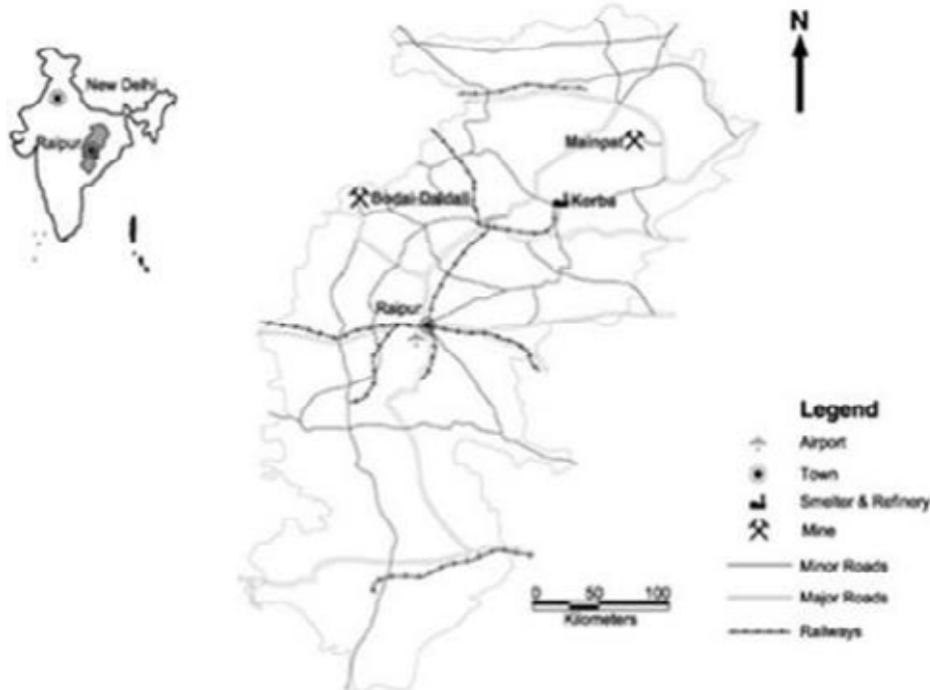
Ingots, wire rods and rolled products are transported by trucks to customers in India and by rail and trucks to ports for export.



Principal Facilities

Overview

The following map shows details of the locations of BALCO's facilities in the State of Chhattisgarh:



➤ Bauxite Mines

Chhattisgarh Mines – Mainpat and Bodai-Daldali

BALCO has two captive bauxite mines, namely the Mainpat bauxite mine and the Bodai-Daldali bauxite mine, in the state of Chhattisgarh in Central India. The Mainpat mine is an open-pit bauxite mine located in the Surguja district of Chhattisgarh. Mainpat mine has been in production since 1993 and has a leased hold area of 6.39 square kilometers. The bauxite extraction limit for the mine granted by MoEF&CC is 750,000 tpa. Mining lease of Mainpat mine has been renewed until July 8, 2042, and environmental clearances for the Mainpat mine has been renewed by MoEF&CC and is valid until September 16, 2038. BALCO had applied for renewal of forest clearance for forest land co-terminus for the mining lease period, which is valid until July 8, 2042. During fiscal year 2020, mining operations were disrupted and under temporary suspension since October 11, 2019 as ore quality rendered operations uneconomical.

The Bodai-Daldali deposits are located approximately 260 kilometers from Korba in the Kawardha district of the state of Chhattisgarh. Bodai-Daldali was commissioned in 2004 by BALCO with a lease hold area of 6.26 square kilometers renewable mining lease that is valid until March 26, 2047. The bauxite extraction limit for Bodai-Daldali Mines granted by MoEF&CC is 1,250,000 tpa.

Chhattisgarh bauxite deposits are situated over a plateau with steep scarps on both sides, at an elevation of approximately 1,040 meters above the mean sea level for Mainpat, and approximately 940 meters above the mean sea level for Bodai-Daldali. The bauxite is generally one meter to three meters thick and lies within a laterite sequence overlying thick tertiary basalts of the Deccan traps. The cover of laterite and thin topsoil is up to 5 meters thick but is generally less than 2 meters. Majorly, the Bauxite outcrops around plateau rims.

A typical profile of the Chhattisgarh deposits comprises topsoil and soft overburden above the laterite. The upper laterite consists of hard, loose or indurated bauxite pebbles and boulders with a clear contact with the underlying hard bauxites. The bauxite occurs in discontinuous lenses up to four meters in thickness with laterite infilling joints and fractures with the bauxite. The contact with the softer lower laterite is usually gradational and irregular.

The bauxite ranges from hard to very hard with a natural moisture content of 3.0% to 10.0%, an in-situ density of 2.3 tons per cubic meter. It comprises primarily gibbsite with bohemite and minor diaspor. The reactive silica content is low and iron is present in the form of hematite and aluminous goethite.

All mining and transportation at both mines are undertaken by contractors. One thin top soil layer is removed by an excavator and is either transported to an adjacent storage point or an area that is being backfilled. The laterite layer is drilled and blasted. The overburden is then removed by backhoe, excavators and 15-ton dumpers. Broken ore is hand-sorted, leaving waste material behind. Ore productivity is around 2 to 3 tons per person per day in the dry season which decreases to 1.25 to 1.75 tons per person per day in the wet season.

The exploration drilling program has been completed and the entire area is covered based on a 50-meter square pattern and is reduced to a 25-meter centers for detailed mine planning. Sampling is normally in 0.4 meter lengths and core is currently split and retained for future reference. Bauxite samples are tested for silica and aluminium oxide at laboratories situated on site and at the Korba plant. Selected sample are re-assayed as part of a quality control program.



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Since the commencement of operations, the Mainpat mine has produced approximately 8.13 million tons of bauxite. During fiscal year 2020, the mine produced 55,700 tons of bauxite until October 2019. Thereafter, mining operations were temporarily suspended as ore quality rendered operations uneconomical.

Total production at the Bodai-Daldali mine since the commencement of production has been 8.47 million tons of bauxite, with production in fiscal year 2020 totaling approximately 469,800 tons at 44.53% aluminium oxide and there is no production in fiscal year 2021. Power is supplied on-site by state electricity board (CSPDCL) and diesel generators. Water requirement for mines is fulfilled by surface water from rain water harvesting and pond developed at mines.

The mining recovery factors applied to determine the reserves for both mines are 65.0% from ore. The grade dilution factor is reconciled between the actual mined / dispatched grades obtained and in-situ grade values. The grade correction / dilution factors applied for Mainpat and Bodai-Daldali Bauxite mines are Al₂O₃ 97%, SiO₂ 103%. The parameters for Mainpat Mines are derived from the reconciliation of actual production against the geological model, while the parameters for Bodai-Daldali are based on estimates.

(i) Korba Facility

Overview

BALCO's smelting facility is located at Korba in the state of Chhattisgarh and consists of a 245,000 tpa aluminium smelter and a 325,000 tpa aluminium smelter, 1,710 MW captive power plants, and an alumina refinery (non-operational) and fabrication facility. Out of the 1,710 MW, 540 MW captive power plant was commissioned in March 2006 and 900 MW was commissioned in fiscal year 2016. The remaining 270 MW power plant was transferred from power business to aluminum business on April 1, 2016 (Presently, the 270 MW power plant is under suspension) and one unit of 300 MW was converted from IPP to CPP from April 1, 2017 vide order dated January 1, 2019. BALCO now has only one 300 MW power unit operating as Independent Power Plant (reported in the Power segment). The following table sets forth the total capacities as of March 31, 2021 at BALCO's Korba facility:

Facility	Capacity		
	Alumina (tpa)	Aluminium (tpa)	Power plant (MW)
Korba	200,000	245,000	
Korba (New smelter)	—	325,000 ⁽¹⁾	1,710

⁽¹⁾ For the 325,000 tpa smelter, 84 pots were operationalized during fiscal year 2015. An additional 84 pots were operationalized during fiscal year 2017 and the remaining 168 pots commenced commercial production from May 1, 2017.

Refinery

Commissioned in 1973, uses the conventional high-pressure Bayer process and has a capacity of 200,000 tpa of alumina. The operations of the refinery have stopped since September 2009.

Smelters

The smelter uses pre-baked GAMI technology and has a capacity of 245,000 tpa, was commissioned in November 2006. BALCO has set up a 325,000 tpa smelter at the Korba facility, of which 84 pots commenced commercial production in September 2014. An additional 84 pots were operationalized in August 2016 and the remaining 168 pots commenced commercial production on May 1, 2017.

Fabrication Facility

The fabrication facility at Korba has two parts, a cast house and a sheet rolling shop.

Cast House

The cast house uses continuous rod casters from Continuuus-Properzi S.P.A and has a foundry which has twin-roll continuous casters with a SNIF degasser and hydraulically driven semi-continuous ingot casting machine to produce ingots and wire rods.

Sheet Rolling Shop

The sheet rolling shop has three parts: a hot rolling mill with a capacity of 75,000 tpa, an older cold rolling mill with a capacity of 30,000 tpa and a newer cold rolling mill commissioned in 2004 with a capacity of 36,000 tpa. Molten metal is cast into slabs and then either hot-rolled and sold as hot-rolled sheets or converted into cold-rolled sheets in the cold rolling mills. Alternatively, molten metal is directly used in strip casting and then fed to the cold rolling mills to convert it into cold-rolled sheets or coils.

Power Plants

Smelting requires a substantial continuous supply of power and interruptions can cause molten metal to solidify and damage or destroy the pots. Power for the Korba facility is mostly provided by the coal-based 540 MW captive power plant commissioned in March 2006. The surplus generation from the power plant is supplied to the State Electricity Board and other customers. 270 MW power plant was transferred from power business to aluminium business on April 1, 2016 (presently the 270 MW power plant is under suspension). BALCO constructed a CPP 900 MW coal-based thermal power facility in the state of Chhattisgarh. The power generated from CPP 900 MW (3 units of 300 MW each) units is being utilized in the 325,000 tpa smelter. One of the 3 units of 300 MW was converted to CPP from April 1, 2017 vide order dated January 1, 2019.

Thermal coal is a key raw material required for the operation of BALCO's captive power plants. The major coal supplier in India is Coal India Limited and its subsidiaries (mainly, South Eastern Coalfields Limited) and coal mined from the captive Chotia coal block. The balance coal requirements is met from imports. The total volume of coal consumed annually by coal-fueled power plants is largely dependent on the amount of generation. During fiscal year 2021, total coal consumed by 135 x 4 MW and 300 x 3 MW power plants was 2.34 million and 4.46 million tons respectively.



Production Volumes

The following table sets out BALCO's total production from its Korba facility for fiscal years ended March 31, 2019, 2020 and 2021:

Facility	Product	For the Year Ended March 31,		
		2019	2020	2021
Korba	Ingots/Busbar/Billets	285,325	315,813	3,74,867
	Alloy Ingots	35,654	44,693	46,185
	Rods	224,133	172,002	1,18,691
	Rolled products	26,119	28,831	29,864
Total⁽¹⁾		571,231	5,61,338	5,69,607

(1) Reflects total of ingots, rods and rolled products.

The following table sets out the total bauxite ore production for each of BALCO's mines for fiscal years ended March 31, 2019, 2020 and 2021:

Mine (Type of Mine)	Products	For the Year Ended March 31,		
		2019	2020	2021
Mainpat (Open pit)	Bauxite ore mined	—	55,700	—
	Ore grade	—	42.60	—
Bodai-Daldali (Open pit)	Bauxite ore mined	462,000	469,800	—
	Ore grade	45.70%	44.53%	—
Total		462,000	525,500	—

Principal Raw Materials

The principal inputs of BALCO's operations are alumina, power, carbon and certain other raw materials. In the past, Vedanta Limited has been able to secure an adequate supply of the principal inputs for its aluminium business.

- Alumina*

Alumina is the primary raw material used in the production of aluminium. BALCO sources its alumina requirements from Lanjigarh and from third-party suppliers in international markets. The alumina sourced externally is metallurgical grade calcined alumina with a minimum alumina content of 98.6% on a dry basis. In fiscal years 2019, 2020 and 2021, BALCO purchased 7.7 million tons, 8.02 million tons and 9.17 million tons of imported alumina at an average price of \$ 500, \$ 373 and \$ 326 per ton respectively, on a cost, insurance and freight or CIF basis at the ports in Andhra Pradesh in India.

- Power*

Smelting primary aluminium requires a substantial, continuous supply of electricity. As a result, power is a key input at BALCO's Korba facility, where it is provided by three coal-based captive power plants of 270 MW (currently under suspension), 540 MW and CPP 900 MW (one unit of 300 MW was converted from IPP to CPP from April 1, 2017 vide order dated January 1, 2019 taking it from 600 MW to 900 MW). Our captive power plant has historically been dependent upon coal allocations from Coal India Limited. BALCO acquired the Chotia coal block through an e-auction. The total reserves at the Chotia block are 17.9 million tons with an annual production capacity of one million tons. However, based on changes proposed in the mining methodology in Mining Plan 4th Revision (with effect from April 2019), the balance extractable reserve was re-assessed as 19.66MT and during FY 2019-20, 1.0MT coal was produced from Chotia II, reducing the on date extractable coal reserve to 18.66MT and no major coal production (only 0.002 MT produced) in this FY 21 due to ongoing pandemic situation. BALCO's total coal requirement at full capacity is approximately 6 million tons for power generation for smelting.

Power for BALCO's captive bauxite mines are provided by on-site diesel generators. BALCO constructed a 1,200 MW coal-based thermal power facility, all the four units were commissioned during fiscal year 2016 and the last unit commenced commercial production on May 1, 2016. Of the 1,200 MW facility, power generated from three 300 MW units is supplied to the 325,000 tpa smelter and the power from the balance 300 MW units is sold to third parties (reported in power segment).

- Water*

Water is also an important input for BALCO's captive power plants. BALCO sources its water requirements at Korba from a nearby canal, with the water transported by pipelines. BALCO is currently in a dispute with the National Thermal Power Corporation ("NTPC") regarding the right of way for its water pipeline that supplies water to its 270 MW captive power plant, which has been built through National Thermal Power Corporation premises. BALCO invoked the arbitration clause and a Sole Arbitrator has been appointed. On the issue of easmentary rights, the Ld. Arbitrator issued its final award dated January 11, 2016 in favour of BALCO and rejected all counter claims of the NTPC. NTPC has challenged the said award by filing an application under Section 34 before the Hon'ble High Court of Delhi and BALCO has also filed Section 34 application before the Hon'ble High Court of Delhi with respect to claims, which were rejected by the Ld. Arbitrator. The next hearing will take place on July 27, 2021 on both the applications. Presently, the 270 MW power plant is under suspension and any adverse order will not affect smelter operations. However, the Company has a water supply agreement valid for 30 years from July 29, 2011 for 13 million cubic meters for 540 MW and on December 22, 2015, BALCO entered into a new water contract valid for 30 years with a local body for 25 million cubic meters per annum for IPP of 300 MW and CPP of 900 MW collectively, which has been fully allotted.



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- *Carbon*

Carbon is an important raw material to the aluminium smelting process. Carbon is used in the process of electrolysis, in the form of cathodes and anodes. Anodes are made up of carbonaceous material of high purity. For pre-baked anodes, green carbon paste made of calcined petroleum coke and coal tar pitch is compacted or pressed into the required form. These anodes are baked before their use in electrolytic cells, or pots.

BALCO has in-house facilities to manufacture carbon anodes to meet its entire carbon anode requirements. Calcined petroleum coke, coal tar pitch and fuel oil are the key ingredients for the manufacture of carbon anodes. There is an adequate supply of these raw materials domestically as well as globally. Their prices are generally determined by movements in global prices and local regulations. Based on commercial advantages, we source from several suppliers in India and globally.

- *Other Raw Materials*

BALCO also uses other raw materials such as fluorides and other chemicals. For these raw materials, there are several sources of supplies in the domestic and international markets and we do not foresee any difficulty in securing supplies when needed.

- *Distribution, Logistics and Transport*

Bauxite mined from the Mainpat and Bodai-Daldali mines is transported by road and rail to Lanjigarh alumina refinery for conversion to alumina. The alumina from Lanjigarh is delivered by rail to Korba. The alumina purchases from third party suppliers are transported to the Korba facility by ocean shipping and rail. BALCO's aluminium products are transported from the Korba facility to domestic customers through a combination of road and rail and shipped for export.

- *Sales and Marketing*

BALCO's ten largest customers for aluminium accounted for 53.07%, 53.6% and 53.2% of its revenue from the aluminium business in fiscal years 2019, 2020 and 2021 respectively. Two of BALCO's customers accounted for more than 15% of BALCO's revenue in fiscal year 2021 and 2020. Two of BALCO's customers accounted for more than 10% of BALCO's revenue in fiscal year 2019.

BALCO sells its products to both domestic and export markets. BALCO's key customers include conductor manufacturers, railways, equipment and machinery manufacturers among other customers. We follow an LME-based pricing and product-wise premiums for both our domestic and global customers. Our sales are currently on both spot and long-term basis.

Projects and Developments

On October 7, 2006, BALCO entered into a memorandum of understanding with the state government of Chhattisgarh, India, and the Chhattisgarh State Electricity Board, under which, among other things, feasibility studies will be undertaken to build a thermal coal-based 1,200 MW power facility, along with an integrated coal mine in the state of Chhattisgarh at an estimated cost of ₹ 46,500 million (\$ 636 million). The project was disrupted in September 2009 due to the collapse of a chimney under construction during heavy rains and lightning at Korba. There were 40 fatalities in the accident and SEPCO Electric Power Construction Corporation, our contractor and the sub-contractor Gamon Dunkerley and Company Limited, are the subject of an investigation by the Chhattisgarh government. The next hearing will be listed in due course. The lower court is awaiting the order of the High Court. We instituted an enquiry which was conducted by the Indian Institute of Technology Roorkee, an expert in the civil engineering field in India. The project was resumed in January 2010. BALCO has constructed 1,200 MW (300 MW x 4) thermal power plant. All the four units were commissioned during Fiscal Year 2016 and the last unit commenced commercial production on May 1, 2016. In addition, on August 8, 2007, BALCO entered into a memorandum of understanding with the state government of Chhattisgarh for a potential investment to build an aluminium smelter with a capacity of 650,000 tpa at Chhattisgarh at an estimated cost of ₹ 81,000 million (\$ 1,107 million). The first of two phases of this project commenced with the setting up of a 325,000 tpa aluminium smelter at an estimated cost of ₹ 38,000 million (\$ 520 million), which uses pre-baked GAMI technology. BALCO has received environmental clearances for both phases of the project. Construction has commenced and trial production started in February 2014 from the 325,000 tpa aluminium smelter and 84 pots started commercial production from September 2014. During fiscal year 2017, company started commercial production from another 84 pots from August 1, 2016. Balance 168 pots are operationalized from May 1, 2017.

The 1,200 MW power facility was completed and capitalized in all aspects in April 2016 and 325,000 tpa aluminium smelter was fully capitalized in May 2017.

On May 13, 2021, the Board approved the expansion of Rolled Product Capacity from existing 50 KTPA to 130 KTPA at a cost of ₹ 3,480 million (\$ 48 Million) which will improve the plant's VAP capacity and overall premium.

Market Share and Competition

For the fiscal year 2021, the estimated market share for Vedanta (including BALCO) in India for aluminium was approximately 47% among the primary aluminium producers in India, based on internal estimates.



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Coal mining operations

Thermal coal is a key raw material required for the operation of BALCO’s captive power plants. In September 2014, the Supreme Court of India canceled all the coal blocks that had been awarded to companies in India by the Ministry of Coal between 1992 and 2012. Consequently, in February 2015, the GoI conducted an auction to award mining rights to successful bidders for all such coal blocks. During the fourth quarter of fiscal year 2015, BALCO was successful in securing the Chotia coal block in the GoI coal block auctions. The Chotia coal block was acquired to support BALCO’s captive power plants. BALCO was also successful in its bid for the Gare Palma IV/1 coal block, but the GoI challenged and rejected the award and BALCO does not intend to file any further petitions to appeal for its bid on the coal block.

The Chotia coal block is located in Korba district in the state of Chhattisgarh. The total reserves at the Chotia block are 17.9 million tons with an annual production capacity of one million tons. However, based on changes proposed in the mining methodology in Mining Plan 4th Revision (with effect from April 2019), the balance extractable reserve was re-assessed as 19.66MT and during FY 2019-20, 1.0MT coal was produced from Chotia II, reducing the on date extractable coal reserve to 18.66MT and no major coal production (only 0.002 MT produced) in this FY 2021 due to ongoing pandemic situation.

The following tables contain details of our coal mining operations.

- The Chotia coal mine is divided into two sub-blocks, Chotia I and Chotia II. Both of these blocks are assigned to the existing captive power facilities at our BALCO operations. The estimates provided below are based on the DMT report.

<u>Blocks</u>	<u>Gross CV range (Min – Max)</u> Kcal/kg	<u>Sulphur (%)</u>
Chotia I	3,785 - 6,476	0.30-0.60 (Total)*
Chotia II	3,600 - 6,152	0.30 (Total)*

- Sulphur data is not available for all seams. Total is based only on available seam data.
- This coal, which is thermal grade coal, would be blended with low GCV coal before being fed to the Boiler.
- The extractable coal indicated is considering all losses. This number reflects the final tonnage of the mine. There is no plan of putting wash plant either at the mine site or at the plant as the coal is of high GCV.

<u>Mine and Location</u>	<u>Means of Access</u>	<u>Ownership</u>	<u>Operator</u>	<u>Title, leases or Options</u>	<u>History</u>	<u>Mine type and mineralization style</u>	<u>Power source</u>	<u>Facilities, use and condition</u>
Chotia Coal Mine, Tehsil-Podiuprodha District Korba	-Public road	BALCO-100.0%	-MDO-Mode	-Mining lease granted.	Mines commenced coal production in 2006 (by prior allottee, M/s Prakash Industries Ltd.) However, BALCO commenced coal mining operations in 2015	-Open Cast and Underground	Electricity is available from Rural Feeder of Chhattisgarh State Electricity Board	Site office, explosive magazine, diesel pump, store, weigh bridge, residential complex is available at site
State: Chhattisgarh	-Coal transported by road to BALCO plant in Korba District		Currently no MDO exists as mining operations are temporarily suspended due to COVID19.	-Mining lease is valid for 20 years	-Lease executed on October 16, 2015	-Opencast is operational since 2006 (by prior allottee, M/s Prakash Industries Ltd.)		
	-Distance between mines and BALCO plant is 73 Km			-Valid until-October 15, 2035		-No infrastructure is developed by prior allottee for underground hence no coal production from underground mine. Mining Plan has been revised by BALCO accordingly.		
						-Thermal coal is mined from barakar formation of permian age of Gondwana supergroup		
						-Low moisture thermal coal		

We source coal from the following principal sources:

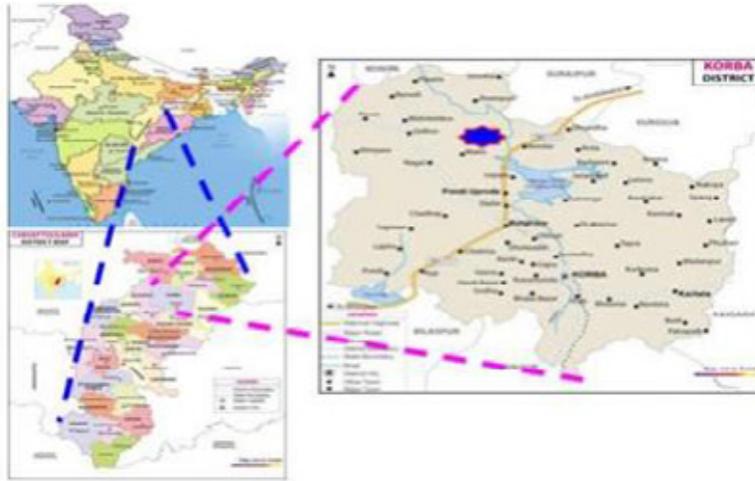
- Captive Coal Block at Chotia – BALCO sources coal from its own coal mine which has annual coal production capacity of one million tons and BALCO produced 0.002 million tons and 1.0 million tons during fiscal year 2021 and 2020 respectively and 0.67 million tons during fiscal year 2019.



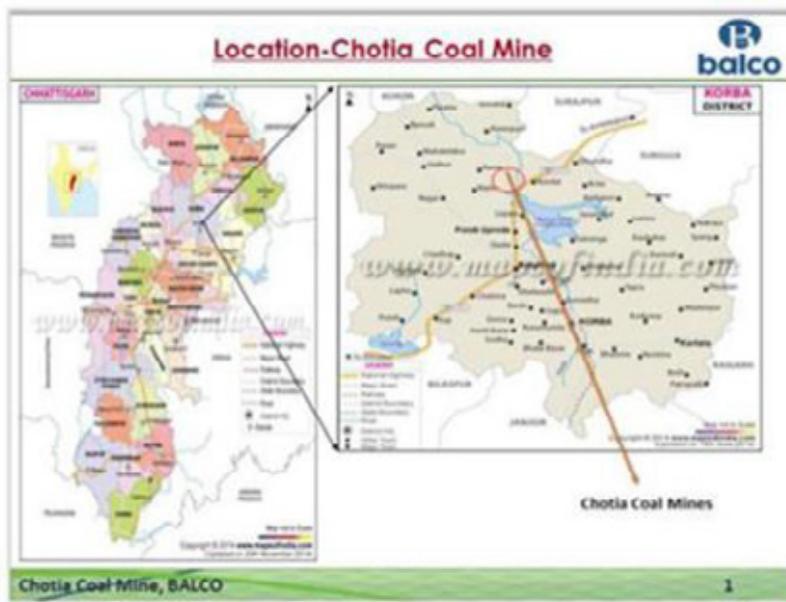
- Other Sources – BALCO sources coal from other sources such as the GoI’s coal mining companies, long-term coal supply agreements and from imports. In fiscal year 2021, the total coal purchased from these other sources was 8.0 million tons.



Set forth below is a map depicting the location of our coal properties for our coal mining operations:



Set forth below are maps depicting access to Chotia coal blocks:



(b) Our Aluminium Business in Odisha

Our aluminium business in Odisha was previously operated by Vedanta Aluminium Limited, which was merged with us pursuant to the Re-organization Transactions. Our Odisha aluminium operations include a 2.0 million tpa alumina refinery at Lanjigarh, with an associated 90 MW captive power plant.

We have a greenfield 500,000 tpa aluminium smelter (“Plant 1”), together with an associated 1,215 MW (nine units with a capacity of 135 MW each). We also have another 1,250,000 tpa smelter (“Plant 2”) facilities in Jharsuguda along with associated 1,800 MW (three units of 600 MW each) coal-based captive power plant in Jharsuguda. The 1.25 million tpa smelter initially commenced its production on December 1, 2015 and 1,176 pots have been capitalized as of March 31, 2021. The 1.25 million tpa capacity is under ramp-up and once fully operational, it will take the total capacity at Jharsuguda to 1.75 million tpa. The alumina refinery at Lanjigarh produced 1.84 million tons of alumina in fiscal year 2021. The smelters at Jharsuguda reported cast metal production of 1.40 million tons in fiscal year 2021. The net power generation was 8,395 million units and 11,230 million units from the 1,215 MW power plant and 1,800 MW power plant respectively in fiscal year 2021.

➤ **Principal Products**

Primary aluminium is produced from the smelting of metallurgical grade alumina in smelters. We produce primary aluminium in the form of ingots, primary foundry alloys, wire rods, billets and slabs for sale. Ingots are used extensively for aluminium castings and fabrication in the construction and transportation industries. Primary foundry alloys find usage in automotive industries mainly. Wire rods are used in various electrical applications especially in the form of electrical conductors and cables. Billets are used extensively in construction (windows and door frames), transportation, engineering, consumer durables, automotive forgings and many other applications. Slabs are used generally in rolling mills for manufacturing aluminium foil and sheet products.



➤ **Delivery to Customers**

Our products are transported by trucks and rakes to customers in India. Exports are delivered through ocean shipping, and inland movement to ports is typically by rakes.

➤ **Principal Facilities**

The following map shows the details of the locations of the aluminium facilities in the State of Odisha:



The following table sets forth the capacities as on March 31, 2021 at our Lanjigarh and Jharsuguda facilities:

Facility	Capacity (tpa)
Lanjigarh Alumina Refinery	2,000,000
Jharsuguda Aluminium Smelter	500,000
Jharsuguda Aluminium Smelter (partially completed)	1,250,000

➤ **Lanjigarh**

Alumina refinery and captive power plant

The Lanjigarh alumina refinery is in the Lanjigarh district in the state of Odisha. In March 2007, we began the progressive commissioning of a 1 mtpa greenfield alumina refinery, expandable to 1.4 mtpa of installed capacity and an associated 75 MW captive power plant, expandable to 90 MW. The captive power plant is fully operational and can meet the power requirements of the refinery. The second production stream of the Lanjigarh alumina refinery was commissioned in March 2010. Production of alumina at the refinery at Lanjigarh was temporarily suspended since December 5, 2012, due to inadequate availability of bauxite and the plant recommenced operations on July 12, 2013.

Initially in 2008, we planned to expand our alumina refining capacity at Lanjigarh to 6 mtpa and construct an associated 210 MW captive power plant. The expansion of the alumina refinery and related mining operations in and around the Niyamgiri was put on hold in October 20, 2010, when the MoEF&CC directed us to hold from further expansion.

Against this order, we filed a writ petition in the High Court of Odisha and the Court dismissed our petition. We subsequently made an application to the MoEF&CC. The environmental clearance for the Lanjigarh expansion project was received on November 20, 2015 for up to 4 mtpa, and an additional environmental clearance for up to 6 mtpa will be received after the completion of land acquisition of the balance area of 666.03 HA. Further, a consent to establish for 4 mtpa and a consent to operate for 2 mtpa has also been obtained. As approvals for expansion of the Lanjigarh refinery to 4 mtpa has been received, second stream operations have commenced at the Alumina refinery from April 2016 and the debottlenecked capacity has reached 2 mtpa (although this is contingent on the bauxite quality). However, on February 18, 2016, an individual challenged the environmental clearance granted for the alumina refinery expansion at Lanjigarh before the NGT, Kolkata, wherein MoEF&CC, Odisha State Pollution Control Board and us have been made parties. and the matter remains sub judice for hearing and no stay has been granted of the environmental clearance. We continue to explore the feasibility of expanding our alumina refinery capacity, subject to bauxite availability and regulatory approvals. See “Item 8. Financial Information - A. Consolidated Statements and Other Financial Information – Legal Proceedings” for further details.



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➤ **Jharsuguda**

Aluminium smelter and Captive Power Plant

We have a greenfield 500,000 tpa aluminium smelter together with an associated 1,215 MW (nine units with a capacity of 135 MW each). We also have another 1,250,000 tpa smelter facilities in Jharsuguda along with associated 1,800 MW (three units of 600 MW each) coal-based captive power plant in Jharsuguda. The 1.25 million tpa smelter initially commenced its production on December 1, 2015 and 1,176 pots have been capitalized as of March 31, 2021. The 1.25 million tpa capacity is under ramp-up and once fully operational, it will take the total capacity at Jharsuguda to 1.75 million tpa. In this respect, the Board has approved 100 KTPA smelter expansion on May 13, 2021, along with investment in the railway infrastructure to sustain the increased volume and operation. Further, the 120 KTPA Billet capacity expansion project has been approved at a cost of ₹ 1,940 Million (\$ 27 million) which will improve the VAP capacity and the overall premium.

➤ **Production Volumes**

The following table sets out total production from our Lanjigarh and Jharsuguda facilities for fiscal years 2019, 2020 and 2021. The numbers reported for Jharsuguda are cast metal production volumes.

Facility	Product	For the year ended March 31		
		2019	2020 (tons)	2021
Lanjigarh	Calcined alumina	1,500,670	1,810,702	1,840,894
Jharsuguda	Ingots	773,440	792,890	863,117
	Primary Foundry Alloys	12,548	21,611	11,371
	Billets	414,119	309,088	264,693
	Wire rods	143,364	161,694	201,756
	Hot metal	33,924	30,713	22,535
	Slab	10,388	26,648	36,403

➤ **Principal Raw Materials**

The principal inputs of the aluminium operations are bauxite, alumina, power, carbon and certain other raw materials.

(i) **Bauxite**

Currently, bauxite is being sourced primarily through imports (44.5%) and OMC (55.5%).

We have entered into long term agreement with Odisha Mining Corporation (“OMC”) in accordance with state policy and supply of bauxite to the Lanjigarh refinery has started from first quarter of fiscal year 2019. The long-term linkage agreement is for up to 70.0% of the saleable stock that has been signed between OMC and Vedanta Limited for a period of five years. The balance 30.0% will be sold through auction, through national e-auction to be conducted regularly on fixed intervals of six months.

(ii) **Alumina**

Alumina is the primary raw material used in the production of aluminium. Currently for Jharsuguda operations, alumina is being sourced from Lanjigarh (60.0%), other domestic sources (2.6%) and remaining (37.4%) through imports from Indonesia, Australia, Vietnam and other countries. The alumina sourced externally is metallurgical grade calcined alumina with a minimum alumina content of 98.6% on a dry basis. In fiscal years 2019, 2020 and 2021, we purchased 1.60 million tons, 1.07 million tons and 1.02 million tons of alumina at an average price of \$ 501 per mt, \$ 367 per mt and \$ 305 per mt respectively on a cost, insurance and freight basis at the ports situated in the state of Andhra Pradesh.

(iii) **Power**

Smelting of primary aluminium requires a substantial and continuous supply of electricity. As a result, power is a key input at our Jharsuguda facility. The power is provided by nine units of 135 MW each and three units of 600 MW each at Jharsuguda. All power plants are coal-based thermal power plants. The three 600 MW units were converted to captive power plants based on an order issued by the Odisha Electricity Regulatory Commission with effect from April 1, 2015. We have been sourcing coal through coal linkages from Coal India and its subsidiaries (primarily, Mahanadi Coalfields Limited and South Eastern Coalfields Limited among others). The balance of requirements are met from imports and e-auctions from Coal India Limited.

The total volume of coal consumed annually by coal-fueled power plants is largely dependent on the amount of generation. During fiscal year 2021, total coal consumed by 135 x 9 MW and 600 x 3 MW power plants was 7.35 million tons and 9.12 million tons respectively.

We secured the Jamkhani coal block in the captive coal block auctions conducted by the Ministry of Coal, GoI. It will cater to power generation for Jharsuguda smelting operations. We have now signed the Coal Mine Development and Production Agreement (“CMDPA”) with GoI and received Vesting Order for the coal block. The mine currently has a capacity of 2.6 mtpa. We expect it to improve our coal materialization performance for Jharsuguda.

The Company has secured the Radhikapur West coal block in tranche 11 of the coal block auction. The Company entered into the CMDPA with the GoI on January 11, 2021. This has a mine capacity of 6 mtpa, which can additionally help us to meet the group’s coal requirements.



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(iv) Water

Water is also an important input for our captive power plants. We source our water requirements at Jharsuguda from Hirakud Dam situated over a distance of 33 km, with the water transported by pipelines. Water from the dam is stored at water reservoir inside the plant, from where the water is purified in a demineralize plant to make it fit for use in the power plant.

(v) Carbon

We have our in-house facilities to manufacture carbon anodes to meet our entire carbon anode requirements. Calcined petroleum coke, coal tar pitch and fuel oil are the key ingredients for the manufacture of carbon anodes. There is an adequate supply of these raw materials domestically as well as globally. Their prices are generally determined by movements in global prices and local regulations. Based on commercial advantages, we source from several suppliers in India and globally.

(vi) Other Raw Materials

We also use other raw materials such as fluorides and other chemicals. For these raw materials, there are several sources of supplies in the domestic and international markets and we do not foresee any difficulty in securing supplies when needed.

➤ Distribution, Logistics and Transport

The alumina purchased from third party suppliers is transported to the Jharsuguda facility by rail from ports. Our aluminium products are transported from the Jharsuguda facility to domestic customers through a combination of road and rail and shipped for export.

➤ Sales and Marketing

Our 10 largest customers of Jharsuguda accounted for approximately 66.0%, 60.0% and 64% of Odisha aluminium business in fiscal years 2019, 2020 and 2021 respectively. Two of our customers in fiscal years 2019 and 2020 and three of our customers in fiscal year 2021 accounted for greater than 10.0% of aluminium business revenue.

Currently, we sell only primary products and have equal focus on both the Indian and the exports market. Our key customers include cables and conductor manufacturers, transport sector and electrical equipment and machinery manufacturers. We follow an LME-based pricing and product-wise premiums for both our domestic and global customers. Our sales are currently on both spot and long term basis.

➤ Projects and Developments

Initially in 2008, we planned to expand our alumina refining capacity at Lanjigarh to 6 mtpa and construct an associated 210 MW captive power plant. The expansion of the alumina refinery and related mining operations in and around the Niyamgiri was put on hold in October 20, 2010, when the MoEF&CC directed us to hold from further expansion.

Against this order, we filed a writ petition in the High Court of Odisha and the Court dismissed our petition. We subsequently made an application to the MoEF&CC to reconsider the grant of the environmental clearance for our alumina refinery. The MoEF&CC by its letter dated February 2, 2012, issued fresh terms of reference to us for preparation of the Environment Impact Assessment report. We submitted the Environment Impact Assessment report to the Odisha Pollution Control Board and simultaneously submitted various representations to the MoEF&CC as well as the Project Monitoring Group established under the Cabinet Committee on Investments. The expert appraisal committee of the MoEF&CC reconsidered the project and revalidated the terms of reference for 22 months effective January 2014. Therefore, the ban imposed on the expansion of our alumina refinery was lifted and we are pursuing the matter with the state government. The public hearing was held on July 30, 2014 subsequent to which the expert appraisal committee, in its meeting held on January 9, 2015, has recommended the project for environmental clearance and for the further expansion of our Lanjigarh refinery. In respect of the Lanjigarh Expansion project, environmental clearance for the Lanjigarh expansion project was received on November 20, 2015 for up to 4 mtpa, and an additional environmental clearance for up to 6 mtpa will be received after the completion of land acquisition of the balance area of 666.03 HA. Further, a consent to establish for 4 mtpa and a consent to operate for 2 mtpa has also been obtained. As approvals for expansion of the Lanjigarh refinery to 4 mtpa has been received, second stream operations have commenced at the Alumina refinery from April 2016 and the debottlenecked capacity has reached 2 mtpa (although this is contingent on the bauxite quality). We continue to explore the feasibility of expanding our alumina refinery capacity, subject to bauxite availability and regulatory approvals. See "Item 8. Financial Information - A. Consolidated Statements and Other Financial Information – Legal Proceedings" for details. As of March 31, 2021, we spent ₹ 46,001 million (\$ 629 million) on the Lanjigarh expansion project (up to 6 mtpa) including other auxiliary assets. Total Project cost for refinery expansion upto 5 MTPA is estimated at ₹ 108,120 million (\$ 1,478 million). On February 3, 2021, the expansion plan to increase the capacity of the Lanjigarh alumina refinery to 5 MTPA was approved by Vedanta Limited Board, subject to requisite Government approvals and further on May 13, 2021, the Board approved the estimated cost of ₹ 46,810 Million (\$ 640 million). The completion of this expansion plan will place the Lanjigarh alumina refinery as one of the world's largest single-location alumina refinery complex.

We had invested an estimated ₹ 150,380 million (\$ 2,056 million) to set up 1,250,000 tpa aluminium smelter at Jharsuguda. As of March 31, 2021, we have already spent ₹ 147,372 million (\$ 2,015 million) on this project.



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Our Power Generation Business

Overview

We have been building and managing power plants since 1997. As of March 31, 2021, the total power generating capacity of our thermal power plants, wind power plants and gas based plants was approximately 9,000 MW, which includes our twelve thermal coal-based captive power plants (plant at Tuticorin is inactive) with a total power generation capacity of 5,520.5 MW. The following table sets forth information relating to our existing power plants as of March 31, 2021:

Fiscal Year Commissioned	Capacity (MW)	Location	Fuel Used
1988 ⁽¹⁾	270.0	Korba	Thermal Coal
1997	24.0	Tuticorin	Liquid fuel
1999	75.0	Mettur Dam	Thermal Coal
2003	14.8	Debari	Liquid fuel
2003	6.0	Zawar	Liquid fuel
2003	14.8	Chanderiya ⁽²⁾	Liquid fuel
2003	4.8	Cambay	Gas based
1999 and 2003	10.0	Ravva	Gas based
2005	7.5	Tuticorin*	Liquid fuel
2010	15.0	Pantnagar	Liquid fuel
2005	154.0	Chanderiya	Thermal coal
2006	540.0	Korba	Thermal coal
2008	90.0	Lanjigarh	Thermal coal
2007	107.2	Gujarat and Karnataka	Wind ⁽³⁾
2007	30.0	Amona	Gas based
2008	80.0	Chanderiya	Thermal coal
2009 and 2021	91.5	Zawar	Thermal coal
2009	16.0	Gujarat and Karnataka	Wind ⁽³⁾
2009	675.0	Jharsuguda	Thermal coal
2009	25.0	Mettur Dam	Thermal coal
2010	540.0	Jharsuguda	Thermal coal
2010	3.3	Rajasthan Raageshwari Gas terminal	Gas based
2010	14.4	Gujrat Viramgam Terminal	Gas based
2010	32.9	Pipeline Above Ground Installations	Gas based
2011	1,200.0	Jharsuguda	Thermal coal
2011	48.0	Rajasthan and Karnataka	Wind ⁽³⁾
2011	160.0	Dariba	Thermal coal
2012	103.0	Karnataka, Maharashtra, Rajasthan and Tamil Nadu	Wind ⁽³⁾
2012	600.0	Jharsuguda	Thermal coal
2012	30.0	Amona	Gas based
2012, 2013 and 2014 ⁽⁴⁾	120.0	Bokaro	Thermal coal
2013	600.0	Jharsuguda	Thermal coal
2013	80.0	Tuticorin*	Thermal coal
2013	6.5	Mettur Dam	Thermal coal
2014	80.0	Tuticorin*	Thermal coal
2010 and 2014	60.0	Rajasthan Mangala Processing terminal	Gas based
2015	39.9	Gujrat Bhogat terminal	Gas based
2015	660.0	Mansa- Talwandi Sabo Road, Mansa, Punjab	Thermal coal
2016	660.0	Mansa- Talwandi Sabo Road, Mansa, Punjab	Thermal coal
2016	1,200.0	Korba	Thermal coal
2016	0.1	Chanderiya	Solar
2016	0.1	HO, Udaipur	Solar
2017	660.0	Mansa- Talwandi Sabo Road, Mansa, Punjab	Thermal coal
2017	12.0	Debari	Solar
2017	4.0	Dariba	Solar
2018	22.0	Agucha	Solar
2020	0.666	Chanderiya	Solar
2020	0.25	Dariba	Solar
2020	0.072	Debari	Solar
2020	0.15	Zawar	Solar
2020	0.083	Agucha	Solar
2020	1	Kayad	Solar
2021	30	Rajasthan Raageshwari gas terminal	Gas based
2021	100	Bhadrak, Odisha	Thermal coal
Total	9,319.02		

* Power generation plant at Tuticorin is inactive

Note: At HZL, we also have 35.3 MW of power capacity through waste heat recovery from roasters and Steam Turbo Generator

⁽¹⁾ Commissioned prior to our acquisition of BALCO in 2001. The 270 MW power plant was transferred from power business to aluminium business on April 1, 2016.

⁽²⁾ Transferred from Debari to Chanderiya in March 2009.



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- (3) Our wind power plants are not for captive use.
(4) ESL was acquired in 2018, however the commissioning date is pre acquisition date.

Power Sales volumes

The following table sets out total power sales volumes in MU for the last three fiscal years:

Facility	For Fiscal Year Ended March 31,		
	2019	2020	2021
BALCO 300 MW ⁽²⁾	2,168	1,726	1,596
Jharsuguda coal based independent thermal power plant ⁽¹⁾	1,039	776	2,835
HZL Wind Power Plant	449	437	351
TSPL	9,858	8,223	6,479
Total	13,514	11,162	11,261

- (1) Three Jharsuguda 600 MW power plants were transferred from the power to aluminium business on April 1, 2015.
(2) One of the 300 MW IPP unit at BALCO was converted to CPP as on April 1, 2017 vide order dated January 1, 2019. The figures reported for 2019 are for 600 MW IPP operations until order date. The figures reported for 2020 and 2021 are for 300 MW IPP operations.
(3) As the MALCO plant has been put under care and maintenance from May 26, 2017, therefore no production of power after May 26, 2017.

Jharsuguda Power sale excludes power transfer of 12,276 MU, 11,750 MU and 12,690 MU to its smelting facilities in fiscal years 2019, 2020 and 2021 respectively.

Commercial power plants

We have a 2400 MW coal based thermal power plant facility (comprising four units of 600 MW each) in Jharsuguda in the state of Odisha. The power plant was earlier operated through Sterlite Energy and is now a part of Vedanta pursuant to the Re-organization Transactions. The plant has been built with an estimated investment of approximately ₹ 82,000 million (\$ 1,121 million). The first unit of commercial operation commenced on November 10, 2010. The second unit was operational on March 30, 2011 and the third unit was operational on August 19, 2011. The fourth unit commenced operation on April 26, 2012. On June 17, 2015, we filed a petition before Odisha Electricity Regulatory Commission (OERC) to convert 2,400 MW IPP into captive generating plant to cater the power needs of 1.25 mtpa smelter at Jharsuguda and consequently, the Odisha Electricity Regulatory Commission (OERC) issued an order of conversion of three units into captive generating plants with effect from April 1, 2015, while retaining the IPP status of one unit (Unit 2) to fulfill the obligations under the power purchase arrangements (PPA) with GRIDCO. As a result, three out of four 600 MW units were converted to captive generating plants. We have applied to the Ministry of Coal for allotment of coal blocks and long term coal linkages, which are long term supply contracts for delivery of coal to meet contract specific requirements for captive use. In January 2008, the Ministry of Coal jointly allocated the coal blocks in Rampa and Dip Side Rampa in the state of Odisha to six companies, including Sterlite Energy. The six companies entered into an agreement to jointly promote a new company called Rampa Coal Mine and Energy Private Limited (RCMEPL), which was incorporated in February 2008.

The Company invested in RCMEPL, a joint venture incorporated in India that was set up for the purpose of developing coal blocks. The Company acquired ₹ 27.2 million equity shares of ₹ 1 each, representing 17.39% of the total equity shares. However, due to the cancellation of coal blocks by the Supreme Court of India, an impairment loss of ₹ 27.2 million was recognized in respect of such investment in FY 2015.

IPPs in Odisha source coal from GoI's coal mining companies and long-term coal supply agreements with various state government under PPAs and linkage auction coal. During fiscal year 2021, 2.34 million tons of coal was purchased from these sources towards Vedanta Limited's Jharsuguda IPP as compared to zero million tons and 0.45 million tons purchased during fiscal year 2019 and 2020 respectively.

The typical coal volume required for full scale operations of 600 MW IPP ranges between 2.5 million to 3.5 million tons. However, actual coal consumption is largely dependent on the amount of power generation.

Additionally, a coal linkage of 2.6 mtpa is allotted to us to meet the coal requirements of 600 MW Unit#2 IPP, for which fuel supply agreement was entered with Mahanadi Coalfields Limited with an assurance of supplying up to 90.0% of the total quantity.

In September 2006, Sterlite Energy entered into a PPA with GRIDCO, which was amended in August 2009 and further amended in December 2012, in which GRIDCO was granted the right to purchase up to 25.0% of the power sent out from the power plant after adjustments for auxiliary consumption by us. Further, if the coal block is allocated within the state, GRIDCO shall at all the time have right on behalf of the state government of Odisha to receive additional 7.0% of the power generated (after adjustments for auxiliary consumption by the power plant) from the Jharsuguda power project at variable cost, otherwise, if no coal block is allocated within the state, then additional 5.0% of the power generated (after adjustments for auxiliary consumption by the power plant) at variable cost. GRIDCO will have the right to purchase power from us for a period of 25 years from the date of commercial operation of the last unit i.e. April 26, 2012. The tariff for the PPA is revised once in every five years via the mandate of OERC.

Power to be purchased by GRIDCO is required to be evacuated by GRIDCO from the bus bar (which is the discharge point of power plant) of the project.



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The tariff for the sale of power by us to GRIDCO will be determined by the OERC as follows:

For the sale of power up to 25.0%:

- (i) a fixed capacity charge which shall be determined by the OERC as per the terms and conditions of tariff regulations issued from time to time and will be related to target availability. Recovery of fixed capacity charges below the level of target availability shall be done on a pro rata basis and calculated proportionately to the capacity requisitioned to by GRIDCO; and
- (ii) a variable energy charge, which shall comprise fuel cost. The energy charges shall be calculated as per the methodology prescribed by the OERC from time to time.

For the sale of power for 7.0% or 5.0% depending on the allocation of coal blocks within the state of Odisha a variable energy charge is applicable, which shall comprise fuel cost and shall be calculated — on the basis of the ex-bus energy scheduled to be sent out from the generating station. The energy charges shall be calculated as per the methodology prescribed by the OERC, from time to time.

On June 12, 2013, the Orissa Electricity Regulatory Commission pronounced a decision and working methodology on tariff determination in relation to the procurement of power by GRIDCO for the period from November 2010 to March 2014. Aggrieved by the order, Company filed a review petition before the OERC that was nevertheless disposed by the OERC on September 25, 2013. Aggrieved by the decision of OERC, Company filed an appeal with Appellate Tribunal for Electricity (APTEL) on October 28, 2013. The appeal was dismissed by APTEL on May 10, 2016 but directing the OERC to consider the post-merger debt equity related claim of Vedanta Limited on merits.

Subsequently, we filed an appeal against the OERC's decision with the APTEL on October 28, 2013.

Additionally, GRIDCO filed an appeal against the OERC tariff order dated June 12, 2013 in APTEL on the transmission constraint issue. This appeal was dismissed by APTEL on May 10, 2016, as it upheld the decision on transmission constraints as passed in the original OERC order. Simultaneously, APTEL also dismissed our appeal filed on October 28, 2013, while upholding the issue of transmission constraints.

The OERC through its order dated April 17, 2017 allowed that, for calculating plant availability factor achieved during the month ("PAFM") of the IPP, the carrying capacity of the line at 400 MW in a sustainable mode should be taken into consideration. Accordingly, while calculating the PAFM of the installed capacity of Unit-II of IPP should be taken as 400 MW or actual injection whichever is higher. The aforesaid mechanism should be adopted for the period from November 2010 until the transmission line constrain was resolved. The said order confirmed the findings of transmission line constraint and provided for a mechanism for calculating PAFM and thus allowing Vedanta Limited to claim higher annual fixed charge.

Aggrieved by the aforesaid order of OERC, GRIDCO filed an application to review the order. The hearings in review petition have been concluded and order has received on May 16, 2018 in which OERC dismissed the review petition of GRIDCO.

Further GRIDCO has gone for appeal before APTEL on July 27, 2018. On March 6, 2019, appeal has been admitted the pleading in the matter has been completed. We believe that we have a good case to defend. Our principal defense is based on the premises that the order sought to be challenged is principally only an order fixing the modalities for calculation of PAFM due to capacity constraint. The decision on capacity constraint's existence has already achieved finality and any further challenge to it is barred by res-judicata.

The entire amount payable by GRIDCO withheld beyond the due date shall accrue a late payment surcharge at the rate of 1.25% per month from the due date to the actual date of payment. The Company has not made any accruals towards the said amount in the books.

On September 12, 2016, GRIDCO raised a demand for payment towards Environment Management Fund ("EMF") as per the data available to GRIDCO. The State Government notified the levy of a contribution towards EMF by Thermal Power Plant ("TPP") at the rate of 6 paisa per unit of energy sold outside the state. The Company has challenged such notification on the ground that it has not been backed by any legislation and is a policy decision of the government that has no legal basis. GRIDCO has started recovering ₹ 30 million (\$ 0.41 million) per month from December 2016 onwards towards arrears of EMF. To date, GRIDCO has kept ₹ 270 million (\$ 4 million) on hold. The Company has made a provision in this respect. Further, in interim order dated November 7, 2017, the High Court of Odisha has granted the stay on payment of EMF levy.

OERC through its order dated February 27, 2018 has approved the claim of the Company in relation to the revised debt equity structure post its merger with Sesa Goa in 2013. The OERC in its order has allowed GRIDCO to pay the total amount in six half yearly instalments without interest from FY 2009-2014. The Company has filed review petition with OERC in May 2018, primarily on the limited issue of non-grant of interest to it. The OERC has disposed the matter vide order dated January 8, 2021 by dismissing our review petition summarily on the ground that ex-facie there are no grounds of review in the present matter and disallowing our claim of carrying cost for tariff period 2010-14. Subsequently, we have filed an appeal against the order dated January 8, 2021 and order dated February 26, 2018 before the APTEL. The listing of the matter is awaited. The Company, based on legal advice, firmly believes that its right to interest (time value of money) is protected under the Electricity laws and OERC has erred in allowing interest-free payment to GRIDCO.

The Company also filed Multi Year Tariff ("MYT") petition for fixation of tariff for the period starting fiscal year 2015 to fiscal year 2019. The hearing on the matter has concluded and the order has been issued by OERC on June 29, 2018. The tariff has been approved as per the CERC Tariff Regulation, 2014-2019 till October 9, 2014 and beyond this period based on OERC Tariff Regulation, 2014. The order does not have any significant impact on the basis of revenue recognition in the books except while allowing interest on working capital one month receivable has been considered instead of two months allowed as per PPA. We have file reviewed petition on limited issue of interest on working capital and rate of interest. The arguments have been concluded in the matter and order has been reserved.

Based on Minutes of Meeting ("MOM") signed in November 2016, GRIDCO has been raising debit note for short supply of power and withheld the amount payable to us.



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In October 2018 we have initiated another MOM with GRIDCO primarily to set off the current accumulated short supply of power with excess supply of power in the past and in future beyond the agreed volume and the penalty charging mechanism for short supply. GRIDCO has advised to take up the matter with OERC and incorporate these matters in the revised PPA. GRIDCO has acknowledged the quantity of power supplied in excess in the past.

On June 7, 2019, as per order of OERC, we had a joint meeting with OERC & GRIDCO Officials in which one MOM has been signed in which the benchmarking price has been decided for short supply penalty (highest of Indian Energy Exchange (“IEX”) landed price for GRIDCO or Interstate generation system (“ISGS”) - Energy Charge Rate (“ECR”) plus incentive). Further it is agreed to give credit for Vedanta Limited’s Tariff while calculating short supply penalty. This MOM was presented before OERC on July 9, 2019.

The final hearings in the matter were concluded on October 15, 2019. OERC passed its final order on June 22, 2020 wherein Vedanta Limited and GRIDCO have been directed to amend the PPA in line with the terms laid out by the OERC. Additionally, OERC has directed GRIDCO to reconcile the arrear amounts due to Vedanta Limited and settle the payments within two months from date of the judgement. The reconciliation is in process.

On August 25, 2020, Vedanta Limited also filed an appeal before the APTEL in respect of certain limited issues arising out of the June 22, 2020 OERC Order. The matter is at the stage of completion of pleadings. Next date of listing of the matter is August 4, 2021

Additionally, on September 18, 2020, GRIDCO filed an application for review of the June 2020 OERC Order before the OERC. Arguments in the matter have been concluded and the same is reserved for orders. The matter was last listed for order on May 21, 2021 and next date of listing is awaited.

We were not able to supply power to GRIDCO up to December 2019 due to non-supply of linkage coal from Mahanadi Coalfields Limited (“MCL”) despite the continuous follow-up from GRIDCO and the Company. However, effective January 2020, we have recommenced power supply to GRIDCO consequent to the resumption of linkage coal supply from MCL.

The ten largest customers of our Odisha power business accounted for 100.0% of Odisha power business in fiscal years 2019, 2020 and 2021. Three of the top customers accounted for approximately 100.0% of our Odisha power business in fiscal years 2019, 2020 and 2021.

➤ **Talwandi Sabo**

In July 2008, Sterlite Energy succeeded in an international bidding process and was awarded the project for the construction of a 1980 MW coal-based thermal commercial power plant at Talwandi Sabo in the state of Punjab in India. The project was bid as Case-2 tariff based competitive bidding, implying that the developer had to quote for capacity charges and efficiency. Fuel costs subject to quoted efficiency was to be a pass-through. All necessary approvals for the project have been obtained and commissioning of this project was carried out in stages. The estimated cost of the project was ₹ 115,460 million (\$ 1,579 million). The boiler light up and synchronization of the first unit was achieved in fiscal year 2014, and coal logistics were established in fiscal year 2014.

The first and second 660 MW units of the Talwandi Sabo power plant were capitalized in fiscal years 2015 and 2016 respectively. The third 660 MW unit was capitalized on September 1, 2016 after successful completion of trial runs.

In May 2008, Sterlite Energy entered into an on-shore and offshore engineering, procurement and construction contract with SEPCO Electric Power Construction Corporation (“SEPCO”), for Sterlite Energy’s Talwandi Sabo thermal power project for ₹ 66,560 million (\$ 910 million). A novation agreement in favor of TSPL was executed in November 2009. The contract was revised upwards by \$ 74 million on November 15, 2012 to reflect the set-up and commissioning of three units of power at the Talwandi Sabo thermal power plant.

SEPCO’s obligations under the contract include testing and delivery of plant and equipment, system design and engineering of plant and equipment in accordance with technical specifications, supervision of civil, structure and manufacturing work, custom clearance, port clearance, inland transportation of offshore as well as onshore plant and equipment, unloading, storage and preservation for all equipment and material required, ash disposal among others within the period specified in the contracts. The fixed contract price is payable in multiple installments according to a fixed payment schedule. SEPCO has provided performance guarantees with respect to various parameters, for instance, net unit heat rate of 2,222.80 kwph/kcal and net unit electric output of 611.82 MW. On February 3, 2016, TSPL terminated the SEPCO EPC contract, due to delays in setting up the project, and for certain defects and deviations not being resolved in a timely manner. However, on April 16, 2016 the parties reached an agreement for the settlement of the EPC contract issues. The revised value of the contract stands at \$ 1,041.8 million for offshore supply and service, and ₹ 21,371 million for onshore supply and service.

After commencing all units, TSPL requires around 10 million tpa of coal. TSPL has been allotted the linkages from Mahanadi Coal Fields Limited, Odisha for 7.72 million tpa. According to the fuel supply agreement with Mahanadi Coal Fields, 95.0% allocated coal quantity is 7.334 million tpa, which is to be supplied through domestic sources and the remaining 0.386 million tpa is supplied through imported sources. The linkage coal quantity will be transported from a distance of approximately 1,600 km by rail.

TSPL sources coal from sources such as the Gol’s coal mining companies and imports. In fiscal year 2021, the total coal purchased from these sources was 4.53 million metric tons.

The total volume of coal consumed annually by our coal-fueled power plants is largely dependent on the amount of generation and ranges between 6.99 million to 8.16 million metric tons for plant load factor (“PLF”) ranging from 60.0% to 70.0%.

In TSPL, there is only one customer which accounted for 100.0% of TSPL power business in fiscal years 2019, 2020 and 2021.

There are some dispute with customers which are subjudice. See “Item 8. Financial Information - A. Consolidated Statements and Other Financial Information – Legal Proceedings”



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➤ **BALCO**

BALCO's power business includes only one unit of 300 MW power plant at BALCO's Korba facility. The 270 MW power plant was transferred from power business to aluminium business on April 1, 2016 and is no longer operational. BALCO had constructed an IPP 600 MW coal-based thermal power facility in the state of Chhattisgarh which had received approval to operate on January 14, 2015 from the regulatory authorities. One unit of 300 MW was commissioned during fiscal year 2016, and the second unit was commissioned in March 2016 and commenced commercial production on May 1, 2016. One unit of 300 MW has been converted from IPP to CPP from April 1, 2017 vide order dated January 1, 2019.

➤ **HZL – Wind Power Plants**

As of March 31, 2021, wind power plants has the combined power generation capacity of 274 MW which was commissioned in earlier fiscal years in the States of Gujarat, Karnataka, Tamil Nadu, Maharashtra and Rajasthan in India at a total cost of ₹ 14,540 million (\$ 199 million). The electricity from these wind power plants is sold to State Electricity Boards.

➤ **MALCO Energy Limited – Mettur Power Plant**

Mettur power plant is a 106.5 MW coal based thermal power plant operated by MALCO Energy Limited in the state of Tamil Nadu.

The plant has been set up in stages, with the first 75 MW set up in the year 1999 to cater to the requirements of the aluminium smelter operated by MALCO. The aluminium operations were closed since November 2008. An additional 25 MW unit was added in 2009. Further, 6.50 MW steam turbine generator was added in 2013, increasing the total capacity to 106.5 MW.

MALCO entered into an energy purchase agreement with Tamil Nadu Electricity Board in January 2009 for the supply of power until April 2009 and entered into an agreement with Power Trading Corporation Limited for the supply of power to Tamil Nadu Electricity Board from April 2009 until May 2011, which was subsequently re-entered with Tamil Nadu Electricity Board from June 2011 until May 31, 2016. MALCO had entered into an agreement with NTPC Vidyut Vyapar Nigam Limited for supply of power (66.3 MW) to Telangana State Southern Power Distribution Company Limited from June 2016 to May 2017. The tariff for power supply is same as provided in the energy purchase agreement. Currently, MALCO does not have any energy purchase agreement for the supply of power. Due to prevailing business conditions, MALCO plant has been put under care and maintenance from May 26, 2017.

MALCO used to source its entire coal through imports (from various countries including Indonesia, Russia and South Africa). In fiscal year 2021, no coal was purchased from these sources.

The total volume of coal consumed annually by our coal-fueled power plants is largely dependent on the amount of generation and ranges between 0.5 million to 0.55 million tons at 100.0% PLF.

No revenue was earned in MALCO from the power business during the fiscal years 2019, 2020 and 2021 since the plant is under care and maintenance.

Our Steel Business

Overview

ESL's manufacturing facility is a greenfield integrated steel plant located near Bokaro, Jharkhand, India, which has a current capacity of 1.5 mtpa and the potential to increase to 2.5 mtpa. It primarily consists of one sinter plant, a vertical coke oven plant, two blast furnaces, an oxygen plant, a lime calcination plant, a steel melting shop, a wire rod mill, a bar mill, a captive power plant and a DI pipe plant. ESL is selling primarily TMT bars, wire rods, DI pipes, Pig iron and steel billets in open market and has established its presence in the domestic market.

Principal Products

– TMT Bars

TMT Bars are thermo mechanically treated steel bars which are produced by controlled quenching and self-tempering process. ESL TMT bars are produced in Fe500, Fe500D and Fe500D CRS variety as per IS 1786/2008 grade. We sell our TMT Bars primarily to construction industry.

– Wire rod

Steel wire rod is rolled from steel billet in a wire rod mill and is used primarily for the manufacture of wire. The steel for wire rod is produced by all the modern steelmaking processes, including the basic oxygen and electric furnace processes. Steel wire rod is usually cold drawn into wire suitable for further processing such as cold rolling, cold heading, cold upsetting, cold extrusion, cold forging or hot forging. We sell our wire rod primarily to automobile and white goods industries.

– DI pipe

DI pipe is a pipe made of ductile cast iron commonly used for potable water transmission and distribution. The ductile iron used to manufacture the pipe is characterized by the spheroidal or nodular nature of the graphite within the iron. Protective internal linings and external coatings are often applied to DI pipes to inhibit corrosion, the standard internal lining is cement mortar and standard external coatings include bonded zinc, asphalt or water-based paint. Our DI pipe is primarily used in sanitation, sewerage and irrigation.

– Pig iron

Pig iron is an intermediate product of the iron industry, also known as crude iron, which is first obtained from a smelting furnace in the form of oblong blocks. Pig iron has a very high carbon content, typically ranging from 3.8% to 4.7%, along with silica and other constituents of dross, which makes it very brittle and not useful directly as a material except for limited applications. Pig iron is made by smelting iron ore into a transportable ingot of impure high carbon-content iron in a blast furnace as an ingredient for further processing steps. Pig iron is further processed and is used in steel plants.



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– *Steel Billet*

A billet is a length of metal that has a round or square cross-section. Billets are created directly via continuous casting or extrusion or indirectly via hot rolling an ingot or bloom. Billets are further processed via profile rolling and drawing. Final products include TMT and wire rod.

By Product

Granulated slag

Granulated blast-furnace slag is obtained by quenching molten iron slag from a blast furnace in water or steam, to produce a glassy, granular product that is then dried and grounded into a fine powder. Granulated slag is used in the production of quality-improved slag cement by cement industry.

Principal Facilities

The following map shows details of the locations of ESL’s facilities in the State of Jharkhand:



- *Coke oven*

Coke is prepared from coking coal or bituminous coal by heating it strongly in the absence of air. As a result, the volatile matter and moisture escapes out. The resulting coke is a hard, strong, porous and coherent mass. Coke plant is often described as a process of destructive distillation since it involves the separation of volatile matter based on the difference of boiling point. For the purpose of coking, two coke ovens have been designed, i.e. vertical coke oven of 0.5 mtpa and horizontal coke oven of 0.5 mtpa. Currently only vertical coke oven has been commissioned. It is of non-recovery/waste-heat recovery type i.e. heat is recovered from the flue gases for power generation in the captive power plant.

Coke is preferred to coal in the blast furnace operation because it is stronger and can take the burden of blast furnace charge, it creates a permeable bed for the flow of hot gases and molten metal, and it acts a better source of heat and reducing agent. The vertical coke oven has 4 batteries having 35 ovens each. The annual capacity of coke oven is 0.5 mtpa.

- *Sinter plant*

Sintering is agglomeration of iron ore fine particles (ranging from 0mm to 8mm) along with flux fine particles at high temperature (ranging from 1200° C to 1300°C) using coke fine particles as solid fuel to raise the temperature. During agglomeration at high temperature all constituent materials fuse together and become a porous heterogeneous solid mass (lump) called Sinter. The formation of such lumps is caused by an incipient fusion of ore particles at the contact surface which binds together and formation of diffusion bond through recrystallization and crystal growth of hematite and magnetite which keeps the particles together without melting. There are two sets of 105 square meter sintering machines with annual output of 2.25 mt of sinter. Sinter produced is transferred to blast furnace for hot metal production.

- *Blast furnace*

The blast furnace is a furnace lined with refractory brick, where iron ore, coke and fluxes are alternately charged and hot blast at 1000°C to 1200°C is blown into the furnace to chemically reduce iron oxides into liquid iron called hot metal. The end products are usually molten metal and slag phases tapped from the bottom, and flue gases exiting from the top of the furnace. We have three blast furnaces (two operational) for production of hot metal, namely BF-2 having furnace size of 1050 cubic meter, BF-3 having furnace size of 350 cubic meter and BF-1 having furnace size of 1050 cubic meter (semi-constructed). We are producing at the run rate of 1.5 mt of hot metal annually.



- *Steel melting shop*

Steel is an alloy of iron and carbon. Carbon percentage in steel is less than 2.0%. The molten hot metal coming from the blast furnace is oxidized in the basic oxygen furnace. The scrap is charged into the furnace first since it may contain moisture. Then the molten metal from the blast furnace is added. Fluxes like limestone and dolomite are also added. The oxygen is blown from top and the resulting hot metal after removal of slag is taken to argon rinsing station where ferro-alloys and aluminium are added to adjust the chemistry and to remove oxygen respectively. The molten metal is sent to ladle refining furnace if required in order to produce different grades of steel. The steel from ladle is taken to ladle turret and poured onto the tundish. Tundish pours the molten metal onto the mould and cast into steel billet.

- *Rolling mills*

There are two types of rolling mills, i.e. bar mill and wire rod mill. ESL's bar mill is a continuous mill with horizontal-vertical combination. Bar mill is having annual production capacity of 0.7 mtpa. In our bar mill, slit rolling process is adopted for 10mm, 12mm and 16mm of TMT bars. The designed maximum finishing rolling speed is 18 m/s. The mill is designed to make TMT bars of size ranging from 10mm to 40mm but TMT bars of diameter 8mm are also being made using the 125x125mm steel billets. TMT bar mill has 18 number of stands having horizontal vertical combination.

ESL's wire rod mill is a tandem rolling mill with stands in horizontal-vertical combination. Wire rod mill has annual production capacity of 0.5 mtpa. The designed maximum rolling speed is 110m/s. The mill is designed to make wire rods of size ranging from 5.5mm to 16mm using the 150x150x12000 mm steel billets. The billets after being de-scaled are sent to mills via output roller table. Our wire rod mill has 30 stands having horizontal vertical combination.

- *DI pipe plant*

The molten metal is taken from blast furnace and stocked in mixer. From the mixer the liquid metal is taken by ladle and transferred to induction furnace where the composition of the liquid metal is corrected to desired level. The composition depends upon the size and thickness of the ductile pipe to be made. After attaining the metal composition, the temperature is risen to a desired level based on the type of pipe to be made. From induction furnace the molten metal is transferred to magnesium-converter which enhance the ductility of iron. Then it is fed to centrifugal casting machine. After the pipe is cast, it is soon transferred to annealing furnace for stress relieving. As soon as the pipes come out of annealing furnace, it is fed in zinc coating machine for zinc coating. After zinc coating it is passed for hydro-testing for checking the leakage of water from cast and annealed pipe. The tested pipes are checked surface wise and cleared for cement mortal lining, thereafter, passed for bitumen or epoxy coating and finally dispatched after 12 hours of curing.

- *Power plant*

ESL has its own captive thermal power plant of 80 MW capacity of current capacity, expandable to 120 MW. Captive power plant has three centralized fluorised bed commercial boiler of coal based and two steam turbo generator of 60 MW each. We also have two waste heat recovery boilers of 75 tons each which is fired by coke oven flue gases. The power requirement is met partially by captive power plant and remaining is purchased through grid.

Production volumes

The following table sets out ESL's total production from Bokaro facility for fiscal years ended March 31, 2019, 2020 and 2021:

Sl. No.	Product	2019 (tons)	2020 (tons)	2021 (tons)
1	TMT	441,251	468,396	337,583
2	Wire rod	426,873	412,948	360,874
3	DI pipe	149,946	154,721	134,606
4	Pig iron	141,548	167,305	188,979
5	Steel billet	39,478	27,456	165,273
Total		1,199,096	1,230,826	1,187,315

Principal Raw Materials

The principal inputs of ESL's operations are iron ore and coking coal. In the past ESL has been able to secure an adequate supply of the principal inputs for its business.

– *Iron ore*

Iron ore is sourced from merchant mines in Odisha and Jharkhand and is transported by railway and road.

– *Coking Coal*

Our metallurgical coke requirements are met by captive metallurgical coke plant and the principal raw materials for the manufacture of metallurgical coke are hard-high fluidity coals, semi-hard and pulverized coal injection coking coals. These raw materials are imported from various international suppliers primarily from Australia and US. The availability is subject to seasonal supply constraints on specific mines and grades. The prices are subject to volatile index movements of international coking coal prices.



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Distribution, Logistics and Transport

Raw material mainly coking coal and pulverized coal injection are imported by vessel and then transported through rail from Indian port to plant. Domestic raw materials which is mainly iron ore is transported through rail and road. Finished and semi-finished goods are transported by road only.

Sales and Marketing

The 10 largest customers of our steel business accounted for approximately 30.37%, 34.6% and 32.8% of our steel business revenue in fiscal years 2021, 2020 and 2019 respectively. None of our customers accounted for greater than 10.0% of steel business revenue in fiscal years 2021, 2020 and 2019.

The 10 largest customers are mainly from construction and original equipment manufacturing industry and are spread across India. We have marketing offices in Kolkata, West Bengal, as well as two sales offices in Delhi and Mumbai, along with regional managers for sales in four regions across India. In fiscal years 2021, 2020 and 2019, the export sale accounted for 8%, 0.4% and 0.7% respectively. Currently, sales is majorly focused on domestic market and the decision to export is taken where prices are lucrative. Pricing is fixed as per the domestic market trend and is at par with major producer's month on month. We supply on order to order basis, with delivery schedule defined in purchase orders.

Market Share and Competition

The total crude steel production of all producers of crude steel in India for fiscal year 2021 stood at 99.6 million ton ("MT"). The share of Steel Authority of India Limited, Rashtriya Ispat Nigam Limited, Tata Steel Limited, Arcelor Mittal, JSW Steel Limited, Jindal Steel and Power Limited together was 76.22% of the total production of crude steel for fiscal year 2021 i.e. 75.915 MT. Vedanta Limited's total production of hot metal in fiscal year 2021 stood at 1.286 MT.

Port Business

We have a 100.0% interest in Vizag General Cargo Berth Private Limited ("VGCB") as of March 31, 2021, a consortium between Vedanta Limited and Leighton which won the bid to mechanise the coal handling facilities and upgrade the general cargo berth for handling coal at the outer harbour of Vishakhapatnam port, on the east coast of India.

The capacity of the upgraded berth is 10.18 mtpa. VGCB had entered into an agreement on June 10, 2010 with the port authority, Vishakhapatnam Port Trust, to mechanise the coal handling facilities and upgrade the general cargo berth on a design-build-finance-operate-transfer basis for 30 years commencing on the date of award of concession. Vishakhapatnam Port Trust receives a royalty of 38.1% of the gross revenue as per TAMP tariff from the cargo handling activities as set out in the concession agreement.

Construction was completed on April 8, 2013 and commercial operations started in same year. The project cost was approximately ₹6,228 million (approximately \$96 million). As of March 31, 2021, the total cost (Gross block) was ₹6,825 million (\$ 93 million) including interest capitalisations.

During the fiscal year 2021, VGCB had handled a volume of 4.36 million tons i.e. 26% lower volumes compared to fiscal year 2020. The EBITDA for VGCB for fiscal year 2021 is ₹ 389 million (\$ 5 million).

Sterlite Ports Limited, a 100.0% subsidiary of Vedanta Limited has received an award of letter dated March 31, 2016, for redevelopment of berths 8, 9, barge berths and mechanical ore handling plant at the Port of Mormugao, Goa on a design-build-finance-operate-transfer basis for 19 mtpa capacity multi-cargo port terminal. A special purpose company, "Goa Sea Port Private Limited" was incorporated on July 5, 2016 as a wholly owned subsidiary of Sterlite Ports Limited. Goa Sea Port Private Limited entered into an agreement on September 22, 2016 with the Mormugao Port Trust, to operate the berth on a build-finance-operate transfer basis for 30 years commencing on the date of award of concession.

During fiscal year 2020, Goa Sea Port Private Limited received a termination letter from MPT basis approval by their Board of Trustees, which terminated the concession agreement and offered to return the Bank Guarantee unconditionally and allowed us to participate in future bids. The reason cited was non-fulfilment of conditions precedent by both the parties.

As per conditions precedent, MPT was responsible for obtaining environment clearance for the project along with handover of the project site, which MPT was unable to fulfil due to delay in environmental clearance and issues related to Berth 8. Whereas, Goa State Port Private Limited was responsible for providing performance guarantee, Financing Plan and Financing Documents, Escrow Account besides fulfilling other conditions, which were not fulfilled as the project site was not handed over.

Goa Sea Port Private Limited has accepted the termination of the Concession Agreement.

Glass substrate business

On December 28, 2017, the Group acquired 51.63% equity stake in AvanStrate Inc. (ASI) for a cash consideration of ₹ 1 million (\$ 0.01 million) and acquired debts for ₹ 9,832 million (\$ 130 million). Additionally, a loan of ₹ 469 million (\$ 6 million) was extended to ASI. ASI is involved in the manufacturing of glass substrate. The financial results of ASI for the fiscal year 2021 have been included in the consolidated financial statements of the Group.

As per the shareholding agreement entered with the other major shareholder holding 46.6% in ASI, the Group has call option, conversion option to convert part of its debt given to ASI into equity of ASI as well as it has issued put option to the other majority shareholder. These are exercisable as per the terms mentioned in the shareholding agreement.



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VEDANTA 20-F - IFRS	None		SNG		HTM ESS	OC

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The fair values and business combination has been accounted for on a provisional basis under IFRS 3, as it relates to property, plant and equipment and other intangible assets, and the resultant bargain gain of ₹ 335 million (\$ 4 million) has been recognized in the consolidated statements of profit or loss.

Significant recovery in Panel and Glass Industry and successful start of new business during the last six months has led to increase in demand and profitability in the glass substrate business. Accordingly, the Group has assessed the recoverable value of all its assets and liabilities which do not require to record any impairment charge during the year ended March 31, 2021.

ASI is one of the 4 manufacturers globally specializing in LCD glass substrates for LCD Panels. These glass substrate sheets are the main inputs in LCD Panels used in TV's, computers, mobile phone screens and other display devices.

Ferro Alloys business

On September 21, 2020, the Company completed the acquisition of Ferro Alloys Corporation Limited ("FACOR"). FACOR was admitted under the corporate insolvency resolution process pursuant to the Insolvency and Bankruptcy Code, 2016, as amended ("Bankruptcy Code"). The NCLT, on January 30, 2020 approved the resolution plan for the acquisition resulting in FACOR becoming a wholly owned subsidiary of the Company. FACOR holds 90% in its subsidiary, Facor Power Limited ("FPL"). FACOR is a ferro alloys production company in Bhadrak, Orissa, India and it owns a ferro chrome plant with capacity of 72,000 TPA, two operational chrome mines and a 100 MW of capital power plant through FPL.

Pursuant to the aforesaid resolution plan, the consideration paid by Vedanta Limited for the acquisition of FACOR included a cash consideration of ₹ 552 million (\$8 million) (comprising an infusion of equity and inter-corporate loan of ₹ 336 million (\$ 5 million) and ₹ 216 million (\$ 3 million), respectively) and the issuance of zero coupon, secured and unlisted non-convertible debentures of aggregate fair value of ₹ 2,358 million (\$ 32 million) payable over four years in equal portions commencing in March 2021 (a small portion of the same is yet to be issued).

Exploration and Development Activities

We are engaged in ongoing exploration and development activities to locate additional ore bodies in India, Australia, South Africa, Namibia and Ireland. We spent approximately ₹ 15,472 million (\$ 212 million) in fiscal year 2021 on exploration and development.

The focus of our exploration has been sediment hosted zinc deposits in India and oil and gas exploration in India and South Africa.

Call Options over Shares

1. Call Options Over Shares in HZL

On April 11, 2002, we acquired a 26.0% interest in HZL from the GoI through our subsidiary, SOVL (which merged with us with effect from April 1, 2012). At the time of the acquisition, we owned 80.0% and Sterlite Technologies Limited owned the remaining 20.0% in SOVL. In February 2003, Sterlite Technologies Limited transferred its 20.0% interest to us. We subsequently acquired a further 20.0% interest in HZL through an open market offer. The total cash consideration paid by us for the acquisition of the 46.0% interest in HZL was ₹ 7,776 million (\$ 112 million at the time of acquisition). Upon our acquisition of the 26.0% interest in HZL, we and the GoI entered into a shareholders' agreement to regulate, among other things, the management of HZL and dealings in HZL's shares.

Under the shareholders' agreement, the GoI granted us two call options to acquire all the shares in HZL held by the GoI at the time of exercise. We exercised the first call option on August 29, 2003 and acquired an additional 18.9% of HZL's issued share capital at a cost of ₹ 3,239 million (\$ 44 million) on November 12, 2003, increasing our interest in HZL to 64.9%.

The shareholders' agreement provides that prior to selling shares in HZL to a third party, either party must first issue a sale notice offering those shares to the other party at the price it intends to sell them to the third party. However, a transfer of shares, representing not more than 5.0% of the equity share capital of HZL, by the GoI to the employees of HZL is not subject to such right of first refusal by us. The GoI has transferred shares representing 1.5% of HZL's share capital to the employees of HZL. The shareholders' agreement also provides that if the GoI proposes to make a sale of its shares in HZL by a public offer prior to the exercise of our second call option, then we shall have no right of first refusal.

The second call option provides us a right to acquire the GoI's remaining 29.5% shareholding in HZL, subject to the right of the GoI to transfer up to 3.5% of the issued share capital of HZL to employees of HZL, in which case the number of shares that we may purchase under the second call option will be reduced accordingly. This call option became exercisable on April 11, 2007 and remains exercisable for as long as the GoI has not sold its remaining interest pursuant to a public offer of its shares. Under the shareholders' agreement, upon the issuance of a notice of exercise of the second call option by us to the GoI, we shall be under an obligation to complete the purchase of the shares, if any, then held by the GoI, within a period of 60 days from the date of such notice. The exercise price for the second call option will be equal to the fair market value of the shares as determined by an independent appraiser. In determining the fair market value of the shares, the independent appraiser may take into consideration a number of factors including, but not limited to, discounted cash flows, valuation multiples of comparable transactions, trading multiples of comparable companies, SEBI guidelines and principles of valuation, the minority status of the shares, the contractual rights of the shares and the current market price of the shares. Based solely on the market price of HZL's shares on the NSE on June 25, 2021 of ₹ 339.55 (\$ 4.58) per share, and not including the other factors that the independent appraiser may consider, one possible estimation of the exercise price to acquire all of the GoI's 1,247,950,590 shares in HZL would be ₹ 423,742 million (\$ 5,715 million).

By a letter dated July 21, 2009, we exercised the second call option. The GoI disputes the validity of the call option and has refused to act upon it. Consequently, we invoked arbitration and filed a statement of claim. The arbitral proceedings was stayed due to the Status quo order by Hon'ble Supreme Court but pursuant to the recent Supreme court order dated August 13, 2020 we had written to the arbitral tribunal for commencement of arbitration proceedings and tribunal is yet to confirm the date for resumption of arbitration proceedings. While the Arbitration was in process, a Public Interest Litigation ("PIL") was filed seeking restraint on disposal of residual shares by GoI, the Supreme Court on January 19, 2016 ordered the status quo to be maintained with respect to the proposed divestment of government interest in HZL until further orders are passed by the Supreme Court. The Supreme Court, on August 13, 2020 removed the status quo order in place to the extent that arbitration proceedings can continue with respect to our claim call option rights under the shareholder agreement. The matter before the tribunal has not been taken up yet. The GOI without prejudice to the position on the put or call option issue received approval from the central government cabinet for divestment and the government is looking to divest through the auction route.



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On January 9, 2012, we offered to acquire the GoI's interests in HZL for ₹ 154,920 million (\$ 2,118 million). We have, by way of letters dated April 10, 2012 and July 6, 2012, sought to engage with the GoI on the same terms as the offer. This offer was separate from the contested exercise of the call options, and we proposed to withdraw the ongoing litigation in relation to the contested exercise of the options should the offer be accepted. To date, the offer has not been accepted by the GoI and therefore there is no certainty that the acquisition will proceed.

2. Call Options over shares in BALCO

On March 2, 2001, we acquired a 51.0% interest in BALCO from the GoI for a cash consideration of ₹ 5,533 million (\$ 73 million). On March 2, 2001, we entered into a shareholders' agreement with the GoI and BALCO to regulate, among other things, the management of BALCO and dealings in BALCO's shares. The shareholders' agreement provides that as long as we hold at least 51.0% of the share capital of BALCO, we are entitled to appoint one more director to the board of BALCO than the GoI and are also entitled to appoint the managing director. There are various other matters reserved for approval by both the GoI and us under the shareholders' agreement, including amendments to BALCO's articles of association, the commencement of a new business, non-pre-emptive issues of shares or convertible debentures and the provision of loans or guarantees or security to other companies under the same management as BALCO.

Under the shareholders' agreement, if either we or the GoI wish to sell its shares in BALCO to a third party, the selling party must first offer the shares to the other party at the same price at which it is proposing to sell the shares to the third party. The other party shall then have the right to purchase all, but not less than all, of the shares so offered. If a shareholder does not exercise its right of first refusal, it shall have a tag along right to participate in the sale pro rata and on the same terms as the selling party, except that if the sale is by the GoI by way of a public offer, the tag along right will not apply. However, a transfer of shares representing not more than 5.0% of the equity share capital of BALCO by the GoI to the employees of BALCO is not subject to such right of first refusal by us.

The GoI also granted us an option to acquire the remaining shares in BALCO held by the GoI at the time of exercise. The exercise price is the higher of:

- the fair value of the shares on the exercise date, as determined by an independent valuer; and
- the original sale price (₹ 49 per share) (\$ 1 per share) together with interest at a rate of 14.0% per annum compounded half yearly from March 2, 2001 to the exercise date, less all dividends received by the GoI since March 2, 2001 to the exercise date.

On March 19, 2004, we exercised our option to acquire the remaining 49.0% of BALCO's issued share capital held by the GoI at that time. Thereafter, the GoI sought several extensions to complete the sale of the shares. On June 7, 2006, the GoI contended that the clauses of the shareholders' agreement relating to our option violated the provisions of section 111A of the erstwhile Companies Act, 1956 by restricting the right of the GoI to transfer its shares and that as a result the shareholders' agreement was null and void. The GoI has also expressed an intention to exercise its right to sell 5.0% of BALCO to BALCO employees.

Subsequently, the dispute was referred to arbitration and the arbitration tribunal rendered award rejecting our claim. We filed an application to the High Court of Delhi to set aside this award and the matter will be listed for hearing in due course.

The GoI without prejudice to the position on the put or call option issue as received approval from the central government cabinet for divestment and the government is looking to divest through the auction route.



Employees

As of March 31, 2021, we had 17,041 employees. The number of our employees as of March 31, 2019, 2020 and 2021 is as follows:

Business Segment	Entity	Location	Primary Company Function	Total employees for the Year Ended March 31,		
				2019	2020	2021
Zinc India	Hindustan Zinc Limited	India	Zinc and lead production	4,171	4,181	3,711
	Black Mountain	South Africa	Zinc and lead Mining	911	820	797
Zinc International	Skorpion	Namibia	Zinc and lead Mining and refining	583	568	141
	Cairn	India	Oil and Gas	1,549	1,561	1,408
Oil and gas	Vedanta Limited	India	Iron Ore	2,616	2,552	2,487
	Vedanta Limited	India	Copper smelting and refining	960	842	649
Copper	CMT	Australia	Copper mining	19	22	23
	Fujairah Gold FZC	UAE	Precious metal refinery	69	66	58
Aluminium	BALCO	India	Aluminium production	2,608	2,410	1,946
	Vedanta Limited	India	Aluminium production	4,048	3,750	3,452
Power	Vedanta Limited	India	Commercial power generation	131	269	261
	TSPL	India	Commercial power generation	76	69	62
	MALCO Energy Limited	India	Commercial power generation	13	16	26
Steel	Electro Steel Limited	India	Steel	2,159	2,063	1,851
Others	—	—	—	155	169	169
Total				20,068	19,358	17,041

The majority of our workforce is unionized. Employees of HZL and BALCO are members of registered trade unions such as Bharat Aluminium Mazdoor Sangh for BALCO and Hindustan Zinc Workers Federation for HZL and are affiliated with national trade unions such as the Indian National Trade Union Congress. We believe that relations with our employees and unions are good, though we have in the past and may in the future experience strikes and industrial actions or disputes. See “Item 3. Key Information—D. Risk Factors—Risks Relating to Our Business—Our operations are subject to risks that could result in decreased production, increased cost of production and increased cost of or disruptions in transportation, power generation, mining and oil exploration”

The Vedanta Sustainability Framework (VSF) is integral to the Company’s core business strategy. It helps us conduct our business in line with our values, while delivering high-quality and cost competitive products.

Our sustainable development model is made up of four pillars: responsible stewardship, building strong relationships, adding and sharing values and strategic communications. The VSF facilitates the institutionalization of sustainability at each of our businesses. It does so, by adopting global best practices that are reflected in our policies, standards and guidance notes.

During fiscal year 2021, we continued to strengthen the VSF with the release of performance standards on safety, environment and social performance. Collectively we have 8 policies, over 87 standards and guidance notes along with a robust monitoring mechanism to help our businesses integrate sustainable operating methods in their operating model. We are using the Vedanta sustainability assurance program (“VSAP”) to ensure framework compliance, including a program of audits.

In a geographically diverse business like ours, fostering a culture of zero harm is a challenge to which we are committed and through which we will eliminate fatal accidents and harm. During fiscal year 2021, we unfortunately had eight fatal accidents. Each was investigated and reported to Vedanta Limited’s Board of Directors, with the lessons learned advised to all our operating businesses including action plans to prevent such incidents. Last year we also released six new safety standards to be implemented in the Group and these were incorporated in our Vedanta sustainability assurance program and audit program. These included standards for Excavation, Rail Safety, Emergency Response, Blasting, Inflow and inrush, Shafts and hoisting, and Underground electrical. The corporate team along with the business units are implementing various capacity building and behavioral based programs to entrench a culture of safety and risk awareness. This fiscal year we focused our efforts in enhancing these specific areas for improved safety performance: (i) Visible Felt Leadership, (ii) Business Partner Engagement and (iii) Fatalities investigation and learning.

In fiscal year 2021, we continued efforts to improve the implementation of our tailings management standard for the Group. An independent, third-party audit of all our tailings dam facilities has been completed. The audit has reviewed the design and the quality of the management systems of the tailings dam facilities. Recommendations from the review are under consideration and implementation and we are closely tracking performance against the recommendations.

We manage our environmental footprint to the most rigorous global standards and have developed specific objectives and targets, particularly with regard to water and energy management. We have been able to recycle 110% of the fly-ash generated at our operations. We also have many control programs in place across our businesses, for example, all our operations are ISO 14001 certified; systems to reduce water and energy consumption, minimize land disturbance, minimize waste production and contain pollution are in place.

Support during COVID-19 pandemic

The COVID 19 pandemic has struck hard on the society and the planet is going through a severe humanitarian crisis. The pandemic has devastated the lives of people physically and economically. The country has been seeing an increasing rise in job losses, migration, loss of lives, medical crisis etc. Owing to our moral response, our operations have prompted to protect our employees and our communities. Our response towards this crisis are aligned with the government’s response to emergency lockdown across the globe to prevent the spread of the pandemic.



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Our global presence and diversified landscape made tackling of the pandemic more challenging. However, we took immediate steps to form the best preventative measures at the group as well as business unit level to curb the spread of the infection and maintain business continuity. A Group Level Covid task force has been formalized under the strong leadership of Ms. Priya Agarwal, Group HSE Head, Comm, HR Head, CMO and CEO Nand Ghar. This Covid taskforce ensures strong compliance of SOPs/protocols, review with health teams of respective units to prevent the spread of the infection and to monitor and report the proceedings to the business CEO and Group task force.

The Company is one of the leading mining industries in the country that aims ensure employee health and wellbeing through. Fortunately, we are equipped with resources that we can utilize to benefit and support the nation. During this ongoing pandemic, we have vetted out all our possible resources to support the government in fight against the Covid 19 pandemic.

Our social team collaborated with multiple civil societies and organizations to reach out to the most affected masses of the society during the pandemic. We invested heavily in to benefit our communities to provide insurance, food, medical equipment, funds, logistics.

Our business units across the country have joined the hands with the central and local administration to provide support to secure livelihood opportunities, basic human needs, medial needs of the marginalized communities. Our CSR initiative 'Jeevika Samridhhi' helped the farmers secure their livelihood by selling their produce in the company township during the lockdown while maintaining social distancing guidelines.

Our Swasthya Sarthi initiative in Cairn Rajasthan works in collaboration with the local administration to provide free OPD and mobile van units equipped with necessary medical facilities to the interior villages of Barmer district that lack proper transportation and medical facilities. This initiative was started keeping pregnant women of the communities in focus.

- **Insurance**

We maintain property insurance which protects against losses relating to our assets arising from fire, business interruption, earthquakes or terrorism and freight insurance which protects against losses relating to the transport of our equipment, product inventory and concentrates. We do not have insurance for certain types of environmental hazards, such as pollution or other hazards arising from our disposal of waste products or fraud, which is being evaluated. The occurrence of a significant adverse event, the risks of which are not fully covered by insurance, could have a material adverse effect on our financial condition or results of operations. Moreover, no assurance can be given that we will be able to maintain existing levels of insurance in the future at the same rates. See *"Item 3. Key Information -D. Risk Factors—Risks Relating to Our Business- Our insurance coverage may prove inadequate to satisfy future claims against us."*

We and our directors and officers are subject to US securities and other laws. In order to attract and retain qualified board members and executive officers, we have obtained directors' and officers' liability insurance. There can be no assurance that we will be able to maintain directors' and officers' liability insurance at a reasonable cost, or at all.

- **Regulatory Matters**

- (i) **Mining Laws**

The Mines and Minerals (Development and Regulation) Amendment Act, 2015 ("MMDR Amendment Act") was promulgated on March 27, 2015 to amend The Mines and Minerals (Development and Regulation) Act, 1957 ("MMDR Act"), the Minerals (Other than Atomic and Hydro Carbons Energy Minerals) Concession Rules, 2016 ("MC Rules"), and the Mineral Conservation and Development Rules, 1988, as amended ("MCD Rules"), and it governs mining rights and the operations of mines in India. The MCD Rules outline the procedures for obtaining a prospecting license or the mining lease, the terms and conditions of such licenses and the model form in which they are to be issued. The GoI announced the National Mineral Policy in 1993 which was revisited in 2008 and further in 2019. The MMDR Amendment Act has brought about significant changes in the legal regime for the mining sector including defining bauxite, iron ore, limestone and manganese ore as notified minerals, creation of a new category of mining license i.e. the prospecting license-cum-mining lease, grant of mining lease for a period of 50 years for all minerals other than coal, lignite and atomic minerals, establishment of DMF, auction of notified and other minerals by competitive bidding, including e-auction etc. The MMDR Act was further amended by the Mines and Minerals (Development and Regulation) Amendment Act, 2016 which permits the transfer of captive mine leases (granted before January 12, 2015) without having to go through an auction process and also allows the dumping of waste outside of the mining area by including dumping sites within the definition of lease area. The amendment received presidential assent on May 6, 2016.

The MLAA brought forth amendments in the MMDR Act. The MLAA has (i) liberalised the eligibility requirement to participate in coal auctions; (ii) removed the requirement for State Governments to obtain prior approval of Central Government to grant mining concessions; and (iii) enabled the transfer of approvals (other than coal, lignite and atomic minerals), whereby all the rights, approvals, clearances and licenses vested with the previous lessee will be extended to the successful bidder for a period of two years. During these two years, the successful bidder is required to obtain all the required clearances.

Grant of a Mining Lease

Only the government of the applicable state may grant a mining lease for minerals other than coal, lignite and atomic minerals. The mining lease agreement governs the terms on which the lessee may use the land for the purpose of mining operations. If the land on which the mines are located belongs to private parties, the lessee must acquire the surface rights relating to the land from such private parties. If a private party refuses to grant the required surface rights to the lessee, the lessee is entitled to inform the state government and deposit with the state government compensation for the acquisition of the surface rights. If the state government deems that such amount is fair and reasonable, the state government has the power to order a private party to permit the lessee to enter the land and carry out such operations as may be necessary for the purpose of mining. For determining what constitutes a fair amount of compensation payable to the private party, state governments are guided by the principles of the Right to Fair Compensation and Transparency in Land Acquisition Rehabilitation and Resettlement Act, 2014 or Land Acquisition Act, which generally governs the acquisition of land by governments from private individuals. In case of land owned by the government, the surface right to operate in the lease area is granted by the government upon application as per the norms of that state government. If the mining operations in respect of any mining lease results in the displacement of any persons, the consent of such affected persons, and their resettlement and rehabilitation as well as payment of benefits in accordance with the guidelines of the applicable state government, including payment for the acquired land owned by those displaced persons, needs to be settled or obtained before the commencement of the mining project. However, with the changes brought in by way of the MMDR Amendment Act, for all minerals other than coal, lignite and atomic minerals, mining leases shall now be granted for a period of 50 years through auction process. All mining leases granted for such minerals before the MMDR Amendment Act shall be valid for 50 years. On expiry of the lease, instead of being renewed, the leases shall be put up for auction. The MC Rules provide that a holder of a captive mine is entitled to a first right of refusal when the lease is auctioned at the expiry of the lease period. The MMDR Amendment Act specifies that any lease granted before the commencement of the MMDR Amendment Act, shall be extended: (i) up to March 31, 2030 for minerals used for captive purposes (specific end-use) and up to March 31, 2020 for minerals used for other than captive purposes, or (ii) until the completion of renewal period, or (iii) for a period of 50 years from the date of grant of such lease, whichever is later. This provision shall not apply to mining leases for which renewal has been rejected, granted, or lapsed.

Protection of the Environment

The MMDR Act also deals with the measures required to be taken by the lessee for the protection and conservation of the environment from the adverse effects of mining. The National Mining Policy emphasizes that no mining lease would be granted to any party without a proper mining plan, including an environmental plan approved and enforced by statutory authorities and which provides for controlling environmental damage, restoration of mined areas and for planting trees according to prescribed norms. The MMDR Amendment Act now also provides for the creation of a DMF and a NMET. The DMF is to be established by the state government for the benefit of persons in districts affected by mining related operations. The NMET was established by the central government for regional and detailed mine exploration through Notification No. G.S.R 633(E) dated August 14, 2015. Licensees and lease holders of leases granted other than through auction shall contribute to the DMF at a rate of 30% of the royalty and leases granted through auction at a rate of 10% of royalty. The contribution to NMET is to be made at two percent of royalty.

Labor Conditions

Working conditions of mine laborers are regulated by the Mines Act, 1952, as amended from time to time. The Act sets forth standards of work, including number of hours of work, leave requirements, medical examination, weekly days of rest, night shift requirements and other requirements to ensure the health and safety of mine workers.

Royalties

Royalties on the minerals extracted or a dead rent component, whichever is higher, are payable to the relevant state government by the lessee in accordance with the MMDR Act. The mineral royalty is payable in respect of an operating mine from which minerals are removed or consumed and is computed in accordance with a prescribed formula. The GoI has been granted broad powers to modify the royalty scheme under the MMDR Act but may not do so more than once every three years. In addition, the lessee must pay the occupier of the surface land over the mining lease an annual compensation determined by the state government. The amount depends on whether the land is agricultural or non-agricultural.

(ii) Oil and Gas LawsRegulation of Exploration and Production

The Ministry of Petroleum and Natural Gas ("MoPNG") is the principal regulator of oil and natural gas exploration and production in India. The MoPNG established the DGH in 1993 to promote the sound management of Indian petroleum and natural gas resources with due regard to the environmental, safety, technological and economic aspects of petroleum activities. The DGH is responsible for, inter alia, ensuring correct reservoir management practices, reviewing and monitoring exploratory programs, the development plans of oil companies, and monitoring the production and the optimal utilization of gas fields.

The MoPNG oversees the Oil Industry Safety Directorate, which develops standards for safety, fire-fighting, training programs and information dissemination, and conducts periodic safety audits of all petroleum-handling facilities. It also oversees the Oil Industry Development Board, which provides financial and other assistance for the conductive development of the oil industry. The safety standards prescribed by the Oil Industry Safety Directorate, and the safety regulations prescribed by the Directorate General of Mines Safety in respect of onshore petroleum mining installations, must be complied with.

The Oilfields (Regulation and Development) Act, 1948

The Oilfields (Regulation and Development) Act, 1948 provides for the regulation of oilfields and for the development of mineral oil resources. The Oilfields (Regulation and Development) Act empowers the GoI to frame rules on the granting of mining leases and petroleum exploration or prospecting licenses, the conservation and development of mineral oils, the production of oil, and the regulation of oilfields.



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VEDANTA 20-F - IFRS	Donnelley Financial	HKRP64RS10 21.6.2.0	HKR pf_rend	09-Jul-2021 05:39 EST	165852 TX 115	2*
VEDANTA 20-F - IFRS	None		SNG		HTM ESS	0C

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Petroleum Exploration License and Petroleum Mining Lease under the Petroleum and Natural Gas Rules, 1959

The Petroleum and Natural Gas Rules provide the framework for the granting of petroleum exploration licenses and petroleum mining leases. Rule 4 of the Petroleum and Natural Gas Rules prohibits the prospecting or exploitation of any activity unless a petroleum exploration license or petroleum mining lease has been granted under the Petroleum and Natural Gas Rules. A Petroleum Mining Lease entitles the lessee to an exclusive right to extract oil and gas petroleum from the relevant contract area. Petroleum Exploration Licenses and Petroleum Mining Leases are granted by the MoPNG for offshore areas and by the relevant state governments, with the prior approval of the Government, for onshore areas. In 2006, the Government amended the Petroleum and Natural Gas Rules so that a licensee or lessee is obligated to provide all data obtained under the license or lease. Such data shall be the property of the Government, provided that the licensee or lessee shall have the right to make use of such data, free of cost, for the purposes of petroleum operations under the license or lease. The Government also has the right to disclose to the public all non-proprietary data without the consent of the licensee. The Government has the sole authority to determine what is proprietary.

The Territorial Waters, Continental Shelf, Exclusive Economic Zone and other Maritime Zones Act, 1976

The Territorial Waters, Continental Shelf, Exclusive Economic Zone and other Maritime Zones Act, 1976 regulates the exploration and exploitation of resources of the continental shelf and exclusive economic zone.

The Essential Commodities Act, 1955

The Essential Commodities Act, 1955 makes provisions controlling the production, supply and distribution of certain essential commodities, which include petroleum and petroleum products.

The Petroleum Act, 1934 read with the Petroleum Rules, 2002

The Petroleum Act, 1934 regulates the law relating to the import, transport, storage, production, refining and blending of petroleum and other inflammable substances. The Petroleum Rules, 2002 now regulate these activities.

Mines Act, 1952 read with Oil Mines Regulation, 2017

The Oil Mines Regulations 2017, provides for greater focus on safety and precautionary measures to be adhered in conducting the petroleum operations namely compliance with specific Oil Industry Safety Directorate standards, recommended practices, guidelines and Indian Standards, preparation and implementation of a safety management plan, carrying out safety audits in mines and additional obligations of owners, agents or managers of mines.

The Petroleum and Natural Gas Regulatory Board Act, 2006

The Petroleum and Natural Gas Regulatory Board Act, 2006 provides for the establishment of the Petroleum and Natural Gas Regulatory Board. The board regulates the refining, processing, storage, transportation, distribution, marketing and sale of petroleum products and natural gas (excluding production of crude oil and natural gas). It strives to protect the interests of consumers and entities engaged in specific activities relating to petroleum, petroleum products and natural gas and to ensure uninterrupted and adequate supply of petroleum, petroleum products and natural gas in all parts of the country and to promote competitive markets.

The Petroleum and Minerals Pipelines (Acquisition of Right of User in Land) Act, 1962

The Petroleum and Minerals Pipelines (Acquisition of Right of User in Land) Act, 1962 provides the framework governing the acquisition of right of user in land for laying pipelines for the transportation of petroleum and minerals and other matters connected therewith. This law is limited to the acquisition procedure, restrictions on use of land and compensation payable to the persons interested in the land.

Hydrocarbon Exploration and Licensing Policy

The Ministry of Petroleum and Natural Gas through its notification O-32011/4/2013-ONG-I dated March 30, 2016 introduced a new exploration and licensing policy named Hydrocarbon Exploration and Licensing Policy (“HELP”). This is a fundamental change in the Indian oil and gas sector, which introduces a new contractual and fiscal model for the award of hydrocarbon acreages. Four main facets of HELP are: single license, open acreages, revenue sharing model and marketing and pricing freedom. The uniform license will enable the contractor to explore conventional as well as unconventional oil and gas resources including shale gas/oil, tight gas and gas hydrates under a single license. The concept of Open Acreage Policy (“OALP”) will enable exploration and production companies to choose the blocks from the designated area. Under the OALP, Vedanta Limited has been awarded 41 blocks in the fiscal year 2019 and 10 blocks in fiscal year 2020.

Policy reforms to increase exploration activities and enhance production

On February 28, 2019, GoI notified policy reforms to increase exploration activities, attract domestic and foreign investment in unexplored/unallocated areas of sedimentary basins, and enhance domestic production of oil and gas from existing fields. These policy reforms heralded a fundamental shift. For instance, going forward, exploration blocks in Category-II and Category-III Basins will be awarded on the basis of international competitive bids based exclusively on exploration work programme. It entails no revenue or production sharing with Government except in case of a windfall gain. Similarly, concessional royalty rates would be levied on early commencement of production. Marketing and pricing freedom has been given to those new gas discoveries whose FDP will be approved for the first time after the date of policy. The policy also ushered ease of doing business by establishing Empowered Coordination Committee and Dispute Resolution Mechanism.



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VEDANTA 20-F - IFRS	Donnelley Financial	HKRP64RS10 21.6.2.0	HKR pf_rend	09-Jul-2021 05:39 EST	165852 TX 116	2*
VEDANTA 20-F - IFRS	None		SNG		HTM ESS	0C

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Policy framework to promote and incentivize enhanced recovery methods for oil and gas

On October 10, 2018, GoI notified policy framework to promote and incentivize enhanced recovery (“ER”) methods for oil and gas. The Policy envisages fiscal incentives in form of partial waiver of applicable Cess/Royalty.

Fields should be having a minimum three years of commercial production to avail ER incentives. However, fields with unconventional hydrocarbon (“UHC”) production would be eligible from the start of commercial production. Fields going in for Improved Recovery (“IR”) would be eligible on crossing the prescribed benchmark of increasing production beyond current recovery of 60% in case of oil and beyond current recovery of 80% in case of gas.

The policy, having a sunset clause, will be effective for ten years from the date of its notification. However, the fiscal incentives will be available for a period of 120 months from the date of commencement of production in ER/UHC projects.

Streamlining working of PSCs in pre-NELP and NELP Blocks

On August 14, 2018, GoI notified Policy Framework for Streamlining the Working of PSCs in respect of Pre-NELP and NELP Blocks. Amongst others, this policy reform focuses on the North Eastern region by providing extended exploration period and marketing and pricing freedom to future gas discoveries as well as existing discoveries which were yet to commence commercial production as on July 1, 2018.

Unconventional Hydrocarbons policy

On August 20, 2018, GoI notified Policy framework for exploration and exploitation of unconventional hydrocarbons under existing PSCs, coal bed methane (“CBM”) contracts and nomination fields. This policy allows access to unconventional hydrocarbons under the existing PSCs, CBM contracts and Nomination fields. In the PSC regime, the policy envisages a separate ring-fencing for cost recovery of cost incurred on exploration, development and production from the total value of petroleum produced and saved from new commercial discoveries. The Government share of Profit Petroleum for new discoveries will be 10% over and above the percentage of Profit Petroleum shared with the Government under existing PSCs.

(iii) Regulations pertaining to our oil and gas blocks located in South Africa

Petroleum Resources Development Act—South Africa

The Mineral and Petroleum Resources Development Act is the law governing exploitation of minerals and petroleum in South Africa. An exploration license has been granted to Cairn South Africa Pty Limited for exploration of petroleum resources in South Africa under the law. PASA is the nodal agency for all approvals. Cairn South Africa Pty Limited has not yet entered into the second phase of exploration, and accordingly the Deed for extension has not been executed. PASA has notified that the exploration right has expired. Accordingly, along with joint venture partner Petro SA, closure application with PASA was filed on September 19, 2018, to exit from South Africa operations. The application has been accepted and closure certificate has been granted by PASA on September 20, 2019.

(iv) Environmental Laws

Our business is subject to environmental laws and regulations. The applicability of these laws and regulations varies from operation to operation and depends on jurisdiction in which we operate. Our operations require environmental and other permits covering, amongst other things, water use and discharges, stream diversions, solid waste disposal and air and other emissions. Major environmental laws applicable to our operations include The Environment (Protection) Act, 1986, Forest (Conservation) Act, 1980, or Forest Act and the Forest Conservation Rules, 2003, Hazardous Wastes (Management and Handling) Rules, 1989, Water (Prevention and Control of Pollution) Act, 1974, Water (Prevention and Control of Pollution) Cess Act, 1977, Air (Prevention and Control of Pollution) Act, 1981, The Coal Mines (Nationalization) Act, 1973, or Coal Nationalization Act, Coking Coal Mines (Nationalization) Act, 1972, Coal Mines (Taking Over of Management) Act, 1973, Coking Coal Mines (Emergency Provision) Act, 1971, Coal Bearing Areas (Acquisition and Development) Act, 1957, Coal Mines (Conservation and Development) Act, 1974 and the New Coal Distribution Policy, 2007.

The Environmental Protection Act, 1986, the Water (Prevention and Control of Pollution) Act, 1974 and the Air (Prevention and Control of Pollution) Act, 1981 provide for the prevention, control and abatement of pollution. Pollution control boards have been set up in states in India to exercise the powers under these statutes for the purpose of preventing and controlling pollution. Companies must obtain the clearance of state pollution control boards before emitting or discharging effluents into the environment. All new projects or activities and expansion and modernization of existing projects, require an environment clearance.

The Hazardous Waste (Management and Handling) Rules, 1989 define waste oil and oil emulsions as hazardous wastes and impose an obligation on each occupier and operator of any facility generating hazardous waste to dispose of such hazardous wastes properly. It also imposes obligations in respect of the collection, treatment and storage of hazardous wastes. Each occupier and operator of any facility generating hazardous waste is required to obtain an approval from the relevant state Pollution Control Board for collecting, storing and treating the hazardous waste.

In addition, the Merchant Shipping Act, 1958 provides for liability in respect of loss or damage caused outside the ship by contamination resulting from the escape or discharge of oil from the ship, wherever such escape or discharge occurs.

(v) Power Sector

Licensing Requirements

Under the Electricity Act, 2003 (“Electricity Act”), the transmission, distribution of, and trading in electricity require licenses from the appropriate Central or State Electricity Regulatory Commissions (respectively, “CERCs” and “SERCs”, and collectively, “ERCs”), unless exempted, however generation of electricity does not require a license.



(vi) Employment and Labor Laws

We are subject to various labor, health and safety laws which govern the terms of employment of our laborers at our mining and manufacturing facilities, their working conditions, the benefits available to them and the general relationship between our management and such laborers. These include the Industrial Disputes Act, 1947, Factories Act, 1948, Contract Labor (Regulation and Abolition) Act, 1970, Employee State Insurance Act, 1948, Payment of Wages Act, 1936, Minimum Wages Act, 1948, Workmen's Compensation Act, 1923, Payment of Gratuity Act, 1972, Payment of Bonus Act, 1965, and Employees' Provident Funds and Miscellaneous Provisions Act, 1952.

(vii) Other Laws

The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013, or Land Acquisition Act

The Land Acquisition Act was notified with effect from January 1, 2014. The law replaces the 120 year old legislation the Land Acquisition Act, 1894 and is a unified legislation for acquisition of land and adequate rehabilitation mechanisms for all affected persons. As per the provisions of the Land Acquisition Act, the central government or appropriate state government is empowered to acquire any land from private persons for 'public purpose' subject to payment of compensation to the persons from whom the land is so acquired. There is also a mandatory requirement under the Act for social impact assessment accompanying every land acquisition, to consider the social costs and benefits arising of such acquisition and a participative process has been prescribed for such acquisition by imposing the condition of obtaining consent of the requisite majority prescribed under the Act i.e. consent of at least 80.0% of people whose land is acquired for private projects and of at least 70.0% of the landowners in the case of public-private partnership projects and discussions and objections at every stage of the acquisition proceedings. It also provides for compensation as high as four times more than the existing practice in rural areas and two times in urban areas. In December 2014, an ordinance (The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement (Amendment) Ordinance, 2014) was promulgated to amend the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013. The ordinance was re-promulgated in a modified form in April 2015, and again in May 2015. Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement (Second Amendment) Bill, 2015 was introduced in Lok Sabha on May 11, 2015 to replace the April ordinance and was referred to a joint Parliamentary Committee for detailed examination.

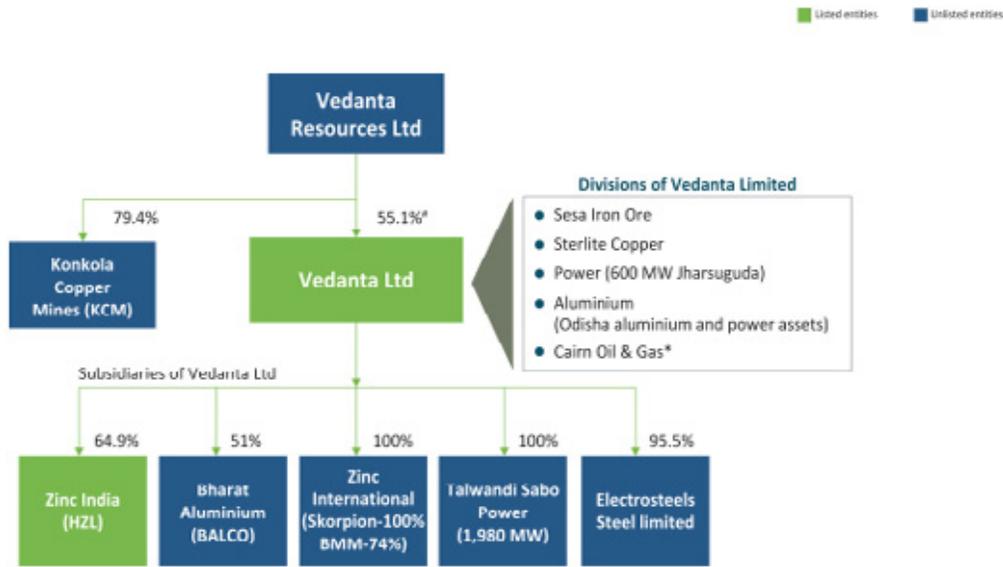
Companies Act, 1956 and Companies Act, 2013

The Companies Act, 2013 to replace the Companies Act, 1956 which currently governs the formation, financing, functioning and winding up of companies, received assent in August 2013 and the 470 section legislation has been partially notified. The Companies Act, 2013 seeks to consolidate and amend the law relating to the companies and intends to improve corporate governance and to further strengthen regulations for corporates. The major features introduced by the 2013 Act include formulation of a corporate social responsibility policy and spending towards such activities, increased responsibility of independent directors and setting up of a National Financial Reporting Authority. Some new concepts such as one-person company, small companies, dormant company, class action suits, and registered valuers have also been included.



C. Organizational Structure

The following diagram summarizes the corporate structure of our consolidated group of companies and our relationship with Vedanta and other key entities as of March 31, 2021:



*50.0% of the share in the RJ Block is held by a subsidiary of Vedanta Limited

- # Post voluntary open offer in April 2021, the controlling stake of Vedanta Resources Limited has been increased to 65.18%.
- We have exercised the second call option to acquire the GoI's remaining ownership interest in HZL on July 21, 2009 although the exercise is currently subject to dispute. See “— B. Business Overview — Our Business — Options to Increase Interests in HZL and BALCO” for more information.
 - We have exercised our option to acquire the remaining 49.0% of BALCO owned by the GoI on March 19, 2004. The exercise of this option has been contested by the GoI. The GoI has the right and has expressed an intention to sell 5.0% of BALCO to BALCO employees. See “— B. Business Overview — Our Business — Options to Increase Interests in HZL and BALCO” for more information.
 - Ownership stake in Electrosteel increased to 95.49% during 3rd quarter of fiscal year 2020 from 90% in fiscal year 2019 through their subsidiary VSL subsequent to Exit offer as per original NCLT application. Further, with effect from March 25, 2020, in view of the Scheme of Amalgamation granted by Hon'ble NCLT, Kolkata, Vedanta Limited now directly holds 95.49% in Electrosteel Steels Limited.
 - Konkola Copper Mines Plc (“KCM”) ceased to be a related party with effect from May 21, 2019. A provisional liquidator was appointed to manage KCM's affairs on May 21, 2019, after ZCCM Investments Holdings Plc (“ZCCM-IH”), an entity majorly owned by the Government of Zambia and a 20.6% shareholder in KCM, filed a winding up petition against KCM. KCM's majority shareholder, VRHL and its parent company i.e. VRL, are contesting the winding up petition in the Zambian courts. VRHL applied for a stay of the winding up petition in the High Court of Zambia but was unsuccessful. VRHL subsequently filed an appeal against the High Court ruling. The appeal hearing took place on August 25, 2020 and the ruling was delivered on November 20, 2020. The Appeal Court ruled in favor of Vedanta and concluded that a dispute as defined in the Shareholders Agreement exist between the parties and that the disputes are arbitrable and referable to arbitration. The Appeal Court ordered a stay of the winding-up proceedings in accordance with section 10 of the Zambian Arbitration Act, 19 of 2000 and that the matter be referred to arbitration. Costs were awarded in Vedanta's favour in both Courts in Zambia. On December 2, 2020 ZCCM filed an application for leave to appeal the Court of Appeal's ruling to the Supreme Court, Zambia. Vedanta has opposed the application, which was argued on March 17, 2021. The On April 29, 2021, the Court of Appeal dismissed ZCCM's application for leave to appeal to the Supreme Court, costs were awarded in Vedanta's favour. ZCCM has renewed its application for leave to appeal in front of a single judge of the Supreme Court. The hearing date was set down for June 4, 2021. The judge will deliver his ruling in due course.

Notwithstanding the Court of Appeal's judgement, on December 28, 2020, KCM's acting CEO announced a 'reorganization and restructuring' of KCM by the provisional liquidator into two subsidiary companies, KCM Smelter Co Limited and Konkola Mineral Resources Limited taking effect from February 1, 2021. VRHL has filed an application for directions on the provisional liquidator's powers in light of the Court of Appeal's ruling of November 20, 2020 and have asked for guidance from the High Court of Zambia whether these powers include the ability to reorganize and restructure KCM. The hearing of the preliminary issues took place on March 30, 2021 where by the judge reserved her ruling. The ruling was delivered on May 7, 2021. The Jjudge ruled that in light of the stay of the winding up proceedings ordered by the Court of Appeal in November 2020 and the referral of the matter to arbitration, court does not have the jurisdiction to consider an additional application requesting to give directions on the powers of the provisional liquidator. Therefore, leave to appeal was denied.



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VRHL and VRL have also commenced arbitration proceedings against ZCCM-IH with seat in Johannesburg consistent with their position that arbitration is the agreed dispute resolution process. ZCCM filed and served its Defense and Counterclaims on Vedanta on July 14, 2020, and Vedanta's reply to the Defense and Counterclaims was served on ZCCM on January 31, 2021. ZCCM filed its response to Vedanta's reply on April 15, 2021. An initial hearing of prioritized matters took place from May 31, 2021 to June 3, 2021 with the substantive dispute being heard in November 2021 and February 2022. On July 7, 2021, the arbitral tribunal granted a partial final Award in which it has ruled that ZCCM has breached, and is in continuing breach of, the dispute resolution provisions in the shareholders' agreement between amongst others ZCCM, Vedanta and the Government of Zambia.

The principal members of our consolidated group of companies are as follows:

- Vedanta Limited:** The Company was originally incorporated in Goa on February 5, 1954 under the Portuguese Commercial Code as a private limited company and on June 25, 1965 under the name "Sesa Goa Private limited" under the Companies Act 1956. It became a public limited company on April 16, 1981 pursuant to fresh certificate of incorporation issued by the Registrar of Companies, Goa, Daman and Diu. Thereafter the name of the company was changed from "Sesa Goa Limited" to "Sesa Sterlite Limited" pursuant to a fresh certificate of incorporation issued by the Registrar of Companies on September 18, 2013 pursuant to the Re-organization Transactions and the name of the Company changed from "Sesa Sterlite Limited" to Vedanta Limited pursuant to a fresh certificate of incorporation issued by the Registrar of Companies on April 21, 2015. Our ADSs are listed on the NYSE. Vedanta, through its subsidiaries, owned 55.1% of our issued share capital as on March 31, 2021, and controls our management. However, post voluntary open offer in April 2021, the controlling stake of Vedanta Resources Limited has been increased to 65.18%. The remainder of our share capital i.e. 34.82% is held by Life Insurance Corporation of India, ICICI Prudential Asset Management Company, HDFC asset Management Company limited, Black Rock Inc, Vanguard Group Inc, Employee benefit trust and other institutional and public shareholders. Vedanta Limited and Cairn India Limited (now Vedanta Limited—oil and gas business) announced the Cairn India Merger which became operative on April 11, 2017. All substantive approvals for effecting the merger of Cairn India Limited (now Vedanta Limited—oil and gas business) with Vedanta Limited were received on March 27, 2017.
- BALCO:** BALCO is incorporated in New Delhi, State of Delhi, India and is headquartered at Korba in the State of Chhattisgarh. We own 51.0% of BALCO's share capital and have management control of the company. The GoI owns the remaining 49.0%. We exercised an option to acquire the GoI's remaining ownership interest in BALCO on March 19, 2004, which has been contested by the GoI. Further, the GoI retains the right and has expressed an intention to sell 5.0% of BALCO to BALCO employees. See "—B. Business Overview—Our Business—Options to Increase Interests in HZL and BALCO" for more information. BALCO owns and operates our aluminium business.
- HZL:** HZL is incorporated in Jaipur, State of Rajasthan, India and is headquartered in Udaipur in Rajasthan. HZL is listed on the NSE and BSE. We own 64.9% of HZL's share capital through our wholly-owned subsidiary SOVL. SOVL was merged into SIIL with effect from April 1, 2011 pursuant to a merger approved by the High Court of Madras. The remainder of HZL's share capital is owned by the GoI (29.5%) and institutional and public shareholders and employees of HZL (5.6%). We have management control of HZL, which owns and operates our zinc business, and a call option to acquire the GoI's remaining ownership interest at a fair market value to be determined by an independent appraiser. We have exercised the second call option to acquire the GoI's remaining ownership interest in HZL although the exercise is currently subject to dispute. See "—B. Business Overview—Our Business—Options to Increase Interests in HZL and BALCO" for more information.
- Skorpion:** Skorpion, officially known as THL Zinc Namibia Holdings (Proprietary) Limited, previously Anglo Base Namibia Holdings (Proprietary) Limited, previously Ambase Exploration (Namibia) Proprietary Limited was incorporated on June 16, 1998. The company has its headquarters at the Skorpion Zinc mine site, which is situated 25 km north of Rosh Pinah Namibia. The company's registered office is situated at 24 Orban Street, Klein Windhoek, Namibia. Vedanta Limited holds the entire share capital in the Skorpion Zinc (Proprietary) Limited. Skorpion Zinc (Proprietary) Limited is an investment holding company, which holds the entire share capital in Namzinc (Proprietary) Limited and Skorpion (Proprietary) Limited. Namzinc operates a zinc refinery, who procures oxide zinc ore from Skorpion, who in turn extracts the ore from an open pit zinc deposit.
- BMM:** BMM consist of the Black mountain mine and the Gamsberg mine. BMM is an underground mining operation located at Aggeneys in the Northern Cape. It produces zinc, lead and copper concentrates which are predominantly exported to international customers through the port of Saldanha. Gamsberg is the open pit mine located 30 km from Black Mountain Mine and produces zinc concentrates which are predominantly exported to international customer through the port of Saldanha. The Company holds 74.0% and Exxaro Resources (through its wholly owned subsidiary, Exxaro Base Metals & Industrial Mineral Holdings (Pty) Ltd) holds the remaining 26.0% interest in BMM.
- Talwandi Sabo Power Limited:** TSPL was incorporated as a special purpose vehicle by Punjab State Power Corporation Limited ("PSPCL") for development of 1980 MW on build-own-operate basis. TSPL has a 1980 MW coal based thermal power plant facility (comprising of three units of 660 MW each) in Mansa in the state of Punjab. The first 660 MW and second 660 MW unit of the Talwandi Sabo power plant were capitalized in fiscal year 2015 and 2016 respectively. The third 660 MW unit was capitalized on September 1, 2016 after successfully completing trial runs.
- Electrosteel Steels Limited:** Electrosteel steels was incorporated as public limited company on December 20, 2006. It owns and operates a Greenfield integrated steel manufacturing facility near Bokaro, Jharkhand India with a capacity of 1.5 Mtpa. In its meeting held on June 22, 2017 of lenders along with State Bank of India, the Lead Banker filed an application to NCLT. NCLT vide its order dated July 21, 2017 admitted the application and on April 17, 2018 approved the resolution plan submitted by Vedanta Limited through its wholly owned subsidiary Vedanta Star Limited ("VSL"). On June 4, 2018, Vedanta Limited through its subsidiary, VSL acquired management control over ESL as the previous board of directors of ESL was reconstituted on that date. Further, on June 15, 2018, pursuant to the allotment of shares to VSL, the Group holds 90.0% of the paid-up share capital of ESL through VSL. During the 3rd quarter of fiscal year 2020, the Company has increased their holding to 95.49% through their subsidiary VSL subsequent to Exit offer as per original NCLT application. On March 25, 2020, NCLT, Kolkata granted the approval for the Scheme of Amalgamation of VSL with Electrosteel Steels Limited. With effect from March 25, 2020, in view of the Scheme of Amalgamation granted by Hon'ble NCLT, Kolkata, Vedanta Limited now directly holds 95.49% in Electrosteel Steels Limited.



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Volcan is the key entity that controls us. See “Item 7. Major Shareholders and Related Party Transactions—A. Major Shareholders”

D. Property, Plants and Equipment

See “- B. Business Overview—Our Business—Our Copper Business—‘Principal Facilities’ and ‘Projects and Developments’,” “- B. Business Overview—Our Business—Our Zinc Business—‘Principal Facilities’ and ‘Projects and Developments’,” “- B. Business Overview—Our Business—Our Aluminium Business—‘Principal Facilities’ and ‘Projects and Developments’,” and “- B. Business Overview—Our Business—Our Zinc International Business—‘Principal Facilities’ and ‘Projects and Developments’”.

ITEM 4A. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 5: OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The following discussion of our business, financial condition and results of operations should be read in conjunction with our consolidated financial statements and the related notes included elsewhere in this Annual Report. Some of the statements in the following discussion are forward-looking statements that reflect our current views with respect to future events and financial performance. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, such as those set forth under “Item 3. Key Information—D. Risk Factors” and elsewhere in this Annual Report. Our consolidated financial statements and the financial information discussed below have been prepared in accordance with IFRS as issued by the IASB.

Overview

We are a diversified natural resource company engaged in exploring, extracting and processing minerals and oil and gas. We produce zinc, lead, silver, oil and gas, copper, aluminium, iron ore, steel, glass substrate and commercial power and have a presence across India, South Africa, Namibia, UAE, Ireland, Australia, Japan, South Korea, Taiwan and Liberia. We have experienced significant growth through various expansion projects, acquisition of our zinc and aluminium businesses in 2002 and 2001 respectively, through the Gol’s disinvestment programs, the acquisition of the zinc business of Anglo American Plc in Namibia, South Africa and Ireland in fiscal year 2011, acquisition of oil and gas business in 2012, acquisition of 90.0% controlling stake in ESL under IBC, in line with the Resolution Plan approved by NCLT, Kolkata and further acquisition of additional 5.5% stake in ESL through open market in fiscal year 2020 and by successfully growing our acquired businesses.

We have further strengthened our presence across commodities through an all share merger with Sesa Goa in August 2013 through the Re-organization Transactions. We believe our experience in operating and expanding our business in India will allow us to capitalize on attractive growth opportunities arising from India’s large mineral reserves, relatively low cost of operations and large and inexpensive labor and talent pools.

Our revenue decreased from ₹ 909,012 million in fiscal year 2019 to ₹ 835,446 million in fiscal year 2020, representing a decrease of ₹ 73,566 million and increased to ₹ 868,630 million (\$ 11,876 million) in fiscal year 2021, representing an increase of ₹ 33,183 million or 4.0%.

The operating profit of ₹ 145,216 million in fiscal year 2019 decreased to an operating loss of ₹ 39,934 million in fiscal year 2020. However, operating profit for fiscal year 2021 was at ₹ 186,852 million (\$ 2,555 million).



The following tables are derived from our selected consolidated financial data and set forth:

- the revenue from external customers for each of our business segments as a percentage of our revenue on a consolidated basis;
- the operating profit for each of our business segments as a percentage of our operating profit on a consolidated basis; and
- the segment profit for each of our business segments as a percentage of our segment profit on a consolidated basis.

Particulars	For the Year Ended March 31,		
	2019	2020	2021
	(in percentages)		
Revenue:			
Zinc – India	22.7	21.7	25.2
Zinc – International	3.0	3.7	3.1
Oil and Gas	14.6	15.2	8.7
Iron Ore	3.2	4.1	5.2
Copper	11.8	10.8	12.5
Aluminium	32.1	31.8	32.9
Power	7.1	7.0	6.2
Steel	4.6	5.1	5.4
Other	0.9	0.5	0.8
Total	100.0	100.0	100.0
Operating Profit / (loss):			
Zinc – India	60.1	161.6	49.0
Zinc – International	1.8	(6.4)	2.6
Oil and Gas	25.1	(256.5)	6.0
Iron Ore	2.7	11.8	8.5
Copper	(2.6)	(32.8)	(2.9)
Aluminium	3.8	11.1	32.0
Power	6.4	27.0	4.45
Steel	4.1	8.6	1.7
Other	(1.4)	(24.4)	(1.2)
Total	100.0	(100.0)	100.0
Segment Profit / (loss)⁽¹⁾:			
Zinc – India	44.1	41.5	42.5
Zinc – International	2.9	1.8	3.0
Oil and Gas	31.8	34.6	11.8
Iron Ore	2.6	4.0	6.6
Copper	(1.0)	(1.4)	(0.6)
Aluminium	9.2	9.5	28.3
Power	6.3	7.8	5.1
Steel	3.3	2.8	3.2
Other	0.8	(0.6)	0.2
Total	100.0	100.0	100.0

(1) Segment profit is presented as required by IFRS 8 and is calculated by adjusting *depreciation, amortization and impairment* from operating profit. Our segment profit may not be comparable to similarly titled measures reported by other companies due to potential inconsistencies in the method of calculation. We have included our segment profit because we believe it is an indicative measure of our operating performance and is used by investors and analysts to evaluate companies in our industry. Our segment profit should be considered in addition to, and not as a substitute for, other measures of financial performance and liquidity reported in accordance with IFRS as issued by the IASB. We believe that the inclusion of supplementary adjustments applied in our presentation of segment profit are appropriate because we believe it is an indicative measure of our baseline performance as it excludes certain charges that our management considers to be outside of our core operating results. In addition, our segment profit is among the primary indicators that our management uses as a basis for planning and forecasting of future periods. See “Item. 3—Key Information—A. Selected Consolidated Financial Data” for a table reconciling operating profit to segment profit for the periods presented.

Factors Affecting Results of Operations

Our results of operations are primarily affected by commodity prices, input commodity inflation and deflation, our cost of production, our production output, government policy in India and exchange rates.

Metal and Oil Prices, Copper TcRc and Power Tariff

Overview

Our results of operations are significantly affected by the commodity prices of natural resources that we produce, which are based on LME / LBMA prices in our zinc and aluminium business, other benchmark prices in our oil, gas, iron ore and steel businesses and by the TcRc of copper in our copper business. The TcRc of copper, the commodity prices of the metals that we produce and the benchmark price of oil, gas and iron ore can fluctuate significantly as a result of changes in the supply of and demand for zinc, lead, silver, oil, gas, iron ore, copper, aluminium and steel among others. While natural resources producers are unable to influence the market rate of the TcRc or commodity prices directly, events such as changes in smelting or commodity production capacities, temporary price reductions or other attempts to capture market share by individual natural resources producers including our consolidated group of companies, may have an effect on market prices. Moreover, the prices realized by us can, to some extent, be affected by the terms we are able to negotiate for the contractual arrangements we enter into with buyers. Price variations and market cycles have historically influenced and are expected to continue to influence our financial performance.



During fiscal year 2021, the increase in zinc, aluminium, copper, iron ore and silver positively affected our revenue and operating profit which was offset by decrease in lead and dated brent price. During fiscal year 2021, the average LME prices of zinc, aluminium, copper, iron ore and silver increased by 0.8%, 3.2%, 17.8%, 75.0% and 38.8% and the lead and Dated Brent decreased by 4.3% and 26.77%. respectively.

Global growth and commodity demand remain volatile and emerging markets continue to be the key drivers of growth. We are well positioned to capitalize on emerging market growth with a significant portion of our assets in India and Africa. For a further discussion of global market and economic conditions and the risks to our business, see “Item 3. Key Information—D. Risk Factors—Risks Relating to Investments in Indian Companies, Global Economic Conditions and International Operations—Global economic conditions have been unprecedented and challenging and have had, and continue to have, an adverse effect on the Indian financial markets and the Indian economy in general, which has had, and may continue to have, a material adverse effect on our business, our financial performance and the prices of our equity shares and ADSs.” The COVID-19 pandemic and the widespread lockdowns imposed by countries in 2020 triggered the worst peacetime global contraction since the Great Depression in 1929. The subsequent and gradual easing of containment measures during the second half of the year, initially caused a strong rebound. This initial spurt in economic activity, however, lost momentum in some regions of the world towards the end of the year due to a renewed rise in infections. The recession and the pandemic-related restrictions also caused global trade to contract substantially, which hampered growth further, particularly in export-dependent economies. The US economy suffered a major drop in the first half of the year, accompanied by a huge surge in unemployment. Owing to a vast array of monetary and fiscal measures, as well as the comparatively moderate government restrictions, the economy recovered in the second half of the year. In the first half of 2020, the pandemic and the associated containment measures also caused the economies of Eurozone to plunge into a deep recession that affected the manufacturing and services sectors equally. However, this decline varied greatly among different member states.

Zinc and Aluminium

The revenue of our zinc and aluminium businesses fluctuate based on the volume of our sales and the respective LME prices of zinc, lead and aluminium and the LBMA price of silver. Our zinc business is fully integrated and its profitability is dependent upon the difference between the LME price of zinc and lead, LBMA price of silver and our cost of production, which includes the costs of mining and smelting. For the portion of our aluminium business where the bauxite is sourced from BALCO’s own bauxite mines, profitability is dependent upon the LME price of aluminium less our cost of production, which includes the costs of bauxite mining or purchase of bauxite from third parties, transportation costs, refining of bauxite into alumina and smelting of alumina into aluminium. For the portion of our aluminium business where alumina is sourced from third parties, profitability is dependent upon the LME price of aluminium less cost of the sourced alumina and our cost of production. Zinc LME prices remained volatile during the year FY 2020—21, starting off the year at \$ 1843 per ton levels and gradually recovering to pre—COVID levels. Prices are currently at \$ 2,795 per ton at March end.

During fiscal year 2021, 81.7% and 40.0% of BALCO and Jharsuguda’s alumina requirements were met through imports and domestic supplies from third parties, and the balance were supplied by our Lanjigarh alumina refinery. The following table sets forth the daily average zinc and aluminium LME prices for each of the last three fiscal years:

Particulars	For the Year Ended		
	March 31,		
	2019	2020	2021
Zinc LME	2,743	2,402	2,422
Aluminium LME	2,035	1,749	1,805
Lead LME	2,121	1,952	1,868
Silver LBMA *	15.4	16.5	22.9

* silver is denominated in \$/ ounce

The average LME aluminium prices for the year was \$ 1,805 per ton, an increase of approximately 3% over FY 2020 average of \$ 1,749 per ton. It was a bearish for aluminium LME with prices at \$ 1,713 per ton in quarter 1 of 2020 and \$ 1,527 per ton in quarter 2 of 2020, primarily driven by lower demand due to disruption in global economic activity on account of COVID-19 pandemic causing economic disruption, and consequently impacting the global demand for aluminium. With an increase in economic activities, the aluminium LME was bullish in the last two quarters with prices at \$ 1,741 per ton in quarter 3 of 2020 and \$1,930 per ton in quarter 4 of 2020. LME was stabilising post lockdown. The demand showed bearish sentiments due to COVID-19 pandemic and dropped by 3% in 2020 to approximately 63 million tons from approximately 65 million tons in 2019. While the demand in rest of the world has bounced back to pre-COVID era, the growth in China demand was appreciable since quarter 1 of FY 2021 and has led the recovery. The packaging & electrical sector being the torch bearer for this growth. The global demand for primary aluminium is expected to increase by approximately 9% in 2021 to approximately 69 million tons, the biggest boost coming from construction and transport sector across geographies backed by government stimulus.

Steel

The revenue of our steel business fluctuates based on the volume of our sales and the prices of steel in domestic market in fiscal year 2021. More than 99.0% of the sales in steel business happened in domestic market (99.0% in fiscal year 2020) and its prices are directly affected by the demand and supply of steel in the domestic market. Our major raw material are iron ore and coking coal. Iron ore is entirely sourced from domestic market. Coking coal is mostly imported and is generally purchased based on index price or spot prices. Any fluctuation in coking coal and iron ore prices impacts our cost of production. The steel prices are influenced by many factors including demand, supply, raw material cost, capacity utilization and improvement in manufacturing process. The profitability of our steel business is determined based on the sale price less the purchase price of raw material including manufacturing cost.



The following table sets forth the prices for each of the last three fiscal years:

Particulars	(\$ per ton)		
	For the year ended March 31,		
	2019	2020	2021
Pig irons	404	354	382
Billet	486	418	336
TMT	564	494	539
Wire rod	638	519	537
DI pipe	593	602	545
Average steel price (\$ per ton)	572	495	488

Average sales realization decreased 2% y-o-y from \$ 495 per ton in fiscal year 2020 to \$ 488 per ton in fiscal year 2021. Prices of iron and steel are influenced by several macro-economic factors. These include global economic slowdown, US-China trade war, supply chain destocking, government spend on infrastructure, the emphasis on developmental projects, demand-supply forces, the PMI in India and production and inventory levels across the globe specially China.

Crude oil and natural gas

Movement in the price of crude oil and discount to oil prices based on quality parameters significantly affect the results of operation of our oil and gas business and decline in crude oil and natural gas prices may adversely affect our revenues and profits. Historically, international prices for oil have been volatile and have fluctuated widely due to many factors that are beyond our control, including, but not limited to overall economic condition, supply and demand dynamics for crude oil and natural gas, political developments, the ability of petroleum producing nations to set and maintain production levels and prices, the price and availability of other energy sources and weather conditions. Historically, prices of important LNG have been high. However, there has been steep reduction in prices due to development of LNG infrastructure and increases supply in the market lower oil prices may also reduce the economic viability of planned projects planned or those in early stages of development.

The following table sets out the average price of Dated Brent, an international benchmark of oil blend for each of last three fiscal years:

Particular	For the Year Ended March 31,		
	2019	2020	2021
	(\$ per barrel)		
Dated Brent	70.4	60.9	44.6

Crude oil price averaged \$ 44.6 per barrel, compared to \$ 60.9 per barrel in previous year driven by multiple reasons arising due to the Covid-19 pandemic. The global oil market underwent a historic shock in 2020 triggered by COVID-19 pandemic. The impact of COVID-19 containment measures in many countries and territories severely reduced mobility. Reduced economic activity related to the COVID-19 pandemic has caused changes in energy demand and supply over the past year. World oil demand in FY 2021 contracted by 7.8 mb/d, to stand at 92.2 mb/d as compared to previous fiscal year.

Fiscal year 2021 started with the steep decline in international crude oil benchmark prices because of the strict lockdown in countries across the world. There was slight improvement in prices in Q3 as the vaccine was developed and economic activities began to recover.

Looking forward, we expect the recent events will continue to have an impact on the oil price volatility with downside risks until the global economies come out of lockdown and, all OPEC and partner countries act collectively.

Realization discount to Brent

The prices of various crude oil are based upon the price of the key benchmark crude oil such as Dated Brent, West Texas Intermediate, and Dubai/Oman. The crude oil prices move based upon market factors such as demand and supply. The regional producers price their crude oil on a premium or discount over the benchmark crude oil based upon differences in quality and competitiveness of various grades.

For Rajasthan, sales to private refiners is benchmarked to Dated Brent with a fixed discount of 2.1% for FY 2021 and sales to PSU refiners continue to be based on Bonny light, a West African low sulphur crude oil that is frequently traded in the region. For Ravva and Cambay blocks, the crude oil is also benchmarked to Bonny Light, with appropriate adjustments for crude quality. For fiscal year 2021, the discount to Dated Brent averaged 1.2% for Rajasthan 4.1% for Cambay and 1.5% for Ravva, due to the prevailing oil market conditions. Dated Brent reflects the values of North Sea cargo loading within the next 10-25 days, it incorporates the Brent, Forties, Oseberg and Ekofisk crude oil with the most competitive grade setting the price.

Movements in the discount range affect our revenue realization and any increase in quality differentials may adversely impact our revenues and profit.

Iron Ore

The revenue of the iron ore business fluctuates based on the volume of sales and the market price of iron ore. The prices for iron ore are significantly dependent on the global and regional imbalances between the demand and supply of iron ore, worldwide steel-making capacity and transportation costs. The profitability of the iron ore business is dependent on its selling price, grade and cost of production which includes cost of extracting, processing iron ore and royalty.



The following table sets forth the daily average iron ore prices (62.0% iron) for each of the last three fiscal years:

Particulars	For the Year Ended March 31,		
	2019	2020	2021
China imported iron ore fines (62.0% iron, cost and freight Tianjin Port)	71.6	94.84	166.9

Copper

The revenue of our copper business fluctuates based on the volume of our sales and the LME price of copper. However, as our copper business is primarily one of custom smelting and refining, the profitability of our copper business is significantly dependent upon the market rate of the TcRc. We purchase copper concentrate at the LME linked price for the relevant quotational period less a TcRc that we negotiate with our suppliers but which is influenced by the prevailing market rate for the TcRc. The market rate for the TcRc is significantly dependent upon the availability of copper concentrate, worldwide copper smelting capacity and transportation costs. The TcRc that we are able to negotiate is also substantially influenced by the TcRc terms established by certain large Japanese custom smelters. The profitability of our copper business as to the portion of our copper business where we source copper concentrate from third parties, which accounted for 100% of our copper concentrate requirements, is thus dependent upon the amount by which the TcRc we are able to negotiate exceeds our smelting and refining costs. During fiscal year 2019, as the smelter operations at Tuticorin were shut, the company procured Anodes and Cathodes with negotiated Rc. The profitability of our copper operations is also affected by the prices we receive upon the sale of by-products, such as sulphuric acid and gypsum and precious metals, which are generated during the copper smelting and refining process. The prices we receive for by-products can vary significantly, including as a result of changes in supply and demand and local market factors in the location the by-product is produced. The following table sets forth the average TcRc that we have realized for each of the last three fiscal years:

Particulars	For the Year Ended March 31,		
	2019	2020	2021
	(in US cents per pound)		
Copper TcRc	6.0 ⁽¹⁾	2.8 ⁽¹⁾	3.3 ⁽¹⁾
Copper LME	6,337	5,855	6,897

⁽¹⁾ Above TcRc is computed net of premium paid on purchase of cathodes in fiscal year 2020 and fiscal year 2021

Power

We operate 600 MW unit as an independent power plant at Jharsuguda. It has a power supply agreement with GRIDCO. BALCO used to operate 600 MW (2 X 300 MW) independent power plants. Now, it just operates 300 MW unit as an IPP. The other 300 MW unit has been converted to a captive power plant ("CPP"), as per order received from CSERC dated January 1, 2019 for conversion of 300 MW capacity from IPP to CPP from April 1, 2017. The MALCO plant has been put under care and maintenance from May 26, 2017.

The 1,980 MW thermal power plant at Talwandi Sabo was set up for commercial power sales. It has a PPA with PSPCL. The fuel cost subject to quoted efficiency will be a pass-through and revenue is linked to the plant availability

The average power realization price for TSPL for the years ended March 31, 2019, 2020 and 2021 are ₹ 4.1/unit, ₹ 3.7/unit and ₹ 3.0/unit respectively based on Plant Availability Factor. The average power realization price (excluding TSPL) for the years ended March 31, 2019, March 31, 2020 and 2021 was ₹ 3.4, ₹ 3.6 and ₹ 3.1 per unit respectively.

India Market Premium

Generally, our products in India are sold at a premium to the LME market price due to a number of factors including the customs duties levied on imports by the GoI, the costs to transport metals to India and regional market conditions. See "Government Policy." As a result, we endeavor to sell large quantities of our products in India.

Hedging

We engage in hedging strategies to a limited extent to partially mitigate our exposure to fluctuations in commodity prices, as further described in "Note 25: Financial Instruments" of Notes to the Consolidated Financial Statements.

Costs of Production

Our results of operations are, to a significant degree, dependent upon our ability to efficiently run our operations and maintain low costs of production. Efficiencies relating to recovery of metal from the ore, oil and gas extraction, process improvements, by-product management and increasing productivity help drive our costs down. Costs associated with mining and metal production include, ore extraction and processing costs at our captive mines, energy costs, labor costs and other manufacturing expenses. Costs of production also include cost of alumina for our aluminium business.

The cost of production of our oil and gas business include expenditure incurred towards the production of crude oil and natural gas including statutory levies, such as cess, royalties (excluding the RJ block) and production payments payable pursuant to the PSCs. Cess forms a major component of the cost of production and any change in the rate of the cess will impact the result of the operations.



The cost of production of copper for our custom smelting and refining operations consists of cost of converting copper concentrate into copper cathodes but does not include the cost of copper concentrate. We purchase copper concentrate at the LME price for copper metal for the relevant quotational period less a TcRc that we negotiate with our suppliers, but which is influenced by the prevailing market rate for the TcRc. We attempt to make the LME price a pass through for us as both the copper concentrate purchases, and sales of finished copper products are based on LME prices. The profitability of the copper custom smelting and refining business is therefore dependent upon the amount by which the TcRc that we negotiate with our external suppliers exceeds our smelting and refining costs.

Energy cost is the most significant component of the cost of production in our metal production businesses. Most of our power requirements are met by captive power plants, which are primarily coal fueled. Thermal coal, diesel fuel and fuel oil, which are used to operate our power plants, and metallurgical coke, which is used in the zinc smelting process, are currently sourced from a combination of long term and spot contracts. Our iron ore business meets its most of its power requirements through its 60 MW captive power plant and from the grid run by the electricity department of the government and in the event the requirement of power is not satisfied through the grid, then we use generators. Our aluminium smelters, which have high energy consumption due to the power intensive nature of aluminium smelting operation, sources its thermal coal requirement from Coal India Limited and its subsidiaries through linkages, linkage auctions and E-Auctions. Mahanadi Coalfields Limited and South Eastern Coal Fields Limited, subsidiaries of Coal India Limited are the majority suppliers. The latest linkage auction coal from Tranche IV, 3.2 mtpa quantity, started to materialize from March 2019. We also strategically bid for captive coal blocks as and when they are offered for auctions by Ministry of Coal, GoI. During the fourth quarter of fiscal year 2015, BALCO was successful in securing one coal mine in coal block auctions conducted by the GoI, namely the Chotia Coal block. The total reserves at the Chotia block are 19.66 million tons as on April 01, 2020, with the annual production capacity of one million tons and during FY 2020, 1.0 million tons of coal was produced from Chotia II, reducing the on date extractable coal reserve to 18.66 million tons and no major coal production (only 1,937 tons produced) in FY 2021 due to ongoing pandemic situation. The productions commenced at the Chotia mine during the fourth quarter of fiscal year 2016. Also, we emerged as the highest bidder for Jamkhani coal block in the coal block auctions held in fiscal year 2020, and we have signed the Coal Mine Development and Production Agreement (“CMDPA”) with the GoI. Currently, the Jamkhani coal block has a capacity of 2.6 million tons per annum and we look forward to operationalizing it. Also, Vedanta has secured the Radhikapur (West) coal block in tranche 11 of the coal block auction. Vedanta entered into the CMDPA with the GoI on January 11, 2021. This has a mine capacity of 6 mtpa, which can additionally help meet Group’s coal requirements. These acquisitions will substantially improve our coal security. We also intend to continue our participating in linkage coal auctions and secure coal at competitive rates.

HZL continues to import significant coal requirement coal from third party suppliers and balance is sourced through linkage. HZL’s operations source their back—up power from liquid fuel-bases captive power plants or from local power companies. The liquid fuel is sourced from third—party suppliers on yearly contracts.

For our zinc, iron ore and captive bauxite ore operations at BALCO, where we source the ore from our own mines, ore extraction and processing costs affect our cost of production. In our iron ore businesses, the ore extraction and processing costs to produce saleable ore are generally a small percentage of our overall cost of production of the finished metals. In our alumina refinery at Lanjigarh, alumina is produced from bauxite ore. The cost of production of alumina is dependent on the cost of bauxite and cost of converting it to alumina. In fiscal year 2020, the cost of bauxite makes up for almost 55.0% of the cost of production, wherein bauxite logistics is a major component. Our bauxite sourcing is from several sources including Odisha mining corporation (“OMC”) captive mines at BALCO and other global suppliers.

In iron ore, logistics represents approximately 25.0% to 30.0% of the total cost of production in the case of exports. In addition, a significant cost of production in our zinc and iron ore business is the royalty that HZL pays on the lead-zinc ore that is mined, which royalty is a function of the LME prices of zinc and lead and the iron ore pays on extraction of iron ore at the rate declared by the Indian Bureau of Mines. See “*Government Policy—Taxes, royalties and cess payments.*”

In steel cost comprises of iron ore fines, lumps, pellets and mill scale, Coking coal comprises of hard coking, semi soft coking coal, high fluidity coal and fluxes which includes limestone and Dolomite etc. This cost also includes conversion cost of hot metal into saleable products such as Wire Road, TMT Bar, DI Pipe, Pig iron and billets. Iron ore and coking coal are major cost drivers.

In the commercial power generation business, production costs are primarily coal costs and the coal are largely sourced from the domestic market.

We outsource a majority of BALCO’s mining operations, a substantial portion of HZL’s and iron ore’s mining operations, Oil and Gas operations and a limited number of functions at our copper, zinc operations to third party contractors. The operations and maintenance activities at the Jharsuguda 1215 MW and 2400 MW power facilities, BALCO’s 540 MW and 1,200 MW and TSPL 1,980 MW power facilities are substantially outsourced to third party contractors.

Other manufacturing expenses include, among other things, additional materials and consumables that are used in the production processes and routine maintenance to sustain ongoing operations. None of these represents a significant portion of our costs of production.

Cost of production as reported for our metal products includes an offset for any amounts which we receive upon the sale of the by-products from the refining or smelting processes. We present costs of production for our metal products on the following basis:

- (i) cost of production before by-product revenue, which represents the direct costs relating to production and conversion costs of metal (such as energy costs, ore extraction costs and processing costs at our captive mines, labor costs and other manufacturing expenses); excluding depreciation, impairment charges and finance costs, and
- (ii) cost of production net of by-product revenues which represents cost of production before by-product revenue offset by any amounts which we receive upon sale of by-products from such operations. Offsetting by-product revenues is useful to the management and investors to compare our cost competitiveness with our peers in the industry as it is a common metric used by our peers in the industry. Cost of production before by-product revenue and net of by-product revenue is divided by the daily average exchange rate for the year to calculate US dollar cost of production per lb or per ton of metal as reported.



The following table sets forth our average realized TcRc and cost of production for each of our metals, power, oil and gas for each of the last three fiscal years:

Particulars	Unit of Measurement	For the Year Ended March 31,		
		2019	2020	2021
		(in US dollars per ton, except as indicated)		
TcRc ⁽¹⁾	¢/lb	6.0	2.8	3.3
Cost of production before by-product revenue⁽²⁾				
Zinc India ⁽³⁾	\$/ton	1,511	1,495	1,401
Zinc International ⁽⁴⁾	\$/ton	2,295	1,797	1,479
Oil and Gas ⁽⁵⁾	\$/boe	26.8	22.4	21.7
Iron ore ⁽⁶⁾	\$/ton	13.2	17.1	17.2
Copper smelting and refining ⁽⁷⁾	¢/lb	21.1	23.2	14.2
Aluminium ⁽⁸⁾	\$/ton	1,968	1,690	1,347
Steel	\$/ton	455	415	386
Power – Jharsuguda 600 MW plant	₹/unit	4.3	3.9	2.5
Cost of production net of by-product revenue⁽²⁾				
Zinc India ⁽³⁾	\$/ton	1,381	1,371	1,286
Zinc International ⁽⁴⁾	\$/ton	1,912	1,665	1,307
Oil and Gas ⁽⁵⁾	\$/boe	26.8	22.4	21.7
Iron ore ⁽⁶⁾	\$/ton	13.2	17.1	17.2
Copper smelting and refining ⁽⁷⁾	¢/lb	21.1	23.2	14.2
Aluminium ⁽⁸⁾	\$/ton	1,967	1,690	1,347
Steel ⁽⁹⁾	\$/ton	455	415	386
Power – Jharsuguda 600 MW plant ⁽¹⁰⁾	₹/unit	4.3	3.9	2.5

- (1) Represents our average realized TcRc for the year and TcRc is computed net of premium paid on purchase of cathodes in fiscal year 2019, 2020 and 2021.
- (2) Cost of production per unit is not a recognized measure under IFRS as issued by the IASB. We have included cost of production as it is a key performance indicator used by the management to assess the performance of our operations. We also believe it is a measure used by investors and analysts to evaluate companies in our industry. Our results of operations are, to a significant degree, dependent upon our ability to efficiently run our operations and maintain low costs of production. Efficiencies relating to recovery of metal from the ore, process improvements, by-product management and increasing productivity help drive our costs down. Our computation of cost of production should be considered in addition to, and not as a substitute for other measures of financial performance and liquidity reported in accordance with IFRS as issued by the IASB. Cost of production is a measure intended for monitoring the operating performance of our operations. This measure is presented by other metal companies, though our measure may not be comparable to similarly titled measures reported by other companies.
- (3) Cost of production of zinc before by-product revenue decreased from \$ 1,495 per ton for fiscal year 2020 to \$ 1,401 per ton for fiscal year 2021. The decrease is mainly due to higher production volume, lower power costs, lower met coke and cement costs partly offset by higher administration expense (Covid donation) and higher diesel costs. The cost of production of zinc net of by-product revenue decreased from \$ 1,371 per ton in fiscal year 2020 to \$ 1,286 per ton in fiscal year 2021. The decrease was due to aforementioned reasons partially offset by lower sulphuric acid credit on account of lower net sales realisation (“NSR”) in fiscal year 2021.
- (4) Cost of production net of by-product credit decreased from \$ 1,665 per ton to \$ 1,307 per ton, a decrease of 22.0%. This was mainly driven by the Company’s strong focus to reduce the cost, along with reduction through higher production at Gamsberg, local currency depreciation, optimising consumables usage, higher copper credits offset by higher TcRc’s and annual inflation.
- (5) Cost of production for oil and gas, decreased to \$ 21.7 per net boe in fiscal year 2021 from \$ 22.4 per net boe in fiscal year 2020, primarily on account of decreased cess on ad-valorem basis due to decrease in average Brent price realisations.
- (6) Cost of production for iron ore, increased from \$ 17.1 per ton in fiscal year 2020 to \$ 17.2 per ton in fiscal year 2021. We bought 0.6 million tonnes low grade iron ore in auctions held by Goa Government in Auction No -23 & 24. These ore along with opening stock of ore purchased in 22nd auction and fresh royalty paid ore moved out of mines post the supreme court order, were then beneficiated and around 2.1 million tonnes were exported.
- (7) Cost of production for Copper has decreased from ¢/lb 23.2 to ¢/lb 14.2 primarily on account of higher production and reduced Tuticorin fixed overheads as compared to fiscal year 2020.



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- (8) Cost of production before adjusting by-product revenue decreased from \$ 1,690 per ton in fiscal year 2020 to \$ 1,347 per ton in fiscal year 2021. The decrease was supported by structural reforms and continued focus on operational excellence, coupled with lower input commodity prices, provided us a long-term cost advantage.
- (9) Cost of production for steel business has reduced from \$ 415 per ton to \$ 386 per ton in the fiscal year 2021. This was primarily due to softening of coking coal prices and significant gains in operational efficiencies, such as optimization of the coal mix in coke ovens and iron ore blending, shifting high grade ores to medium grades. Improved yields of the converters and finishing mills also added to the efficiency.
- (10) Power cost at Jharsuguda 600 MW plant has decreased from ₹ 3.9/unit to ₹ 2.5/unit mainly driven by decrease in coal prices and improved linkage materialisation during the fiscal year 2021.

We present below the cost of production for our metal products on the following basis:

- (i) Cost of production before by-product revenue, which represents the direct costs relating to production and conversion costs of metal (such as energy costs, ore extraction costs and processing costs at our captive mines, labor costs and other manufacturing expenses), excluding depreciation, impairment charges and finance costs, and
- (ii) Cost of production net of by-product revenues which represents cost of production before by-product revenue offset by any amounts we receive upon sale of by-products from such operations. Offsetting by-product revenues is useful to the management and investors to compare our cost competitiveness with our peers in the industry as it is a common metric used by our peers in the industry.

We explain the cost of production for each metal as set forth below:

- In the case of Zinc India operations, where we have integrated operations from production of zinc ore to zinc metal, cost of production before by-product revenue is the cost of extracting ore and conversion of the ore into zinc metal ingots. Payment of royalty and provision towards contribution to DMF and NMET is included in determining the cost of production. Cost of production net of by-product revenue represents cost of production before by-product revenue, net of revenue earned from the by-product sulphuric acid, which is deducted from the cost of production consistent with the industry practice. The total cash cost before by-product revenue and net of by-product revenue is divided by the total number of tons of zinc metal produced to calculate the cost of production before by-product revenue and net of by-product revenue per ton of zinc metal. Our Zinc India segment primarily consists of zinc ingot production and lead is only a co-product of zinc while silver is a by-product arising from lead smelting process. Accordingly, the cost of production presented for Zinc India operations is only for zinc ingot production and the cost of production of lead and silver are not presented.
- Our Zinc International operations consist of the Skorpion mine and refinery in Namibia, Black Mountain mine, which includes new Gamsberg mine in South Africa and the Lisheen mine in Ireland which ceased operations in December 2015. Skorpion produces special high-grade zinc ingots. As a result, the cost of production before by-product revenue with respect to the Skorpion mine consists of the total direct cost of mining zinc ore and producing zinc in the refinery through a leaching, refining and electrowinning process. Skorpion mine does not produce any material by-products. Skorpion Zinc has been under Care and Maintenance since the start of April 2020, following cessation of mining activities due to geotechnical instabilities in the open pit. Activities to restart the mine are progressing well. Cost of production before by-product revenue of zinc at Black Mountain mine consists of direct mining costs, concentrate costs, TeRc and direct services cost. Cost of production net of by-product revenue represents cost of production before by-product revenue, net of revenue from copper consistent with the industry practice. At Black Mountain mine lead is only a co-product of zinc while silver is a by-product of lead. Accordingly, the cost of production presented for Black Mountain mine is only for zinc production and the cost of production of lead and silver are not presented. Royalties paid are also included in the cost of production. The total cash cost before by-product revenue and net of by-product revenue is divided by the total number of tons of zinc metal produced or zinc metal in concentrate produced to calculate the cost of production before by-product revenue and net of by-product revenue per ton of zinc metal produced or zinc metal in concentrate produced. Gamsberg mine has been ramping up well in fiscal year 2021. Cost of production before by-product revenue of zinc at Gamsberg consists of direct mining costs, concentrate costs, TeRc and direct services cost. Gamsberg mine does not produce any material by-products.
- The cost of production in our oil and gas business consists of expenditure incurred towards the production of crude oil and natural gas including statutory levies, such as cess, royalties (except the Rajasthan block) and production payments payable pursuant to the PSCs as well as operational expenditures such as costs relating to manpower, repairs and maintenance of facilities, power generation and fuel for such facilities, water injection, insurance, and storage, transportation and freight of crude oil and natural gas, among others. Cess forms a major component of the cost of production and any change in the rate of the cess will impact the result of the operations. The total production cost is divided by the entitlement interest quantity of oil and gas produced to determine the cost of production per barrel of oil equivalent.
- In the case of iron ore, cost of production relates to the iron ore mining and processing cost. Payment of royalty fees and provision towards contribution to DMF and NMET are included in determining the cost of production at Goa, whereas at Karnataka iron ore business royalties are under scope of buyer. The total cost is divided by the total number of tons of iron ore produced to calculate the cost of production per ton of iron ore. Our iron ore segment also includes met coke and pig iron. However, the cost of production presented for iron ore operations does not include met coke and pig iron.

Our iron ore operations in Goa were recommenced in August 2015, after receiving necessary approvals from the state government. Our iron ore operations had been suspended till fiscal year 2015 due to the continued mining ban in the state of Goa. The Supreme Court passed its final order in the matter on February 7, 2018 wherein it set aside the second renewal of the mining leases granted by the State of Goa. The Supreme Court directed all lease holders operating under a second renewal to stop all mining operations with effect from March 16, 2018 until fresh mining leases (not fresh renewals or other renewals) and fresh environmental clearances are granted under the Mines and Minerals (Development and Regulation) (MMDR) Act. We continue to engage with the Government for the resumption of mining operations.



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- In the case of copper, cost of production before by-product and free copper revenue relates only to our custom smelting and refining operations (and not for our mining operations) and consists of the cost of converting copper concentrate into copper cathodes, including the cost of freight of copper anodes from Tuticorin to Silvassa. Cost of production net of by-product and free copper revenue represents cost of production before by-product and free copper revenue, net of revenue earned from the sale of by-product, sulphuric acid and copper metal recovered in excess of paid copper metal are deducted from the cash costs, in line with the cost reporting practice of custom smelters globally. The total cash costs before by-product and free copper revenue and net of by-product and free copper revenue are divided by the total number of pounds of copper metal produced to calculate the cost of production before by-product and free copper revenue and net of by-product and free copper revenue per pound of copper metal produced.

The TNPCB through an order, dated April 9, 2018, rejected the consent renewal application of Vedanta Limited for its copper smelter plant at Tuticorin. It directed Vedanta Limited not to resume production operations without formal approval/consent (vide order dated April 12, 2018), and directed the closure of the plant and the disconnection of electricity (vide order dated May 23, 2018).

The Government of Tamil Nadu also issued an order dated May 28, 2018 directing the TNPCB to permanently close and seal the existing copper smelter at Tuticorin; this was followed by the TNPCB on May 28, 2018. Vedanta Limited filed a composite appeal before the NGT against all the above orders passed by the TNPCB and the Government of Tamil Nadu. In December 2018, NGT set aside the impugned orders and directed the TNPCB to renew the CTO. The order passed by the NGT was challenged by Tamil Nadu State Government in Hon'ble Supreme Court.

The Supreme Court on February 18, 2019 set aside the NGT judgment dated December 15, 2018 on the grounds of maintainability, allowing Vedanta Limited the liberty to approach the High Court of Madras to challenge all the orders collectively, stating that no plea of alternative remedy shall be allowed.

Based on the said order, Vedanta Limited has filed a writ petition before the Principal Bench of the High Court of Madras and has additionally filed an application seeking interim relief for care and maintenance of the plant. The High Court vide its judgement dated August 18, 2020 dismissed the writ petition filed by the Company. The Company has approached the Supreme Court and challenged the said High Court order by way of a SLP to Appeal and also filed an interim relief for care and maintenance of the plant. The matter was then listed on December 2, 2020 before Supreme Court Bench. The Bench 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. Further, Hon'ble Supreme Court held that the case will be listed once physical hearing resumes in Supreme court. The matter was again mentioned before the bench on March 17, 2021, wherein the matter was posted for hearing on August 17, 2021.

- Cost of production of aluminium is weighted average cost of production of our Jharsuguda and BALCO aluminium smelters. The cost of production before by-product revenue includes cost of purchased alumina and the cost of captive alumina produced at Lanjigarh. Cost of production net of by-product revenue represents cost of production before by-product revenue, net of revenue earned from the sale of by-products, such as vanadium, which is consistent with the industry practice. The total cash cost before by-product revenue and net of by-product revenue is divided by the total quantity of hot metal produced to determine the cost of production before by-product revenue and net of by-product revenue per ton of aluminium hot metal produced. Hot metal production volumes are used instead of the cast metal production volumes disclosed, elsewhere in this Annual Report, for calculating cost of production. This is because, the hot metal production, which excludes the value-added cost of casting, is the measure generally used in the aluminium metal industry for calculating measures of cost of production.
- In the case of steel, the cost of production after by-product revenue includes the cost of producing hot metal which includes Iron bearing raw material comprises of iron ore fines, lumps, pellets and mill scale, Coking coal comprises of hard coking, semi soft coking coal, high fluidity coal, limestone and Dolomite etc. This Cost also includes conversion cost of hot metal into saleable products such as Wire Road, TMT Bar, DI Pipe, Pig iron and billets. The total cost before by-product revenue and net of by-product revenue is divided by total quantity to determine the cost of production before by-product and net of by-product revenue per ton of steel produced.
- Cost of production before by-product revenue and net of by-product revenue is divided by the daily average exchange rate for the period to calculate US dollar cost of production per lb or per ton of metal or per barrel of oil equivalent as reported.
- Cost of production of power for Jharsuguda 600 MW power plant (excluding 274 MW HZL wind power plant, the TSPL 1,980 MW, IPP 300 MW BALCO power plant and the 106.5 MW MALCO's power plant) includes the cost of coal and other liquid fuels used for generating power and other overhead costs such as operating, maintenance and manpower costs. The total cost is divided by the total net units generated to calculate the cost of production per unit of energy produced.



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Segments	For the Year Ended March 31,				
	2017	2018	2019	2020	2021
	(₹ in millions, except Production output and Cost of production)				
Zinc—India:					
Segment revenue	168,694	216,136	206,562	181,590	219,316
Segment profit	(95,711)	(122,596)	(105,995)	(87,140)	(116,200)
	72,983	93,540	100,567	94,450	103,116
Cost of tolling including raw material cost	(3,364)	—	—	—	—
Cost of intermediary product sold	(1,771)	—	—	—	—
Cost of lead metal sold	(10,677)	(15,027)	(20,664)	(19,450)	(21,370)
Others ^(c)	(408)	(3,097)	(6,386)	(2,075)	(7,478)
Total before adjusting for by-product revenues	56,763	75,416	73,517	72,925	74,267
By-product revenue	(4,737)	(5,791)	(6,335)	(6,059)	(6,083)
Total after adjusting for by-product revenues	52,026	69,625	67,182	66,867	68,185
Production output (in tons)	671,987	791,461	696,283	688,286	715,446
Cost of production before by-product revenue (per ton) ^(a)	\$ 1,259	\$ 1,479	\$ 1,511	\$ 1,495	\$ 1,401
Cost of production net of by- Product revenue (per ton) ^(a)	\$ 1,154	\$ 1,365	\$ 1,381	\$ 1,371	\$ 1,286
Cost of production net of by- Product revenue (per ton) ^(a)	₹ 77,391	₹ 87,971	₹ 96,488	₹ 97,150	₹ 95,304
Zinc—International:					
Segment revenue	22,302	34,458	27,383	31,275	27,290
Segment profit	(9,181)	(14,145)	(6,962)	(3,798)	(8,100)
	13,121	20,313	20,421	27,477	19,190
Treatment and Refining Charges (TcRc)	973	332	959	5,646	6,242
Cost of lead metal sold	(4,038)	(3,160)	(3,392)	(3,031)	(2,114)
Others ^(c)	2,275	(4,027)	(1,789)	(4,258)	(4,164)
Total before adjusting for by-product revenues	12,331	13,458	16,199	25,834	19,154
By-product revenue	(1,479)	(1,950)	(2,701)	(1,893)	(2,235)
Total after adjusting for by-product revenues	10,852	11,508	13,498	23,941	16,919
Production output (in tons)	114,135	111,390	101,015	202,859	174,708
Cost of production before by-product revenue (per ton) ^(a)	\$ 1,610	\$ 1,875	\$ 2,295	\$ 1,797	\$ 1,479
Cost of production net of by-product revenue (per ton) ^(a)	\$ 1,417	\$ 1,603	\$ 1,912	\$ 1,665	\$ 1,307



Oil and Gas					
Segment revenue	82,041	95,359	132,228	126,608	75,308
Segment profit	(40,156)	(54,500)	(76,525)	(72,683)	(32,166)
	41,885	40,859	55,703	53,925	43,142
Unsuccessful Exploration Cost	(407)	(1)	(497)	(27)	(71)
Other income	70	—	283	254	273
-Pre award cost	—	—	—	—	—
Others ^(c)	(2,479)	(93)	(1,455)	(4,446)	(3,549)
Total before adjusting for by-product revenues	39,069	40,765	54,034	49,705	39,795
By-product revenue	—	—	—	—	—
Total after adjusting for by-product revenues	39,069	40,765	54,034	49,705	39,795
Net Production (in mmmboe)	28.55	29.42	28.83	31.35	24.72
Cost of production before by-product revenue (per boe) ^(a)	\$ 20.4	\$ 21.5	\$ 26.8	\$ 22.4	\$ 21.7
Cost of production net of by-product revenue (per boe) ^(a)	\$ 20.4	\$ 21.5	\$ 26.8	\$ 22.4	\$ 21.7
Iron Ore					
Segment revenue	41,213	31,298	29,114	34,630	45,284
Segment profit	(12,683)	(3,100)	(6,321)	(8,312)	(18,176)
	28,530	28,198	22,793	26,318	27,108
Cost of Intermediary product sold	(12,880)	(12,501)	(18,410)	(18,119)	(17,448)
Export Duty	(1)	(1,298)	(823)	(1,162)	(1,182)
Others ^(c)	(2,426)	(4,447)	449	(1,723)	(1,241)
Total before adjusting for by-product revenues	13,223	9,952	4,009	5,314	7,237
By-product revenue	—	—	—	—	—
Total after adjusting for by-product revenues	13,223	9,952	4,009	5,314	7,237
Production output (in million dmt)	10.9	7.1	4.4	4.4	5.7
Cost of production before by-product revenue (per dmt) ^(a)	\$ 18.0	\$ 21.9	\$ 13.2	\$ 17.1	\$ 17.2
Cost of production net of by-product revenue (per dmt) ^(a)	\$ 18.0	\$ 21.9	\$ 13.2	\$ 17.1	\$ 17.2
Copper¹					
Segment revenue	210,175	246,766	107,390	90,526	108,897
Segment profit	(12,667)	(10,378)	2,339	2,894	1,753
	197,508	236,388	109,729	93,420	110,650
Purchased concentrate/rock	(179,803)	(221,176)	(104,033)	(90,046)	(105,188)
Cost for downstream products	(1,931)	(2,009)	(1,241)	(1,058)	(851)
Others ^(c)	(8,691)	(5,148)	(1,547)	498	(2,260)
Total before adjusting for by-product and free copper revenues	7,083	8,055	2,908	2,814	2,351
By-product revenue	(2,020)	(2,502)	—	—	—
Free Copper net sale	(2,085)	(2,287)	—	—	—
Total after adjusting for by-product and free copper revenues	2,978	3,265	2,908	2,814	2,351
Production output (in tons)	402,730	403,168	89,517	77,490	101,435
Cost of production before by-product and free copper revenue ^(a)	¢/lb 11.9	¢/lb 14.1	¢/lb 21.1	¢/lb 23.2	¢/lb 14.2
Cost of production net of by-product and free copper revenue ^(a)	¢/lb 5.0	¢/lb 5.7	¢/lb 21.1	¢/lb 23.2	¢/lb 14.2



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Aluminium

Segment revenue	135,083	228,435	292,286	265,773	286,442
Segment profit	(21,024)	(26,661)	(22,058)	(19,936)	(77,523)
	114,059	201,774	270,228	245,837	208,919
Cost for downstream products	(4,105)	(5,722)	(7,733)	(7,801)	(7,438)
Others ^(c)	(3506)	(375)	(1,118)	(9,181)	6,615
Total before adjusting for by-product revenues	106,448	195,677	261,377	228,855	1,93,782
By-product revenue	(252)	(76)	(35)	(27)	(142)
Total after adjusting for by-product revenues	106,196	195,601	261,342	228,828	193,640
Production output (hot metal) (in tons)	1,081,955	1,608,420	1,900,739	1,911,266	1,940,344
Cost of production before by-product revenue (per ton) ^(a)	\$ 1,466	\$ 1,888	\$ 1,968	\$ 1,690	\$ 1,348
Cost of production net of by-product revenue (per ton) ^(a)	\$ 1,463	\$ 1,887	\$ 1,967	\$ 1,690	\$ 1,347
Cost of production net of by-product revenue (per ton) ^(a)	₹ 98,147	₹ 121,595	₹ 137,495	₹ 119,726	₹ 99,797

Steel

Segment revenue	—	—	41,955	42,827	46,676
Segment profit	—	—	(7,913)	(5,879)	(8,707)
	—	—	34,042	36,948	37,969
Selling and Dist. expenses	—	—	(1,083)	(1,444)	(2,004)
Others	—	—	(249)	687	(1,961)
Total before adjusting for by-product revenues	—	—	32,711	36,191	34,004
Production output (in tons) ^(b)	—	—	1,027,578	1,230,825	1,187,310
Cost of production before by-product revenue (per ton) ^(a)	—	—	\$ 455	\$ 415	\$ 386
Cost of production net of by-product (per ton) ^(a)	—	—	\$ 455	\$ 415	\$ 386
Cost of production net of by-product (per ton) ^(a)	—	—	₹ 31,833	₹ 29,404	₹ 28,639

Power

Segment revenue	56,079	56,518	65,237	58,599	53,752
Segment profit	(16,438)	(16,650)	(15,275)	(16,490)	(14,070)
	39,641	39,868	49,962	42,109	39,682
Cost of power at TSPL, BALCO, HZL and MALCO Energy	(33,228)	(36,177)	(45,499)	(38,881)	(31,935)
Others ^(c)	80	(381)	(11)	(238)	(729)
Total	6,493	3,310	4,452	2,990	7,018
Production output (in MU) ^(b)	3,328	1,172	1,039	776	2835
Cost of production before by-product revenue (per unit)	₹ 2.0	₹ 2.8	₹ 4.3	₹ 3.9	₹ 2.5
Cost of production net of by-product revenue (per unit)	₹ 2.0	₹ 2.8	₹ 4.3	₹ 3.9	₹ 2.5

(a) Exchange rates used in calculating cost of production were based on www.oanda.com, reference rates for the years ended March 31,2017, 2018, 2019, 2020 and 2021 of ₹ 67.09, ₹ 64.45, ₹ 69.89, ₹ 70.86 and ₹ 74.11 per \$ 1 respectively.



- (b) Production does not include units generated from the TSPL 1,980 MW, the 274 MW HZL wind power plant, the 270 MW and IPP 600 MW BALCO power plant and MALCO Energy's 106.5 MW power plant.
- (c) "Others" include head office expenses, administration expenses, selling and distribution expenses, and exploration costs that have been expensed, changes in inventory, foreign exchange fluctuations, and expenses incurred for large corporate social responsibility initiatives undertaken, such as building hospitals and other operating income and export incentives. These costs are indirect costs and not related to the direct cash cost of production and hence have been excluded from calculating cost of production.

Production Volume and Mix

Production volume has a substantial effect on our results of operations. We are generally able to sell all of the products which we produce, so the revenue generally fluctuates as a result of changes in our production volumes. Production volumes depend on our production capacities, which have increased in recent years across all of our businesses. For our mining operations, production volumes also depend upon the quality and consistency of the ore. Per unit production costs are significantly affected by changes in production volumes in that higher volumes of production generally reduce the per unit production costs. Therefore, our production volumes are a key factor in determining our overall cost competitiveness. The following table summarizes our production volumes for our primary products for the last three fiscal years:

Segment	Product	For the Year Ended March 31,		
		2019	2020	2021
		(tons except where otherwise stated)		
Zinc India	Zinc	696,283	688,286	715,446
	Lead	197,838	181,370	214,399
	Silver (kilograms)	679,183	609,808	705,676
Zinc International				
— Skorpion	Zinc	65,948	66,967	659
	Copper ⁽¹⁾	6,102	4,998	4,888
— BMM	Zinc ⁽¹⁾	27,558	27,943	30,131
	Lead ⁽¹⁾	37,354	37,628	27,471
— Lisheen	Zinc ⁽¹⁾	—	—	—
	Lead ⁽¹⁾	—	—	—
— Gamsberg ⁽²⁾	Zinc ⁽¹⁾	17,128	107,949	144,577
	Lead ⁽¹⁾	—	—	—
Oil and gas (on net basis) ⁽³⁾	Crude Oil (mmbbls)	27.5	28.2	21.6
	Natural Gas (bcf) ⁽⁴⁾	7.8	18.7	18.4
	Pig Iron	141,549	167,305	188,979
	Billet	39,478	27,456	165,273
Steel	TMT	441,251	468,396	337,583
	Wire rod	426,873	412,948	360,874
	DI Pipe	149,946	154,721	134,606
Iron ore	Saleable Ore Production (million dmt)	4.4	4.4	5.0
Copper	Copper cathode ⁽⁵⁾	89,517	77,490	101,435
	Copper rods	111,197	100,219	122,390
	Ingots ⁽⁶⁾	1,106,966	1,153,395	1,302,054
Aluminium	Value Added Products ⁽⁷⁾	818,124	719,872	667,878
	Hot Metal	33,924	30,713	22,535
Power	Power (million units)	13,517	11,162	11,261

- (1) Refers to mined metal content in concentrate.



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- (2) Gamsberg Includes trial run production of 9,619 tons in 2019.
- (3) While computing EI production, Ravva royalty fees have not been netted off.
- (4) Natural gas production figures are the production volumes of natural gas available for sale, excluding flared and re-injected gas and gas consumed in operations.
- (5) Copper cathode is used as a starting material for copper rods. Approximately one ton of copper cathode is required for the production of one ton of copper rods.
- (6) Includes production capitalized in fiscal years 2019, 2020 and 2021 of 61 kt, Nil and 31 kt respectively. Ingot Production also includes alloyed ingot volumes.
- (7) Value added products of Aluminium include production of billets, rods, slabs and rolled products.

Periodically, our facilities are shut down for planned and unplanned repairs and maintenance which temporarily reduces our production volume. In addition, the mix of products we produce can have a substantial impact on our results of operations as we have different operating margins in each of our businesses, and within each business our operating margins vary between the lower margins of primary metals and the higher margins of value-added products such as copper rods and aluminium rolled products. For example, copper cathodes are converted in our copper rod plant into copper rods, a value-added product which has a higher margin than copper cathodes. As copper rods have higher margins, we endeavor to sell as large a percentage of copper rods as possible. As the production volume of our various products fluctuate primarily based on market demand and our production capacity for such products, the percentage of our revenue from those products will also fluctuate between higher and lower margin products, which will in turn cause our operating profit and operating margins to fluctuate.

Profit Petroleum

The GoI is the owner of the hydrocarbons wherein it has assigned the responsibility to the joint operation (Contractor) to explore, develop and produce the hydrocarbons. Contractor is entitled to recover out of Petroleum produced, all the costs incurred according to the PSCs in exploring, developing and producing the hydrocarbons, which is known as "Cost Petroleum". Excess of revenue (value of hydrocarbons produced) over and above the cost incurred as above, is called "Profit Petroleum", which is shared between the GoI and Contractor Parties as per procedure laid down in PSCs.

Profit Petroleum sharing between the GoI and the contractor is determined by Post- Tax Rate of Return method in case of Ravva and CB-OS/2 and on the Investment Multiple method in case of Rajasthan and KG-ONN-2003-1 blocks as defined in their respective PSCs.

The share of Profit Petroleum, in any year, is calculated for the Contract or Development Area on the basis of the Post-Tax Rate of Return or Investment Multiple actually achieved by the companies at the end of the preceding year for the Contract/Development Area.

The following table summarizes the current Government's share of Profit Petroleum for various blocks and development areas:

Block/Development Area	Government share of profit petroleum as at March 31,		
	2019	2020	2021
Ravva	60.0%	70.0%	70.0%
Cambay – Lakshmi	45.0%	45.0%	45.0%
Cambay – Gauri	55.0%	55.0%	55.0%
Cambay – CB-X	60.0%	60.0%	60.0%
Rajasthan – Development Area1	40.0%	40.0%	50.0%*
Rajasthan – Development Area2	40.0%	40.0%	50.0%*
Rajasthan – Development Area3	20.0%	20.0%	30.0%*
KG-ONN-2003-1	15%	15.0%	15.0%

With the increase in the operations and revenue in each block, the above mentioned percentage is subject to increase, leading to a higher Government's share of Profit Petroleum. This will have an adverse impact on our result of operations as it will lead to an increase in our share of Profit Petroleum expense to be paid to the GoI.

* Pursuant to the Delhi High court order dated March 26, 2021, the Company have paid 10% additional share in Profit Petroleum from May 14, 2020 onwards.



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Government Policy*India Customs Duties*

We sell our products in India at a premium to the LME price, due to a part to the customs duties payable on imported products. Our profitability is affected by the levels of customs duties as we price our products sold in India generally on an import-parity basis. We also pay a premium on certain raw materials that we import or which are sourced locally but which are priced on an import-parity basis as a result of customs duties, with copper concentrate, petroleum products, alumina, carbon and caustic soda being the primary examples. The following table sets forth the customs duties that were applicable for the periods indicated:

Products	March 1, 2016 to July 5, 2019	July 6, 2019 to March 27, 2021	March 28, 2021 to present
Copper	5.0%	5.0%	5.0%
Copper concentrate	2.5%	2.5%	2.5%
Zinc	5.0%	5%	5%
Lead	5.0%	5%	5%
Silver	10.0%	12.5%	7.5%
Aluminium	7.5%	7.5%	7.5%
Steel	10.0%	10%	7.5%

Further, social welfare surcharge as a duty of customs has been introduced through the Finance Bill 2018 on imported goods at a rate of 10.0% on basic custom duty (rate of social welfare surcharge on silver was 3.0%, however via budget 2021, the rate has been changed to 10% and further, Agriculture and Infrastructure Development Cess (AIDC) has been introduced @ 2.5%). However, education cess and secondary education cess that was together levied at a rate of 3.0% on imported goods were abolished.

The GoI may reduce or abolish customs duties on copper and aluminium in the future, although the timing and extent of such reductions cannot be predicted. As we sell the majority of the commodities we produce in India, any further reduction in Indian tariffs on imports will decrease the premiums we receive in respect of those sales. Our profitability is dependent to a small extent on the continuation of import duties and any reduction would have an adverse effect on our results of operations and financial condition.

The import duty at the rate of 2.5% is levied on copper concentrate and rock phosphate.

In GST regime, on import of coal, following duties are levied under customs act which was applicable from July 01, 2017:

- Basic custom duty (BCD) at the rate of 2.5% which is non—creditable
- Integrated Goods and Service Tax (IGST) at the rate of 5% which is a creditable duty
- GSTC Cess @ 400/ MT cess- for which proportionate refund is available with respect to exported goods in ratio of export turnover /total turnover.

Goods imported for the purposes of “petroleum operations” are exempt from customs duty under Notification No 50/2017 - Customs dated June 30, 2017; sr. no. - 404; condition number 48. Similar exemption was given in pre-GST regime vide Notification No 12/2012 - Customs dated March 17, 2012; sr. No. - 358 and 359; condition number 42 and 43 respectively (further amended by Notification No 12/2016- Customs dated March 1, 2016; sr. no. - 357A; condition no 40a.

Goods which are imported for purposes other than petroleum operations such as software, IT related goods or any other material required for office purposes are liable to customs duty as per the applicable rates in force which may vary from approximately 24.0% to 27.0% depending upon the classification of goods as mentioned in the customs tariff 2018 - 19.

Export Incentives

The GoI provides a variety of export incentives to Indian companies. Exports of copper, aluminium and zinc from India receive assistance premiums from the GoI. Export incentives do not outweigh the Indian market price premiums. Accordingly, notwithstanding the export incentives, we endeavor to sell large quantities of our products domestically.

In fiscal years 2019, 2020 and 2021 exports accounted for 21.0%, 20.0% and 26% respectively, of our zinc India business’ revenue. The following table sets forth the export assistance premiums, as a percentage of the F.O.B value of exports, on zinc concentrate, zinc ingots and lead concentrate for the periods indicated:

Products	April 1, 2015 to November 11, 2016	November 11, 2016 to February 3, 2020	February 4, 2020 to present
Zinc concentrate	1.0%	Nil	Nil
Zinc ingots	1.9%	1.5%	1.3%
Lead concentrate	1.0%	Nil	Nil

In fiscal years 2020 and 2021, exports accounted for 29% and 7.58%, respectively, of our copper business revenue from India. With effect from April 1, 2015, the New Merchandise Exports from India Scheme was introduced in place of Marked Linked Focus Product Scheme. In this scheme, no export incentive was notified for copper products.



In fiscal years 2019, 2020 and 2021, exports accounted for 60%, 61.5% and 60% respectively, of our aluminium business' revenue. As per government policy, MEIS (Merchandise Exports from India Scheme) is about 2% of FOB value of exports. However, we realized lesser upon actual sale (approximately 90% to 95% of amount due), thereby effectively translating to 1.8%—1.9% upon realization. Ministry of Commerce notified a capping of ₹ 20 million on MEIS from September 1, 2020 till further notification. In the case of sales to specified markets (as defined herein), export assistance premiums for these products would extend to 2.0% of the F.O.B value of exports made to the countries specified under MEIS. The said scheme was implemented under the Foreign Trade Policy of India in 2015 - 20. The purpose of this scheme is to provide Indian exporters certain incentives such as tax benefits, and thereby enhance India's export competitiveness in certain specified markets, including, but not limited to Argentina, Austria, Bulgaria, Cambodia, Chile, and New Zealand ("specified markets"). As exports feel the impact of the pandemic, the Indian Government has extended the validity of Foreign Trade Policy 2015 - 2020 to March 31, 2021. The Government has further extended the Foreign Trade Policy till September 30, 2021. In order to boost exports and make Indian exports cost competitive, the Government has introduced a scheme for Remission of Duties and Taxes on Exported Products ("RoDTEP") with effect from January 1, 2021, replacing the MEIS. It is a mechanism to reimburse various taxes/duties/levies, at the central, state and local levels, which are incurred during manufacturing and distribution of exported products, (applicable to those which are currently not being refunded under any other mechanism). However, the rates are yet to be notified. The GoI may further reduce export incentives in the future, which would adversely affect our results of operations.

In fiscal year 2015, export assistance premiums on aluminium rolled products were eliminated and duty exemption scheme of duty free import authorization was introduced to enable duty free import of inputs required for export production pursuant to Chapter 4 of the Foreign Trade Policy whereby advance authorization for inputs and exports items was given under the Standard Input Output Norm ("SION") policy scheme.

India export duties

The GoI levies duty on the export from India of certain products mentioned under the second schedule of the Customs Tariff Act 1975, including iron ore and concentrates, at a specified rate (ad valorem on the FOB value of exports). The GoI levied export duty on iron ore fines and lumps at a rate of 20.0% on FOB value and further increased to 30.0% with effect from December 31, 2011 to April 29, 2015. Effective from April 30, 2015, the export duty on iron ore fines with Fe content less than 58.0% is 10.0% and equal to or more than 58.0% Fe, duty rate is 30.0% and for iron ore lumps it is 30.0%. Effective from March 1, 2016 till date, the export duty on iron ore fines and lumps with Fe content less than 58.0% is nil and equal to or more than 58.0% Fe, duty rate is 30.0%.

Taxes, royalties and cess payments

Income tax on Indian companies during fiscal year 2019 was charged at a statutory rate of 30.0% plus a surcharge of 12.0% on the tax and has an additional charge of 4.0% on the tax including surcharge, which results in an effective statutory tax rate of 34.944%. The education and secondary higher education cess has been replaced in Finance Act 2018 with health and education cess at a rate of 4.0% effective from April 1, 2018. Non-resident companies were charged at a statutory rate of 40.0% plus a surcharge of 5.0% on the tax and has an additional charge of 4.0% on the tax including surcharge. The education and secondary higher education cess has been replaced in Finance Act 2018 with health and education cess at a rate of 4.0% effective from April 1, 2018. Hence, applicable effective corporate tax rate for fiscal year 2018 is 43.68%. GoI vide Taxation Laws (Amendment) Act, 2019 provided an option to existing domestic companies to pay tax at a concessional rate of 22% plus surcharge of 10% on tax and 4% on tax plus surcharge, this results into effective tax rate of 25.17%.

The concessional tax rate is applicable subject to surrender of specified deductions/ incentives by the Company exercising the option. These incentives, among others, include deductions relating to (i) newly established units in Special Economic Zones, (ii) expenditure on scientific research and skill development projects, (iii) investment in new machinery/ plant in notified backward areas, (iv) depreciation of new machinery/ plant, and (v) various other Chapter VI-A provisions.

- i. A corporate taxpayer is required to exercise its option of being governed under concessional tax regime before due date of filing of tax return. Option once exercised cannot be withdrawn and applicable to all subsequent tax years. This is effective from April 1, 2019
- ii. Further, the Amendment Act 2019, provides an option for New Domestic Manufacturing Companies ("NDMC") to pay effective tax rate @ 17.16% (i.e. statutory tax rate of 15% plus surcharge @ 10% on the tax and an additional cess of 4% on the corporate tax including surcharge). This rate is applicable to NDMC provided the new company is set up on or after September 30, 2019 and commences manufacturing before March 31, 2023. Further, incentives mentioned at point (i) above will also not be available to NDMC. New manufacturing companies will not include companies: (a) formed by splitting up or reconstruction of an existing business, (b) engaged in any business other than manufacturing or production, and (c) using any plant or machinery previously used in India (except under certain specified conditions).

Tax rate applicable under Minimum Alternate Tax (MAT) regime – Domestic Company

Profits of companies in India are subject to either regular income tax or MAT, whichever is greater. The effective MAT rate during fiscal year 2019 for Indian companies was 21.55%. For non-resident companies the MAT rate was 20.0% of the book profit as prepared under generally accepted accounting principles in India, or Indian GAAP. The excess of amounts paid as MAT over the regular income tax amount during the year may be carried forward and applied towards regular income taxes payable in any of the succeeding fifteen years subject to certain conditions.

The Amendment Act 2019, reduced MAT base tax rate from 18.5% to 15% plus applicable surcharge and cess. The effective MAT rate for all Indian Company for fiscal year 2019, 2020 and 2021 would be 21.55%, 17.47% and 17.47% respectively. Further, companies opting for concessional tax regime would not be required to pay MAT. For non-resident foreign company's effective MAT rate as per the Tax Amendment Act 2019 reduced from 20.01% to 16.38% of the book profit.



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Dividend Distribution Tax ("DDT")

The tax rates imposed on us in respect of dividends paid in prior periods have varied. According to the Finance Act, 2014, DDT is to be levied on gross distributable surplus amount instead of amount paid net of taxes. This has resulted in an increase in the DDT to more than 20.0% from 16.995% in the earlier year. The Finance Act, 2018 increased the rate of cess from 3.0% to 4.0% which will result in an effective DDT rate of 20.6% from April 1, 2018. This tax is payable by the company declaring distributing or paying the dividends. Dividends from our Indian subsidiaries to us are also subject to this tax, though we do not pay income tax upon the receipt of any such dividends. The Income Tax Act provides that if a company receives a dividend from any of its Indian subsidiaries during the year and such subsidiary has paid a tax on its dividends, then the dividend distributed by the parent company to the extent of dividend received from the Indian subsidiary shall not be subject to dividend tax.

The Finance Act 2020 has repealed the DDT. Companies are now required to pay/distribute dividend after deducting applicable taxes. The remittance of dividends outside India is governed by Indian law on foreign exchange and is also subject to withholding tax at applicable rates which is applicable from April 1, 2020.

Goods and Service tax

Goods and Service Tax: Effective from July 1, 2017, the present indirect tax regime envisages levy of multiple federal and state taxes with respect to the operations undertaken by businesses. The transition to goods and service tax ("GST") regime is a tax reform, which is aimed at addressing the existing anomalies and strengthening the concept of unified market. GST is a supply driven concept and would therefore apply on supply of goods and services. On the whole, most central and state levies (such as excise duty, service tax, CVD and special additional duty, central sales tax and value added tax were subsumed into GST). Consequently, the Taxable events which existed before GST era were replaced by a single Taxable event of supply of goods and services under GST. Basic customs duty (BCD) and related customs cess continue to be applicable on import of goods.

Taxes under GST apply as follows:

- Central goods and service tax and state goods and services tax are simultaneously levied on intra-state supply of goods and services.
- Integrated goods and service tax are levied on imports and inter-state supply of goods and services.
- In addition, GST compensation cess also applies on certain specified goods and services.

The general rate of GST on our output supplies is 18.0%. However, supply of iron ore attracts GST at the rate of 5.0%, whereas silver attracts GST at 3.0%. Further, crude oil and natural gas will be subject to GST from the date to be notified by GST council and therefore, until the time GST council notifies inclusion of these products in GST, they would continue to attract existing indirect tax levies. Goods imported for the purposes of "petroleum operations" are subject to integrated goods and service tax at 5.0% as per Notification No. 50/2017-Customs, dated June 30, 2017, S.No- 404 condition no-48. BCD continues to be exempt. Similar exemption notifications for domestic procurements have been issued to tax inter-state and intra-state supplies of goods for petroleum operations at an effective rate of 5.0%. Procurement of coal attracts GST compensation cess at ₹ 400 per ton in addition to the GST rate of 5.0%. Effective July 1, 2017, CVD and SAD has been subsumed in integrated goods and service tax which is applicable at the rates as mentioned in below table:

<u>Percentage of F.O.B Value of exports</u>	<u>Integrated Goods and Service Tax rate from July 1, 2017</u>
Copper	18.0%
Copper concentrate	5.0%
Zinc	18.0%
Lead	18.0%
Silver	3.0%
Aluminium	18.0%
Iron ore	5.0%
Steel	18.0%

We are also subject to government royalties. We pay royalties to the state governments of Chhattisgarh, Rajasthan, Goa and Karnataka in India based on extraction of bauxite, lead-zinc and iron ore. The most significant of these is the royalty that HZL is required to pay to the state government of Rajasthan, where all of HZL's mines are located at a rate of 10.0% with effect from September 1, 2014 (the rate was 8.4% from August 13, 2009 to August 31, 2014), of the zinc LME price payable on the zinc metal contained in the concentrate produced, 14.5% (the rate was 12.7% from August 13, 2009 to August 31, 2014) of the lead LME price payable on the lead metal contained in the concentrate produced and at a rate of 7.0% of silver LME price chargeable on silver-metal produced. In addition, a further amount of royalty effective from January 12, 2015, for DMF at 30.0% of base royalty and NMET at 2.0% of base royalty, has been notified. The royalty payable for our iron ore business is at 15.0% of pit mouth value (PMV) declared by the Indian Bureau of Mines.

Royalty is also being payable at Cairn to the State Government of Rajasthan and Andhra Pradesh for the extraction of crude oil and natural gas. Apart from the same, the Cess is also paid to the GoI. Generally, in respect of oil and gas operations, royalty and cess payments are made by the joint operation partners in proportion to their participating interest and are cost recoverable.

For the RJ Block, entire royalty payments are made by ONGC at the rate of 20.0% of well-head value for crude oil and 10% of well-head value for natural gas and are cost recoverable. Until February 2016, cess was paid at the rate of ₹ 4,500 per mt for crude oil; pursuant to amendments in the Finance Act 2016, cess was paid at the rate of 20.0% ad-valorem from March 2016 onwards. National Calamity Contingent Duty ("NCCD") is paid at the rate of ₹ 50 per mt and Basic Excise Duty ("BED") is paid at the rate of ₹ 1 per mt. Sales Tax payments are made at the rate of 2.0% (central sales Tax) on sale of crude oil and at the rate of 2.0% (central sales Tax) and 10% (value added Tax) on natural gas.



For the Ravva block, until October 27, 2019, Royalty is paid at the rate of ₹ 481 per MT for crude oil and cess is fixed at the rate of ₹ 900 per MT; pursuant to extension of Ravva PSC from October 28, 2019, royalty is paid at 10% of Well head value on crude oil and cess is paid at the rate of 20.0% ad-Valorem on crude oil. Royalty on natural gas is 10.0% of well-head value of gas (typically 9% of natural gas revenue). Sales Tax payments stand at 2.0% (central sales Tax) or 5.0% (value added Tax) on crude oil and 14.5% on natural gas.

For the Cambay block, the entire royalty and cess payments are made by ONGC and are not cost recoverable. We only participate in the payment of NCCD at the rate of ₹ 50 per mt and Basic Excise Duty ("BED") is paid at the rate of ₹ 1 per mt. Sales Tax payments (central sales Tax) are made at a rate of 2.0% on crude oil and 15.0% (value added Tax) on natural gas.

Our royalties in Zinc International business are as follows:

- 3.0% of sale value of the products for Skorpion;
- 7.0% of turnover for BMM. The royalty rate applied on the turnover is 0.5% if the adjusted earnings before interest and tax ("adjusted EBIT") is negative, and in the event the adjusted EBIT is positive, the royalty rate applied on the turnover is 0.5% plus the rate computed at 100/9 times the adjusted EBIT upon turnover. In any event, the maximum royalty rate is capped at 7.0%

Tax Incentives

Certain businesses of the Group within India are eligible for specified tax incentives. Most of such tax exemptions are relevant for the companies operating in India. These are briefly described as under:

(i) The location based exemption

In order to boost industrial and economic development in undeveloped regions, provided certain conditions are met, profits of newly established undertakings located in certain areas in India may benefit from a tax holiday. Such a tax holiday works to exempt 100.0% of the profits for the first five years from the commencement of the tax holiday, and 30.0% of profits for the subsequent five years. This deduction is available only for units established up to March 31, 2012. However, such undertaking would continue to be subject to the Minimum Alternative tax ("MAT"). The Group has such types of undertakings at Haridwar and Pantnagar, which are part of HZL. In the current year, Pantnagar unit is eligible for deduction at 30.0% of taxable profits.

(ii) Sectoral Benefit—Power Plants and Port Operations

To encourage the establishment of infrastructure certain power plants and ports have been offered income tax exemptions of upto 100.0% of profits and gains for any ten consecutive years within the 15 year period following commencement of operations subject to certain conditions. The Group currently has total operational capacity of 8.4 GW of thermal based power generation facilities and wind power capacity of 274 MW and port facilities. However, such undertakings would continue to be subject to MAT provisions. The Group has power plants which benefit from such deductions, at various locations of HZL (where such benefits has been drawn), Talwandi Sabo Power Limited, Vedanta Limited and Bharat Aluminium Company Limited (where no benefit has been drawn) and port facilities at Vizag General Cargo Berth Limited (where no benefit has been drawn).

(iii) Sectoral benefit – Oil and gas

Provided certain conditions are met, profits of newly constructed industrial undertakings engaged in the oil and gas sector may benefit from a deduction of 100.0% of the profits of the undertaking for a period of seven consecutive years. This deduction is only available to blocks licensed prior to March 31, 2011. However, such businesses would continue to be subject to the MAT provisions. In the Group, Cairn India Limited (now Vedanta Limited - oil and gas business) and Cairn Energy Hydrocarbons Limited benefited from such deductions till March 31, 2016.

(iv) Special Economic Zone – SEZ

Provided certain conditions are met, profits of newly established undertakings located in SEZ may benefit from a tax exemption. Such a tax exemptions works to 100.0% Income Tax exemption on export income for SEZ units under Section 10AA of the Income Tax Act for first 5 years, 50.0% for next 5 years thereafter and 50.0% of the ploughed back export profit for next 5 years.

In addition, the subsidiaries incorporated in Mauritius are eligible for tax credit to the extent of 80.0% of the applicable tax rate on foreign source income.

Exchange Rates

We sell commodities that are typically priced by reference to US dollar prices. However, a majority of our direct costs in our zinc, iron ore, aluminium and power businesses and our smelting and refining costs in our copper business are incurred in Indian Rupees and to a much lesser extent in Australian dollars, South African Rand and Namibian dollar. Also, all costs with respect to imported material for all our businesses are generally incurred in US dollars. As a result, an increase in the value of the US dollar compared to the Indian Rupee, and to a lesser extent the Australian dollar, South African Rand and Namibian dollar, is generally beneficial to our results of operations, except to the extent that the increase results in increased costs of copper concentrate, alumina and other imported materials for our businesses. A decrease in the value of the US dollar relative to the Indian Rupee, Australian dollar, South African Rand and Namibian dollar has the opposite effect on our results of operations. For more information on the fluctuations in the value of the Indian Rupee against the US dollar.



Critical Accounting Estimates

The discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with IFRS as issued by the IASB. In the course of preparing these financial statements, our management has made judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these consolidated financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates under different assumptions and conditions. For a discussion of our significant accounting policies, see “*Note 3 to the consolidated financial statements*” included in this Annual Report. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods affected.

We believe the critical accounting estimates are those that are both important to reflect our financial condition and results and require difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain.

See “*Note 3 (c): Significant accounting estimates and judgments*” of Notes to the Consolidated Financial Statements for a detailed discussion on the critical accounting estimates.

Results of Operations

Consolidated Statement of Profit or Loss

The following table is derived from our selected consolidated financial data and sets forth our historical operating results as a percentage of revenue for the periods indicated:

	For the year Ended March 31,		
	2019	2020	2021
	(in percentages)		
Consolidated Statement of Profit or Loss:			
Revenue	100.0%	100.0%	100.0%
Cost of sales	(80.1%)	(99.3%)	(73.1%)
Gross profit	19.9%	0.7%	26.9%
Other operating income	1.7%	1.2%	1.45%
Distribution expenses	(1.9%)	(2.2%)	(2.3%)
Administration expenses	(3.8%)	(4.5%)	(4.45%)
Operating profit	16.0%	(4.8%)	21.5%
Investment and other income	3.5%	3.1%	3.7%
Finance and other costs	(6.5%)	(6.5%)	(6.1%)
Profit/(loss) before taxes	13.0%	(8.2%)	19.1%
Income tax expense	(4.6%)	3.2%	(2.2%)
Profit/(loss) for the year	8.4%	(5.0%)	16.9%
Profit attributable to:			
Equity holders of the parent	5.5%	(7.3%)	13.0%
Non-controlling interest	2.9%	2.3%	3.9%

Net revenue by Geographic Location

The primary markets for our products are India and China. Other markets include number of countries mostly in the Asia, Middle East and Europe. We endeavor to sell as large a quantity of our products as possible in India due to the Indian market premium that we receive on sales in India. The following table sets forth our revenue from each of our primary markets and our revenue from each of our primary markets as a percentage of our total revenue for the periods indicated:

Region	2019		2020		2021		% of revenue
	(₹ in million)	% of revenue	(₹ in million)	% of revenue	(₹ in million)	(US dollars in million)	
India	591,599	65.1%	542,256	64.9%	536,212	7,331	61.7%
China	37,868	4.2%	26,942	3.2%	52,213	714	6.0%
UAE	10,150	1.1%	8,201	1.0%	6,984	95	0.8%
Malaysia	48,657	5.4%	76,479	9.2%	71,092	972	8.2%
Others ⁽¹⁾	220,738	24.3%	181,568	21.7%	202,129	2,764	23.3%
Total	909,012	100.0%	835,446	100.0%	868,630	11,876	100.0%

Notes:

⁽¹⁾ Other markets primarily include Indonesia, Italy, Mexico, Netherlands, Norway, Oman, Qatar, South Korea, Spain, Singapore, Saudi Arabia, Switzerland, South Africa, Sweden, Taiwan, Turkey, UK, UAE, and USA.

Customer Concentration

The following table sets forth for the periods indicated:

- the percentage of our revenue accounted for by our 10 largest customers on a consolidated basis; and
- for each of our segments, the percentage of the revenue of such business accounted for by the 10 largest customers of such business



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Particulars	Year Ended March 31,		
	2019	2020	2021
	(In percentage)		
Consolidated	34.7%	35.3%	36.5%
Zinc – India	30.6%	39.3%	40.4%
Zinc – International	77.8%	96.0%	99.1%
Oil and Gas	98.4%	98.9%	99.0%
Iron Ore	42.7%	45.4%	57.2%
Copper	45.5%	40.6%	47.7%
Aluminium	48.8%	50.8%	55.9%
Power	99.6%	98.9%	98.8%
Steel	32.8%	34.5%	33.6%

No single customer contributed to more than 10% of revenue on consolidated basis for fiscal year ended March 31, 2019 and March 31, 2020. For fiscal year ended March 31, 2021, one customer contributed to more than 10% of revenue on consolidated basis amounting to ₹ 104,164 million arising from sales made in the Aluminium, Zinc and Copper segment.

Comparison of years ended March 31, 2020 and March 31, 2021

Revenue and Operating Profit

Consolidated

Revenue increased from ₹ 835,446 million in fiscal year 2020 to ₹ 868,630 (\$ 11,876 million) in fiscal year 2021, an increase of ₹ 33,184 million or 4.0%. Revenue increased in fiscal year 2021, mainly due to higher commodity prices, higher volumes at Zinc India, Copper, Iron Ore and Aluminium business, inclusion of FACOR in FY 2021, rupee depreciation, partially offset by lower power sales at TSPL, lower volume at Oil & Gas, Skorpion mine being under care and maintenance, lower oil prices and lower cost recovery in FY 2021.

Operating profit increased from loss of ₹ 39,934 million in fiscal year 2020 to operating profit of ₹ 186,852 million (\$ 2,555 million) in fiscal year 2021, an increase of ₹ 226,786 million.

The increase in operating profit in fiscal year 2021, was primarily due to increase in revenue as stated above, lower cost of production at Zinc, Aluminium and Oil & Gas business, partially offset by lower brent realisation and lower cost recovery in Oil & Gas business.

Contributing factors to our consolidated operating profit/ (loss) were as follows:

- Depreciation charge during the fiscal year 2021 was at ₹ 81,178 million (\$ 1,110 million), lower as compared to ₹ 100,490 million in fiscal year 2020, primarily on account of lower charge at Oil & Gas business due to impairment of asset in Q4 FY 2020, and Skorpion mine put under maintenance and care at the start of the financial year 2021.
- Exceptional losses for fiscal year 2021 was at ₹ 5,751 million (\$ 79 million) which mainly include capital work in progress writte off of ₹ 2,440 million (\$ 33 million) relating to Steel ₹ 629 million (\$ 9 million) and aluminum ₹ 1,811 million (\$ 25 million), cost incurred for obtaining Environment Clearance of ₹ 2,134 million (\$ 29 million) partially offset by RPO liability reversal of ₹ 950 million (\$ 13 million) at aluminium business.
- Cost of sales decreased from ₹ 829,461 million in fiscal year 2020 to ₹ 635,225 million (\$ 8,685 million) in fiscal year 2021, decrease of ₹ 194,236 million, or 23.4%. The decrease is primarily due to softening of input commodity prices resulting in decrease in alumina, coke, coal and other major consumables, lower volume at Zinc International and Oil & Gas business, impairment charges in FY 2020, partially offset by increase in volume at Zinc India, Aluminium, Steel, Copper and Iron ore business.
- Other operating income increased from ₹ 9,863 million in fiscal year 2020 to ₹ 13,094 million (\$ 179 million) in fiscal year 2021, an increase of ₹ 3,231 million or 32.8%. The increase was primarily on account of increase in zinc oxide sales at Zinc India, royalty refund at BMM, insurance proceeds at Zinc International and Aluminium business, reversal of ARO liability at ASI, partially offset by lower export incentive at Aluminium business.
- Distribution expenses increased from ₹ 18,205 million in fiscal year 2020 to ₹ 20,184 million (\$ 276 million) in fiscal year 2021, an increase of ₹ 1,979 million or 10.9%. As a result, distribution expense as a percentage of revenue increased from 2.2% in fiscal year 2020 to 2.3% in fiscal year 2021. The increase was primarily due to two fold increase in sales volumes in iron ore business, increase in export sales and its related packaging charges at ESL which is partially offset by decrease in carriage due to no concentrate sale in copper and decrease in railway freight at VGCB.
- Administration expenses increased from ₹ 37,577 million in fiscal year 2020 to ₹ 39,463 million (\$ 539 million) in fiscal year 2021, an increase of ₹ 1,886 million, or 5.0%. As a result, administration expenses as a percentage of revenue remains flat in fiscal year 2021. The increase was primarily on account of increase in Manpower and CSR expenditure at Zinc India, provision for doubtful debts at TSPL, inclusion of FACOR and higher management/ brand fee charges partially offset by impairment of Investment in Fujairah by MEL and FCTR on account of functional and transaction currency at Oil and gas business.

**Zinc India**

Revenue in the Zinc India segment increased from ₹ 181,590 million in fiscal year 2020 to ₹ 219,316 million (\$ 2,999 million) in fiscal year 2021, increase of ₹ 37,726 million, or 20.8%. This increase was primarily driven by higher metal prices and higher volume of metal & Silver. Metal production was up 7% to 930 kt in line with higher MIC availability, while silver production was up by 16% to a record 706 MT in line with higher lead production and slightly better grades at SK. These record numbers were delivered despite losing 18 equivalent of production days in the year due to COVID related lockdown and other disruptions resulting from rising infections. The share of mined metal production from underground mines increased to 100.0% in fiscal year 2019. Rampura Agucha mine achieved 53.2%, Zawar mine 15.5% and RD Mine 4.8% and Sindesar Khurd 26.5% mined metal production in fiscal year 2021. Specifically:

- Zinc ingot production increased from 688,286 tons in fiscal year 2020 to 715,446 tons in fiscal year 2021, an increase of 3.95% due to higher MIC availability. Zinc ingot sale also increased in line with the higher production from 680,017 tons in fiscal year 2020 to 723,952 tons in fiscal year 2021, an increase of 6.46%.
- Zinc ingot sales in the domestic market declined from 486,311 tons in fiscal year 2020 to 436,943 tons in fiscal year 2021. Our domestic sales as a percentage of total sales decreased from 72.0% in fiscal year 2020 to 60.36% in fiscal year 2021 primarily due to covid-19 related lockdown in March 2020. However, we always endeavor to sell large quantities of our products domestically, where we receive an Indian market premium. Our export sales increased from 193,706 tons of zinc in fiscal year 2020 to 287,009 tons of zinc in fiscal year 2021, an increase of 48.17%.
- The daily average zinc cash settlement price on the LME increased from \$ 2,402 per ton in fiscal year 2020 to \$ 2,422 per ton in fiscal year 2021, an increase of 0.8%.
- Lead ingot production increased from 181,370 tons in fiscal year 2020 to 214,399 tons in fiscal year 2021, an increase of 18.2% due to availability of MIC. Lead ingot sales increased from 179,663 tons in fiscal year 2020 to 216,439 tons in line with higher production in fiscal year 2021, an increase of 20.5%, is in line of increase in production.
- The daily average lead cash settlement price on the LME decreased from \$ 1,952 per ton in fiscal year 2020 to \$ 1,868 per ton in fiscal year 2021, a decrease of 4.3%
- Silver ingot production decreased from 609,808 kilograms in fiscal year 2020 to 705,676 kilograms in fiscal year 2021, an increase of 15.7% on account of Higher Lead production and SKM silver grade, In line with production, Sale of silver ingots increased from 586,387 kilograms in fiscal year 2020 to 734,844 kilograms in fiscal year 2021, an increase of 25.3%.
- The daily average silver London Bullion Market Association prices increased from \$ 16.5 per ounce in fiscal year 2020 to \$ 22.9 per ounce in fiscal year 2021, an increase of 38.4%.

Operating profit in the Zinc India segment increased from ₹ 64,531 million in fiscal year 2020 to ₹ 91,583 million (\$ 1,252 million) in fiscal year 2021, increase of ₹ 27,052 million, or 41.9%, whereas operating margin also increased from 35.5% in fiscal year 2020 to 41.8% in fiscal year 2021. Operating profit increased due to higher revenue and lower costs of production majorly driven by higher production volume, lower power costs, lower met-coke and cement costs partly offset by higher admin expense (Covid-19 relief donation) and higher diesel costs.

An increase in depreciation by ₹ 2,007 million in fiscal year 2021 as compared to fiscal year 2020 due to higher ore production during the current fiscal year and capitalization of mining equipment.

Zinc International

Revenue from external customers in the Zinc International segment decreased from ₹ 31,275 million in fiscal year 2020 to ₹ 27,290 million (\$ 373 million) in fiscal year 2021, a decrease of ₹ 3,985 million or 13%. The decrease in revenue was primarily driven by lower volumes due to Skorpion Zinc going under care and maintenance, partially offset by higher price realisations. Specifically:

- Skorpion produced 659 tons of refined zinc metal in FY 2021. The mine has been under Care and Maintenance since start of April 2020, following cessation of mining activities due to geotechnical instabilities in the open pit. The business is currently evaluating options to restart mining. Engagement with technical experts to explore opportunities of safely extracting the remaining ore is ongoing. The pit optimisation work is complete.
- Production of zinc metal in concentrate from the BMM mines increased from 27,943 tons in fiscal year 2020 to 30,131 tons in fiscal year 2021, an increase of 2,188 tons or 7.8%. Production of lead metal in concentrate increased from 37,628 tons to 27,471 tons, decrease of 10,157 tons or 27%. This overall decrease in production was mainly due to lower grade of lead (2.3% vs 2.9%) and hence lead lower recoveries (84.1% vs 85.6%) and 6% lower throughput resulting from lower mining performance.
- Gamsberg operation continued to ramp up well with improved performance every quarter in FY 2021. Production of Zinc metal in concentrate from Gamsberg stood at 144,577 tons vs 107,949 tons produced in FY 2020, an increase of 36,628 tons or 34%. Healthy feedable stockpile of approximately 1.4 million tonnes has been created for consistent feed to the plant. Several best demonstrated performances on throughput, milled tonnes and improved recoveries were achieved in Q4 FY 2021.
- The daily average zinc cash settlement price on the LME increased from \$ 2,402 per ton in fiscal year 2020 to \$ 2,422 per ton in fiscal year 2021, an increase of 0.8%.
- The daily average lead cash settlement price on the LME decreased from \$ 1,952 per ton in fiscal year 2020 to \$ 1,868 per ton in fiscal year 2021, a decrease of 4.3%



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Operating profit in the Zinc International segment increased from operating loss of ₹ 2,573 million in fiscal year 2020 to operating profit of ₹ 4,849 million (\$ 66 million) in fiscal year 2021, an increase of ₹ 7,422 million, mainly on account of higher price realization and improved cost through optimising consumables usage, higher copper credits and local currency depreciation.

Operating margin increased from negative 8.2% in fiscal year 2020 to 17.8% in fiscal year 2021.

Oil and Gas Business

Revenue from external customers in the oil and gas segment decreased from ₹ 126,608 million in fiscal year 2020 to ₹ 75,308 million (\$ 1,030 million) in fiscal year 2021, a decrease of ₹ 51,300 million or 40.5%. The decrease in revenue was primarily contributed by lower Brent price realisation and decrease in Entitlement Interest ("EI") sale. Specifically:

- The daily average Brent oil price realisation decreased from \$ 59.4 per boe, in fiscal year 2020 to \$ 38.67 per boe, in fiscal year 2021, a decrease of 34.9%,
- Entitlement interest sales decreased from 85,700 boepd in fiscal year 2020 to 67,283 boepd in fiscal year 2021, a decrease of 18,417 boepd or 21.5%

Operating profit in the oil and gas segment increased from loss of ₹ 102,424 million in fiscal year 2020 to operating profit of ₹ 10,892 million (\$ 149 million) in fiscal year 2021, an increase of ₹ 113,316 million. The increase in operating profit in current year was primarily due to impairment recognition of ₹ 135,031 million (\$ 1,791 million) in fiscal year 2020 which includes a) impairment charge relating to Rajasthan Oil & Gas block triggered by the significant fall in the crude oil prices which includes impairment charge against oil and gas producing facilities and exploration intangible assets under development, b) impairment charge relating to KG-ONN-2003/1 block mainly due to reduction in crude price forecast and c) impairment charge relating to exploration block KG-OSN-2009/3 where the Group had represented to DGH to grant a 12 month excusable delay along with unfettered and unrestricted access to the block. Based on the said representation, the DGH granted an extension of upto December 4, 2020.

Iron Ore

Revenue from external customers increased from ₹ 34,500 million in fiscal year 2020 to ₹ 44,875 million (\$ 614 million) in fiscal year 2021, an increase of ₹ 10,375 million, or 30.1%. The increase was mainly due to two-fold increase in sales volume at Goa and improved margin at Goa, Karnataka and VAB during the year specifically:

- At Karnataka, production was 5 million tonnes, Sales in FY 2021 were 4.4 million tonnes, 24% lower y-o-y due to Covid-19 impact in the current financial year. With the order of Central Empowered Committee (a Supreme Court appointed body) in March 2020, the annual mining capacity has been increased upto 5.89 MTPA. In line with this, the Government of Karnataka allocated the production quantity of 5.60 wet million tonnes for the current year FY 2021 onwards.
- At Goa, mining was brought to a halt pursuant to the Supreme Court judgement dated February 7, 2018 directing all companies in Goa to stop mining operations with effect from March 16, 2018. We continue to engage with the Government for a resumption of mining operations
- Production of pig iron was 596,197 tonnes in FY 2021, down by 12% y-o-y due to Covid-19 impact and shut down of Plant for two months due to planned relining activity. The production of Metallurgical coke was 434,270 tons in fiscal year 2020 compared to 436,663 tons in fiscal year 2021 an increase by 1%.

Operating profit in the iron ore segment increased from ₹ 4,698 million in fiscal year 2020 to operating profit of ₹ 15,968 million (\$ 218 million) in fiscal year 2021, an increase of ₹ 11,270 million. The increase was mainly due to two-fold increase in sales volume at Goa and improved margin at Goa, Karnataka and VAB during the year.

Steel

Revenue from external customer in the steel segment increased from ₹ 42,827 million in fiscal year 2020 to ₹ 46,676 million (\$ 638 million) in fiscal year 2021, an increase of ₹ 3,849 million or 9.0% in fiscal year 2021. Fiscal year 2021 has been a healthy year for ESL despite pandemic.

- Pig iron production increased from 167,305 tons in fiscal year 2020 to 188,979 tons in fiscal year 2021, an increase of 21,674 tons or 13.0%. The increase was mainly due to higher pig iron demand. The sale of pig iron increased from 157,596 tons in fiscal year 2020 to 192,142 tons in fiscal year 2021, an increase of 34,546 tons or 21.9%. The increase in sales was in line with production.
- Saleable Billet production has increased from 27,456 tons in fiscal year 2020 to 165,273 tons in fiscal year 2021, an increase of 137,817 tons or 502.0%. This increase was due to our focus on production of value-added products i.e. TMT bar, Wire Rod and DI pipe. The sale of billet increased from 22,460 tons in fiscal year 2020 to 157,673 tons in fiscal year 2021, an increase of 135,213 tons or 602.0%. The increase in sale was in line of production.
- TMT production decreased from 468,396 tons in fiscal year 2020 to 337,583 tons in fiscal year 2021, a decrease of 130,813 tons or 27.9%. The decrease was majorly due to higher Pig Iron and Saleable Billet production. The sale of TMT decreased from 453,806 tons in fiscal year 2020 to 355,666 tons in fiscal year 2021, a decrease of 98,140 tons or 21.6%. The decrease was in line of reduced production.
- Wire rod production reduced from 412,948 tons in fiscal year 2020 to 360,874 tons in fiscal year 2021, a reduction of 52,074 tons or 12.6%. The decrease was majorly due to higher Pig Iron and Saleable Billet production. Wire rod sale reduced from 402,242 tons in fiscal year 2020 to 375,346 tons in fiscal year 2021, a reduction of 26,896 tons or 6.7% in line with reduced production.



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- The production of DI pipe reduced from 154,721 ton in fiscal year 2020 to 134,605 ton in fiscal year 2021, a reduction of 20,116 tons or 13.0%. The sale of DI pipe increased from 143,258 ton in fiscal year 2020 to 149,832 ton in fiscal year 2021, an increase of 6,574 tons or 4.6% driven by our focus on sale of value added products.

Operating profit in steel segment decreased from ₹ 3,452 million in fiscal year 2020 to ₹ 3,180 million (\$ 43 million) in fiscal year 2021.

Average sales realisation decreased 1% y-o-y from \$ 495 per tonne in FY 2020 to \$ 488 per tonne in FY 2021. Prices of iron and steel are influenced by several macro-economic factors. These include global economic slowdown, US-China trade war, supply chain destocking, government expenditure on infrastructure, the emphasis on developmental projects, demand-supply dynamics, the Purchasing Managers' Index (PMI) in India and production and inventory levels across the globe especially China. Even though the NSR dipped by \$ 7 per tonne, we were able to increase our EBITDA margin to \$ 95 per tonne for the year (against \$ 78 per tonne in FY 2020) through better control over costs.

Copper

Revenue from external customers increased from ₹ 90,517 million in fiscal year 2020 to ₹ 108,879 million (\$ 1,489 million) in fiscal year 2021, an increase of ₹ 18,362 million, or 20.3%. The increase was primarily on account of higher copper volume production and rising Copper LME prices. Specifically:

- Copper cathode production increased from 77,490 tons in fiscal year 2020 to 101,435 tons in fiscal year 2021, an increase by 30.9%. The production was higher due to better performance of refinery. Copper cathode sales increased from 2,461 tons in fiscal year 2020 to 7,825 tons in fiscal year 2021, an increase by 218.0%. The increase in sale was in line with production.
- Production of copper rods increased from 100,219 tons in fiscal year 2020 to 122,390 tons in fiscal year 2021, an increase of 22.1%. Copper rod sales increased from 98,158 tons in fiscal year 2020 to 121,643 tons in fiscal year 2021, an increase of 23.9% in line with the increase in production.
- Sales of copper in the Indian market increased from 98,555 tons in fiscal year 2020 to 125,979 tons in fiscal year 2021, an increase of 27.8% and our exports increased from 2,064 tons in fiscal year 2020 to 3,490 tons in fiscal year 2021, an increase by 69.1%. Our domestic sales as a percentage of total sales decreased from 97.9% in fiscal year 2020 to 97.3% in fiscal year 2021.
- Daily average copper cash settlement price on the LME increased from \$ 5,855 per ton in fiscal year 2020 to \$ 6,897 per ton in fiscal year 2021, an increase of 17.8%.

Operating loss in the copper segment decreased from loss of ₹ 13,086 million in fiscal year 2020 to operating loss of ₹ 5,372 million (\$ 73 million) in fiscal year 2021, an increase of ₹ 7,714 million. The decrease in operating loss was mainly due to higher Copper LME prices, higher volumes and reduced Tuticorin fixed overheads as compared to fiscal year 2020.

Aluminium

Revenue from external customers in the aluminium segment increased from ₹ 265,445 million in fiscal year 2020 to ₹ 285,756 million (\$ 3,907 million) in fiscal year 2021, an increase of ₹ 20,311 million, or 7.7%, driven primarily by rising LME Aluminium prices and higher sales in line with higher production volumes.

- Aluminium production increased from 1,903,981 tons in fiscal year 2020 to 1,969,483 tons in fiscal year 2021, an increase of 3.4%. Production of value-added products decreased from 36.7% in fiscal year 2020 to 33.1% in fiscal year 2021.
- Aluminium sales increased from 1,922,430 tons in fiscal year 2020 to 1,992,467 tons in fiscal year 2021, an increase of 3.6%.
- Sales of aluminium ingots increased from 1,166,639 tons in fiscal year 2020 to 1,302,054 tons in fiscal year 2021, an increase of 11.6%. This includes Primary Foundry Alloys (PFA) and Alloy Ingot volumes.
- Wire rod sales increased by 0.8% from 325,801 tons in fiscal year 2020 to 328,360 tons in fiscal year 2021.
- Billets sale decreased by 22.6% from 346,324 tons in fiscal year 2020 to 268,219 tons in fiscal year 2021.
- Slabs sales grew from 25,704 tons in fiscal year 2020 to 39,989 tons in fiscal year 2021, an increase of 55.6%.
- Rolled product sales grew from 27,250 tons in fiscal year 2020 to 31,311 tons in fiscal year 2021, an increase by 14.9%.
- Hot metal sales during fiscal year 2021 were 22,535 tons, down by 26.6% from 30,712 tons in fiscal year 2020.
- Aluminium sales in the domestic market increased from 624,915 tons in fiscal year 2020 to 635,715 tons in fiscal year 2021, marginally increased by 1.7%. Our aluminium exports increased from 1,298,516 tons in fiscal year 2020 to 1,335,837 tons in fiscal year 2021, increased by 2.9%.
- The daily average aluminium cash settlement price on the LME increased from \$ 1,749 per ton in fiscal year 2020 to \$ 1,805 per ton in fiscal year 2021, increase by 3%.

Operating profit in the aluminium segment increased from ₹ 4,434 million in fiscal year 2020 to ₹ 59,736 million (\$ 817 million) in fiscal year 2021, an increase of ₹ 55,302 million. The increase in operating profit was primarily due to a mix of factors across rising LME Aluminium prices, higher sales, improved hot metal cost of production, rupee depreciation and gain on account of true-up of RPO (Renewable Power Obligations) liabilities.

**Power**

Revenue from external customers in the power segment decreased from ₹ 58,599 million in fiscal year 2020 to ₹ 53,752 million (\$ 735 million) in fiscal year 2021, a decrease of ₹ 4,847 million or 8.3%. Power sales increased from 11,162 million units in fiscal year 2020 to 11,261 million units in fiscal year 2021, an increase of 0.9%. The fiscal year 2021 was a significant year for the Jharsuguda power plant, where we achieved PLF of 58% against 11% in fiscal year 2020. The plant load factor ("PLF") at BALCO was 66% and Talwandi Sabo (TSPL) power plant achieved plant availability of 81%. Malco power plant is under care and maintenance since May 26, 2017 due to low demand in southern India.

- Talwandi Sabo power plant, operated at 81% plant availability in fiscal year 2021. It supplied 6,479 million units of power in fiscal year 2021 as compared to 8,223 million units of power in fiscal year 2020 to the PSPCL. TSPL's PPA with PSEB compensates it based on the availability of the plant.
- The Jharsuguda 600 MW power plant operated at a lower PLF of 58.0% during fiscal year 2021, as compared to 11% in fiscal year 2020.
- At BALCO, the 300 MW IPP unit of the 300MW power plant operated at PLF of 66.0% in fiscal year 2021, as compared to 71.0% in fiscal year 2020.
- The average power realization decreased from ₹ 3.6 per unit in fiscal year 2020 to ₹ 3.0 per unit in fiscal year 2021, a decrease of 16% (excluding power from TSPL 1980 MW power plant).
- Cost of generation at the power business (excluding power from the TSPL 1980 MW power plant) decreased from ₹ 2.5 per unit in fiscal year 2020 to ₹ 2.4 in fiscal year 2021, a decrease of 3% on account of decrease in coal prices and improved linkage realisation.
- The average power realization at Talwandi Sabo power plant decreased from ₹ 3.7 per unit in fiscal year 2020 to ₹ 3.1 per unit and cost of generation decreased from ₹ 2.7 per unit in fiscal year 2020 to ₹ 2.1 per unit in fiscal year 2021, a decrease of 22.0%.

Operating profit in the power segment decreased from ₹ 10,789 million in fiscal year 2020 to ₹ 8,321 million (\$ 114 million) in fiscal year 2021, decrease of ₹ 2,468 million or 22.9%, lower sales realisation, partially offset by lower cost of production. During fiscal year 2021, Operating margin increased from 18.4% in fiscal year 2020 to 15.5% in fiscal year 2021.

TSPL realized ₹ 3,750 million (\$ 51 million) from PSPCL in the fiscal year 2021 on account of GCV matter resolution basis the Hon'ble Supreme Court of India order.

Other

Operating loss in our other business segments decreased from ₹ 8,618 million in fiscal year 2020 to ₹ 2,470 million (\$ 34 million) in fiscal year 2021, mainly due to impairment charge on assets amounting ₹ 5,098 million (\$ 68 million) recognised during the fiscal year 2020 at Avanstrate Inc. ("ASI") which operate in glass substrate business.

Investment and Other income

Investment and other income increased from ₹ 25,714 million in fiscal year 2020 to ₹ 32,177 million (\$ 440 million) in fiscal year 2021, an increase of ₹ 6,463 million or 25.1%, mainly due to interest income on the affiliate loan to VRL, partially offset by decrease in average investments and Mark to Market (MTM) movement at Zinc India.

Finance costs

Finance costs decreased from ₹ 54,557 million in fiscal year 2020 to ₹ 52,955 million (\$ 724 million) by ₹ 1,602 million or 2.9% in fiscal year 2021.

This decrease is mainly on account of lower blended cost of borrowings, partially offset by lower capitalisation of interest cost at aluminium and oil & gas business and increase in average borrowings.

The proportion of Indian Rupee borrowings is 89.0% and USD borrowing are 11.0% in fiscal year 2021 in comparison to 13.0% in fiscal year 2020.

Tax expense

The normalized ETR is 38% (excluding tax on dividend from HZL of \$ 117 million and tax on exceptional items of \$ 18 million, new tax regime impact and Deferred Tax Asset recognised on losses in ESL compared to 52% (excluding tax on distributable reserve/dividend from HZL \$ 276 million, new regime impact (\$ 233 million) and tax on exceptional items of \$ 781 million) which is primarily on account of due to increase in profit from the entities which are taxable at lower rate and adoption of new regime in one of the major subsidiary.

Non-controlling interest

On account of above-mentioned factors, profit for the year increased from loss of ₹ 42,100 million in fiscal year 2020 to profit of ₹ 1,46,990 million (\$ 2010 million) in fiscal year 2021, an increase of ₹ 89,090 million.

Profit attributable to non-controlling interest increased from ₹ 19,148 million in fiscal year 2020 to ₹ 34,107 million (\$ 466 million) in fiscal year 2021, an increase of ₹ 14,959 million or 78.1%.



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Comparison of years ended March 31, 2019 and March 31, 2020*Revenue and Operating Profit***Consolidated**

Revenue decreased from ₹ 909,012 million in fiscal year 2019 to ₹ 835,446 (\$ 11,082 million) in fiscal year 2020, a decrease of ₹ 73,566 million or 8.1%. Revenue decreased in fiscal year 2020, mainly due to subdued commodity prices, lower volume at Zinc India and Oil & Gas business and lower power sales at TSPL, partially offset by higher volume at Aluminium business, additional volumes from Gamsberg operations and higher sales at Iron Ore Karnataka & Steel business and rupee depreciation.

Operating profit decreased from ₹ 145,216 million in fiscal year 2019 to operating loss of ₹ 39,934 million (\$ 529 million) in fiscal year 2020, a decrease of ₹ 185,150 million.

The decrease in operating profit in fiscal year 2020, was primarily due to decrease in revenue as stated above, increase in cost of production at Zinc businesses and Oil & Gas business partially offset by easing out of input commodity inflation, improved cost of production at Aluminium business, past exploration cost recovery at Oil & Gas business and rupee depreciation and

- higher depreciation charge during the fiscal year 2020 primarily on account of higher charge at Oil & Gas business due to capitalisation of new wells partially offset by lower production; higher depreciation charge at Zinc India on account of higher ore production, additional capitalisation and increase in amortization rate due to increase in cost; higher charge at Zinc international due to increased production from Gamsberg and acquisitions of Steel business in June 2018.
- Exceptional losses for fiscal year 2020 was at ₹ 148,411 million (\$ 1,968 million) which mainly include impairment charge ₹ 148,022 million (\$ 1,963 million) relating to property, plant and equipment and exploration assets at Oil & Gas of ₹ 135,031 million (\$ 1,791 million), Copper ₹ 6,692 million (\$ 89 million), Avanstarte Inc. ("ASI") of ₹ 5,098 million (\$ 68 million) and provisions on iron ore business assets of ₹ 1,201 million (\$ 16 million) and claims and receivables written off at Copper ₹ 521 million (\$ 7 million), Fujairah Gold ₹ 1,507 million (\$ 20 million), and Zinc international ₹ 42 million (\$ 1 million) partially offset by RPO liability reversal of ₹ 1,681 million (\$ 22 million) at aluminium pertaining to previous years based on revision of liability pursuant to Odisha Electricity Regulatory Commission notification.

Contributing factors to our consolidated operating profit/ (loss) were as follows:

- Cost of sales increased from ₹ 727,832 million in fiscal year 2019 to ₹ 829,461 million (\$ 11,002 million) in fiscal year 2020, an increase of ₹ 101,629 million, or 14.0%. The increase is primarily due to increase in production volume at Gamsberg, additional volume from Steel business, higher cost of production at Zinc India and Oil & Gas business, impairment charge ₹ 146,821 million (\$ 1,947 million) as explained above and higher depreciation charge on manufacturing assets during the year partially offset by deflation in commodity prices of alumina, coke, coal and other major consumables, past exploration cost recovery at Oil & Gas, true up of RPO liability at Aluminum business ₹ 1,681 million (\$ 22 million) and rupee depreciation.
- Other operating income decreased from ₹ 15,468 million in fiscal year 2019 to ₹ 9,863 million (\$ 131 million) in fiscal year 2020, a decrease of ₹ 5,605 million or 36.2%. The decrease was primarily on account of Zinc dust, Zinc oxide and other Assets sale (mainly dump truck) recognised at Zinc India business during Fiscal year 2019 and write back of liability pursuant to settlement agreement with a contractor at BALCO in fiscal year 2019, one time write back of royalty and related service tax at Iron ore business in fiscal year 2019, lower export incentives at Aluminum business and Zinc India business on account of lower export sales during the fiscal year 2020, partially offset by gain recognised from sale of assets at MALCO, reversal of decommissioning provision estimates at Skorpion mine pursuant to decrease in mine closure liability.
- Distribution expenses increased from ₹ 17,069 million in fiscal year 2019 to ₹ 18,205 million (\$ 241 million) in fiscal year 2020, an increase of ₹ 1,136 million or 6.7%. As a result, distribution expense as a percentage of revenue increased from 1.9% in fiscal year 2019 to 2.2% in fiscal year 2020. The increase was primarily due to increase in sales volume at Iron Ore business, increase in Gamsberg volume from 17kt to 108kt and increase due to annual inflation in distribution cost and exchange rate impacting the dollar linked shipping cost which was partially offset by decrease in port to destination expense and decrease in domestic freight charges and decrease in distribution cost on account of change in export mix, higher export made to Asian countries as compared to fiscal year 2019 at Aluminum business, increase in railway freight at VGCB and MVPL on account of additional provision related to All Indian Engine Charges (AIECH) pertaining to previous years freight disputes with railways and VPT (Vishakhapatnam port trust).
- Administration expenses increased from ₹ 34,363 million in fiscal year 2019 to ₹ 37,577 million (\$ 498 million) in fiscal year 2020, an increase of ₹ 3,214 million, or 9.4%. As a result, administration expenses as a percentage of revenue increased from 3.8% in fiscal year 2019 to 4.5% in fiscal year 2020. The increase was primarily higher depreciation charge on admin assets during the year, discounting charges of ONGC receivable at Oil & Gas business, higher administrative expenses at Gamsberg as it commenced operations in March 2019, higher administrative and O&M charges at Steel business as acquired in June 2018, higher management/brand fees charges, higher rates, taxes and legal expenses, impairment charge recognised at iron ore business (IOB) of ₹ 1,201 million (\$ 16 million) partially offset by capitalization of grass root exploration expenses, lower administrative personnel expense allocation and lower performance pay expense, lower consultancy & professional charges at Zinc India, Aluminum and Oil & Gas business, lower rent expense during the fiscal year 2020 at Oil & Gas and ASI business.

**Zinc India**

Revenue in the Zinc India segment decreased from ₹ 206,562 million in fiscal year 2019 to ₹ 181,590 million (\$ 2,409 million) in fiscal year 2020, a decrease of ₹ 24,972 million, or 12.1%. This decrease was primarily driven by lower metal prices and lower volume of metal on account of Covid-19 related lockdown and low grades at Kayad and Sindesar Khurd mines in H1 FY 2020 and silver which was also as compared previous year due to Covid-19 related lockdown, lower lead production in Q2 & Q3 due to temporary operational issues at Dariba smelters and lower silver grades which was partially offset by higher silver prices and rupee depreciation. The share of mined metal production from underground mines increased to 100.0% in fiscal year 2019. Rampura Agucha mine achieved 53.6%, Zawar mine 13.7% and RD Mine 4.9% and Sindesar Khurd 27.8% mined metal production in fiscal year 2020. Specifically:

- Zinc ingot production decreased from 696,283 tons in fiscal year 2019 to 688,286 tons in fiscal year 2020, a decrease of 1.15% due to nationwide lockdown. Zinc ingot sale also decreased in line with the lower production from 694,141 tons in fiscal year 2019 to 680,017 tons in fiscal year 2020, a decrease of 2.03%.
- Zinc ingot sales in the domestic market declined from 512,893 tons in fiscal year 2019 to 486,311 tons in fiscal year 2020. Our domestic sales as a percentage of total sales decreased from 74.0% in fiscal year 2019 to 72.0% in fiscal year 2020 primarily due to covid-19 related lockdown in March 2020. However, we always endeavor to sell large quantities of our products domestically, where we receive an Indian market premium. Our export sales increased from 181,248 tons of zinc in fiscal year 2019 to 193,706 tons of zinc in fiscal year 2020, an increase of 7.0%.
- The daily average zinc cash settlement price on the LME decreased from \$ 2,743 per ton in fiscal year 2019 to \$ 2,402 per ton in fiscal year 2020, a decrease of 12.4%.
- Lead ingot production decreased from 197,838 tons in fiscal year 2019 to 181,370 tons in fiscal year 2020, a decrease of 8.3% due to nationwide lockdown. Lead ingot sales decreased from 197,661 tons in fiscal year 2019 to 179,663 tons in fiscal year 2020, a decrease of 9.1%, is in line of decrease in production.
- The daily average lead cash settlement price on the LME decreased from \$ 2,121 per ton in fiscal year 2019 to \$ 1,952 per ton in fiscal year 2020, a decrease of 8.0%.
- Silver ingot production decreased from 679,183 kilograms in fiscal year 2019 to 609,808 kilograms in fiscal year 2020, a decrease of 10.2% on account of due to Covid-19 related lockdown, lower lead production in Q2 & Q3 due to temporary operational issues and lower silver grades Sindesar Khurd mine. In line with production, Sale of silver ingots decreased from 676,173 kilograms in fiscal year 2019 to 586,387 kilograms in fiscal year 2020, a decrease of 13.3%.
- The daily average silver London Bullion Market Association prices increased from \$ 15.4 per ounce in fiscal year 2019 to \$ 16.5 per ounce in fiscal year 2020, an increase of 7.4%.

Operating profit in the Zinc India segment decreased from ₹ 87,227 million in fiscal year 2019 to ₹ 64,530 million (\$ 856 million) in fiscal year 2020, a decrease of ₹ 22,697 million, or 26.0%, whereas operating margin also decreased from 42.2% in fiscal year 2019 to 35.5% in fiscal year 2020. Operating profit was negatively affected by lower revenue as explained above and higher costs of production majorly driven by higher mine development expense, lower volume resulted by lower grades, higher cement prices, and higher electricity duty on captive power plants However, these were marginally offset by, lower coal cost & rupee depreciation.

An increase in depreciation by ₹ 3,842 million in fiscal year 2020 as compared to fiscal year 2019 due to higher ore production during the current fiscal year and capitalization of Shaft & mining equipment.

Zinc International

Revenue from external customers in the Zinc International segment increased from ₹ 27,383 million in fiscal year 2019 to ₹ 31,275 million (\$ 415 million) in fiscal year 2020, an increase of ₹ 3,892 million or 14.2%. The increase in revenue was primarily due to higher sales volume from Gamsberg partially offset by lower commodity prices of zinc, lead and copper. Specifically:

- Production of refined zinc metal at Skorpion registered increased from 65,948 tons in fiscal year 2019 to 66,967 tons in fiscal year 2020, an increase of 1,019 tons or 1.5%. Production was predominantly impacted by a multiple bench slope failure of approximately 400kt material on the western pushback of the open pit on May 9, 2019 and further in January 2020 by a wedge failure which extended the old slope failure to south area of mine. Therefore, it was decided to put the mine under care and maintenance, while studies continue to look feasible ways to make the pit safe for mining options which would allow for the extraction of the remainder of the accessible ore.
- Production of zinc metal in concentrate from the BMM mines increased from 27,558 tons in fiscal year 2019 to 27,943 tons in fiscal year 2020, an increase of 385 tons or 1.4%. Production of lead metal in concentrate increased from 37,354 tons to 37,628 tons, an increase of 274 tons or 0.7%. This overall increase in mined metal production was primarily due to higher recoveries in spite of reduction in grades from the mine.
- Gamsberg operation which was commissioned in FY 2019 continued to ramp up well in FY 2020. Production of Zinc metal in concentrate from Gamsberg stood at 107,949 tons vs 17,128 tons produced in FY 2019. Mining has fully ramped up to 4 Mtpa capacity and ~1.8 Mt of healthy ore stockpile has been built ahead of plant.
- The daily average zinc cash settlement price on the LME decreased from \$ 2,743 per ton in fiscal year 2019 to \$ 2,402 per ton in fiscal year 2020, a decrease of 12.4%.
- The daily average lead cash settlement price on the LME decreased from \$ 2,121 per ton in fiscal year 2019 to \$ 1,952 per ton in fiscal year 2020, a decrease of 8.0%.

Operating profit in the Zinc International segment decreased from ₹ 2,675 million in fiscal year 2019 to operating loss of ₹ 2,573 million (\$ 34 million) in fiscal year 2020, an decrease of ₹ 5,248 million or 196.2%, largely on account of lower metal prices partially offset by higher production volumes driving down the cost of production, lower oxide consumption, Sulphur efficiencies at Skorpion and local currency depreciation.



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Operating margin decreased from 9.8% in fiscal year 2019 to negative 8.2% in fiscal year 2020.

Oil and Gas Business

Revenue from external customers in the oil and gas segment decreased from ₹ 132,228 million in fiscal year 2019 to ₹ 126,608 million (\$ 1,679 million) in fiscal year 2020, a decrease of ₹ 5,620 million or 4.3%. The decrease in revenue was primarily contributed by lower Brent price realisation which was marginally offset by increase in Entitlement Interest ("EI") sale. Specifically:

- The daily average Brent oil price realisation decreased from \$ 66.1 per boe, in fiscal year 2019 to \$ 59.4 per boe, in fiscal year 2020, a decrease of 10.1%,
- Entitlement interest sales increased from 79,049 boepd in fiscal year 2019 to 85,700 boepd in fiscal year 2020 an increase of 6,651 boepd or 8.4%.

Operating profit in the oil and gas segment decreased from ₹ 36,467 million in fiscal year 2019 to operating loss of ₹ 102,425 million (\$ 1,359 million) in fiscal year 2020, a decrease of ₹ 138,892 million. The decrease in operating profit was primarily due to impairment recognition of ₹ 135,031 million (\$ 1,791 million) primarily includes a) impairment charge relating to Rajasthan Oil & Gas block triggered by the significant fall in the crude oil prices which includes impairment charge against oil and gas producing facilities and exploration intangible assets under development, b) impairment charge relating to KG-ONN-2003/1 block mainly due to reduction in crude price forecast and c) impairment charge relating to exploration block KG-OSN-2009/3 where Group had represented to DGH to grant a 12-month excusable delay along with unfettered and unrestricted access to the block. Based on the said representation, the DGH granted an extension of upto December 4, 2020.

Iron Ore

Revenue from external customers increased from ₹ 29,033 million in fiscal year 2019 to ₹ 34,500 million (\$ 458 million) in fiscal year 2020, an increase of ₹ 5,467 million, or 18.8%. The increase was mainly due twofold increase in sales volume at Karnataka partially offset by lower pig iron prices during the year. Specifically:

- Saleable iron ore production was flat at 4.4 million tons in fiscal year 2020. Sales in fiscal year 2020 were 5.8 million tons, 125% higher year on year due to an increase in production and stock liquidation at Karnataka by 1.6 wet million tons. At Goa, mining was brought to a halt pursuant to the Supreme Court judgement dated February 7, 2018 directing all companies in Goa to stop mining operations with effect from March 16, 2018. We continue to engage with the Government for a resumption of mining operations. With the order of Central Empowered Committee (Supreme Court appointed body) in March, 2020. The annual mining capacity has been increased upto 5.89 MTPA. In line with this, the Government of Karnataka allocated the production quantity of 4.82 wet million tons for the current year fiscal year 2020 onwards.
- The production of pig iron was less by 1.0% from 685,659 tons in fiscal year 2019 to 680,785 tons in the fiscal year 2020 and the production of metallurgical coke was 476,710 tons in fiscal year 2019 to 434,270 tons in fiscal year 2020, a decrease by 9.0%. Due to nationwide lockdown imposed by Central government because of COVID 19 pandemic, we lost approximately 20,000 tons at of pig iron production at Value Added business in month of March.

Operating profit in the iron ore segment increased from ₹ 3,866 million in fiscal year 2019 to operating profit of ₹ 4,698 million (\$ 62 million) in fiscal year 2020, an increase of ₹ 832 million. The increase is primarily due to higher sales volume at Iron Ore Karnataka partially offset by impairment of ₹ 1,201 million (\$ 16 million) on Iron ore financial asset due to an ongoing legal dispute relating to title of the land.

Steel

Revenue from external customer in the steel segment increased from ₹ 41,955 million in fiscal year 2019 (10 months from June 1, 2018) to ₹ 42,827 million (\$ 568 million) in fiscal year 2020, an increase of ₹ 872 million or 2.1%. in fiscal year 2020. Fiscal year 2020 has been a healthy year for ESL with highest ever production. Specifically:

- Pig iron production increased from 141,549 tons in fiscal year 2019 to 167,305 tons in fiscal year 2020, an increase of 25,756 tons or 18.2%. The increase was mainly due to higher pig iron demand. The sale of pig iron increased from 141,686 tons in fiscal year 2019 to 157,596 tons in fiscal year 2020, an increase of 15,910 tons or 11.2%. The increase in sales was in line with production.
- Saleable Billet production has reduced from 39,478 tons in fiscal year 2019 to 27,456 tons in fiscal year 2020, a decrease by 12,022 tons or 30.5%. This reduction was due to higher focus on production of value added products i.e. TMT bar, Wire Rod and DI pipe. The sale of billet decreased from 31,831 tons in fiscal year 2019 to 22,460 tons in fiscal year 2020, a decrease by 9,371 tons or 29.4%. The decrease in sale was in line of production.
- TMT production depicted an increase from 441,251 tons in fiscal year 2019 to 468,396 tons in fiscal year 2020. TMT recorded an increase by 27,145 tons or 6.2%. The increase was majorly due to higher billet availability and higher focus over VAP%. The sale of TMT increased from 442,144 tons in fiscal year 2019 to 453,806 tons in fiscal year 2020, an increase by 11,662 tons or 2.6%. The increase was in line of increased production and continued focus on value added products.
- Wire rod production reduced from 426,873 tons in fiscal year 2019 to 412,948 tons in fiscal year 2020, a reduction by 13,925 tons or 3.3%. Wire rod sale reduced from 421,188 tons in fiscal year 2019 to 402,242 tons in fiscal year 2020, a reduction by 18,946 tons or 4.5% mainly driven by reduced Wire Rod demand.



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- The production of DI pipe grew by 3.2% from 149,946 ton in fiscal year 2019 to 154,721 ton in fiscal year 2020. The sale of DI pipe reduced from 147,731 ton in fiscal year 2019 to 143,258 ton in fiscal year 2020 a reduction by 4,474 tons or 3.0% driven by weak DI pipe demand.

Operating profit in steel segment decreased from ₹ 5,965 million in fiscal year 2019 to ₹ 3,452 million (\$ 46 million) in fiscal year 2020.

Average sales realization decreased 13% year on year from \$ 572 per ton in FY 2019 to \$ 495 per ton in fiscal year 2020. Prices of iron and steel are influenced by several macro-economic factors. However, despite fall of prices in steel market, ESL's pricing remained competitive in Indian market as a primary producer of steel. Even though the NSR dipped by \$ 77 per ton, we were able to maintain our EBITDA margin at \$ 78 per ton for the year (against \$ 115 per ton in FY 2019) through better control over costs and operational efficiencies.

Copper

Revenue from external customers decreased from ₹ 107,390 million in fiscal year 2019 to ₹ 90,517 million (\$ 1,201 million) in fiscal year 2020, a decrease of ₹ 16,873 million, or 15.7%. The decrease was primarily on account of decrease in copper concentrate sale, lower copper volume production and falling Copper LME prices. Specifically:

- Copper cathode production decreased from 89,517 tons in fiscal year 2019 to 77,490 tons in fiscal year 2020, a decrease by 13.4%. The production was lower due to non-availability of customized anodes from the open market. Copper cathode sales decreased from 6,169 tons in fiscal year 2019 to 2,461 tons in fiscal year 2020, a decrease by 60.0%. The decrease in sale was in line with production.
- Production of copper rods decreased from 111,197 tons in fiscal year 2019 to 100,219 tons in fiscal year 2020, a decrease of 9.9%. Copper rod sales decreased from 109,805 tons in fiscal year 2019 to 98,158 tons in fiscal year 2020, a decrease of 11.0% in line with the decrease in production.
- Sales of copper in the Indian market decreased from 112,826 tons in fiscal year 2019 to 98,555 tons in fiscal year 2020, a decrease of 13.0% and our exports decreased from 3,148 tons in fiscal year 2019 to 2,064 tons in fiscal year 2020, a decrease by 13%. Our domestic sales as a percentage of total sales increased from 97.3% in fiscal year 2019 to 97.9% in fiscal year 2020.
- Daily average copper cash settlement price on the LME decreased from \$ 6,337 per ton in fiscal year 2019 to \$ 5,855 per ton in fiscal year 2020, a decreased of 7.6%.

Operating loss in the copper segment increased from ₹ 3,786 million in fiscal year 2019 to operating loss of ₹ 13,085 million (\$ 174 million) in fiscal year 2020, an increase of ₹ 9,299 million. The increase in operating loss was mainly due to lower Copper LME prices, lower volume and impairment recognition of ₹ 6,692 million (\$ 89 million) at copper business on CWIP & capital advance balances in relation to the 4TLPA expansion plant where project activities for are on halt since May 2018 and claims and receivable written off at Copper ₹ 521 million (\$ 7 million) and ₹ 1,507 million (\$ 20 million) at Fujairah Gold.

Aluminium

Revenue from external customers in the aluminium segment decreased from ₹ 292,080 million in fiscal year 2019 to ₹ 265,445 million (\$ 3,521 million) in fiscal year 2020, a decrease of ₹ 26,635 million, or 9.1%, driven primarily by falling LME Aluminium prices.

- Aluminium production decreased from 1,959,015 tons in fiscal year 2019 to 1,903,981 tons in fiscal year 2020, a decrease of 2.8%. Production of value-added products decreased from 41.8% in fiscal year 2019 to 36.7% in fiscal year 2020.
- Aluminium sales increased from 1,915,557 tons in fiscal year 2019 to 1,922,430 tons in fiscal year 2020, a slight increase of 0.4%.
- Sales of aluminium ingots increased from 1,105,350 tons in fiscal year 2019 to 1,166,639 tons in fiscal year 2020, an increase of 5.5%. This includes Primary Foundry Alloys (PFA) and Alloy Ingot volumes.
- Wire rod sales decreased by 11.3% from 367,252 tons in fiscal year 2019 to 325,801 tons in fiscal year 2020.
- Billets sale decreased by 7.1% from 372,950 tons in fiscal year 2019 to 346,324 tons in fiscal year 2020.
- Slabs was introduced as a product in fiscal year 2019 clocking a sales volume of 10,214 tons and we have grown its sales to 25,704 tons in fiscal year 2020.
- Rolled product sales grew from 25,867 tons in fiscal year 2019 to 27,250 tons in fiscal year 2020, an increase by 5.3%.
- Hot metal sales during fiscal year 2020 were 30,712 tons, down by 9.5% from 33,924 tons in fiscal year 2019.
- Aluminium sales in the domestic market increased from 616,513 tons in fiscal year 2019 to 624,915 tons in fiscal year 2020, marginally increased by 1.2%. Our aluminium exports decreased from 1,299,044 tons in fiscal year 2019 to 1,298,516 tons in fiscal year 2020, which is flat year on year.
- The daily average aluminium cash settlement price on the LME decreased from \$ 2,035 per ton in fiscal year 2019 to \$ 1,749 per ton in fiscal year 2020, down by 14%.

Operating profit in the aluminium segment decreased from ₹ 5,481 million in fiscal year 2019 to ₹ 4,434 million (\$ 59 million) in fiscal year 2020, a decrease of ₹ 1,047 million or 19.1%. The decrease in operating profit was primarily due to a mix of factors across falling LME Aluminium prices and higher depreciation charge partially offset by improved hot metal cost of production, depreciating rupee and gain of ₹ 1,681 million (\$ 22 million) on account of true-up of RPO (Renewable Power Obligations) liabilities.



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Power

Revenue from external customers in the power segment decreased from ₹ 64,559 million in fiscal year 2019 to ₹ 58,599 million (\$ 777 million) in fiscal year 2020, a decrease of ₹ 5,960 million or 9.2%. Power sales decreased from 13,517 million units in fiscal year 2019 to 11,162 million units in fiscal year 2020, a decrease of 17.4%. The fiscal year 2020 was a significant year for the Talwandi Sabo (TSPL) power plant, where we achieved plant availability of 91.3%. The PLF at BALCO were also higher on account of better coal availability. Malco power plant is under care and maintenance since May 26, 2017 due to low demand in southern India.

- Talwandi Sabo power plant, operated at record 91.3% plant availability in fiscal year 2020. It supplied 8,223 million units of power in fiscal year 2020 as compared to 9,858 million units of power in fiscal year 2019 to the PSPCL. TSPL's PPA with PSEB compensates it based on the availability of the plant.
- The Jharsuguda 600 MW power plant operated at a lower PLF of 11.0% during fiscal year 2020, as compared to 15.0% in fiscal year 2019.
- At BALCO, the 300 MW IPP unit of the 1,200MW power plant operated at PLF of 71.0% in fiscal year 2020, higher as compared to 53.0% in fiscal year 2019 on account of better coal availability.
- The average power realization increased from ₹ 3.4 per unit in fiscal year 2019 to ₹ 3.6 per unit in fiscal year 2020, a marginal increase of 9% (excluding power from TSPL 1980 MW power plant).
- Cost of generation at the power business (excluding power from the TSPL 1980 MW power plant) decreased from ₹ 2.9 per unit in fiscal year 2019 to ₹ 2.5 in fiscal year 2020, a decrease of 16% on account of improved linkage realisation.
- The average power realization at Talwandi Sabo power plant decreased from ₹ 4.1 per unit in fiscal year 2019 to ₹ 3.7 per unit and cost of generation decreased from ₹ 3.1 per unit in fiscal year 2019 to ₹ 2.7 per unit in fiscal year 2020, a decrease of 13.0%.

Operating profit in the power segment increased from ₹ 9,306 million in fiscal year 2019 to ₹ 10,789 million (\$ 143 million) in fiscal year 2020, an increase of ₹ 1,483 million or 15.9%, mainly due to lower cost of production due to improved coal prices and supply in the domestic market which resulted in higher linkage materialisation. During fiscal year 2020, Operating margin increased from 14.4% in fiscal year 2019 to 18.4% in fiscal year 2020.

TSPL realized ₹ 10,020 million (\$ 133 million) from PSPCL on account of GCV matter resolution basis Hon'ble Supreme Court of India order.

Other

Operating loss in our other business segments increased from ₹ 138 million in fiscal year 2019 to ₹ 8,618 million (\$ 114 million) in fiscal year 2020, driven by lower sales volume, and impairment charge on assets amounting ₹ 5,098 million (\$ 68 million) recognised during the fiscal year 2020 at Avanstrate Inc. ("ASI") which operate in glass substrate business.

Investment and Other income

Investment and other income decreased from ₹ 31,540 million in fiscal year 2019 to ₹ 25,714 million (\$ 341 million) in fiscal year 2020, a decrease of ₹ 5,826 million or 18.5%, mainly due to mark to market loss on a treasury investment made by Vedanta's overseas subsidiary through a purchase of an economic interest in a structured investment in Anglo American Plc from its ultimate parent, Volcan Investments Limited and one-time reclassification from other comprehensive income to profit and loss account at Zinc India during FY2019 which was partially offset by Mark to Market gain on other investment during the year.

Finance costs

Finance costs decreased from ₹ 59,026 million in fiscal year 2019 to ₹ 54,557 million (\$ 724 million) by ₹ 4,469 million or 7.6% in fiscal year 2020.

This decrease is mainly on account of decrease in average borrowing due to repayment of debt at Vedanta Standalone, TSPL, BALCO and temporary borrowings at Zinc India, repayment of preference shares at CIHL in FY 2019 and lower average borrowing cost in line with market trends.

The proportion of Indian Rupee borrowings is 87.0% and USD borrowing are 13.0% in fiscal year 2020 in comparison to 8.0% in fiscal year 2019.

Tax expense

Tax expense decreased from ₹ 41,501 million in fiscal year 2019 to tax credit of ₹ 26,677 million (\$ 354 million) in fiscal year 2020. Our effective income tax rate, calculated as tax expense divided by our profit or loss before taxes, was 39.3% in fiscal year 2020 as compared to 35.3% in fiscal year 2019. The effective tax rate has increased by 4% which is driven by change in profit mix and tax recognized on distributable reserves of / dividend from subsidiary. The normalized ETR is 33% (excluding tax on undistributed reserves of HZL- ₹ 15,816 million, tax on dividend from CIHL- ₹ 3,715 million, new tax regime impact- ₹ (16,512) million and tax on exceptional items of ₹ (55,470) million compared to 26% due to PBT mix within entities and primarily on account of increase of 5% in weightage of CEHC which is taxable at higher rate of 43.68%.

Non-controlling interest

On account of above-mentioned factors, profit for the year decreased from ₹ 76,229 million in fiscal year 2019 to loss of ₹ 42,100 million (\$ 558 million) in fiscal year 2020, a decrease of ₹ 1,18,329 million.

Profit attributable to non-controlling interest decreased from ₹ 26,454 million in fiscal year 2019 to ₹ 19,148 million (\$ 254 million) in fiscal year 2020, a decrease of ₹ 7,306 million or 27.6%.



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B. Liquidity and Capital Resources

The following table is derived from our selected consolidated financial data and sets forth our cash flow for fiscal years 2017, 2018, 2019, 2020 and 2021:

Particulars	For the Year Ended March 31,					
	2017	2018	2019	2020	2021	2021
			(₹ in millions)			(\$ in millions)
Net cash provided by (used in):						
Operating activities	212,105	348,407	208,420	182,393	295,952	4,046
Investing activities	(79,910)	(52,153)	(133,147)	(116,866)	(167,358)	(2,288)
Financing activities	(49,123)	(357,144)	(45,643)	(87,356)	(131,371)	(1,796)

Liquidity

As of March 31, 2021, we had cash and short term investments (excluding restricted cash and cash equivalents) totaling ₹ 330,311 million (\$ 4,517 million), and near-term debt redemption obligations of ₹ 80,891 million (\$ 1,106 million), and we had, on a standalone basis, cash and short term investments (excluding restricted cash and cash equivalents) totaling ₹ 62,741 million (\$ 858 million). We expect that our current cash, short term investments and our cash flows from operations together with refinancing of some of our debt will be our principal sources of cash to satisfy our capital requirements for the next few years.

Capital Requirements

Our principal capital requirements include:

- capital expenditures, towards expansion of capacities in existing businesses including modernization of facilities, development of discovered oil fields and to sustain production or for enhanced recovery from reservoir and towards exploration and other ancillary business activities;
- the establishment of our commercial power generation business;
- consolidation of our ownership in our various subsidiaries; and
- acquisitions of complementary businesses that we determine to be attractive opportunities.

We continue to consider increasing capacities of our existing businesses through greenfield and brownfield projects and through acquisitions as one of our major growth strategies, though we are actively monitoring global market and economic conditions and the outlook for commodity prices, as well as our current and anticipated liquidity positions, as we constantly evaluate our desired rate of growth in pursuing this strategy.

Ministry of Environment, Forest and Climate Change revised emission norms for Coal based Thermal Power Plants (TPPs) in India vide its notification in December 2015. Most of the Company's operations are complying with revised emission norms on the emission parameters like Particulate Matter (PM), Mercury, Nitrogen Oxide ("NOx") etc. but compliance with sulphur dioxide emission norms is a challenge. Installation of FGD is required at all the Company's Thermal Power Plants (TPP) to meet sulphur dioxide emission norms including captive Coal based Thermal Power Plants. The timelines for sulphur dioxide emission norms compliance has been extended to December 2024 for captive power plants at our Jharsuguda and Lanjigarh and December 2023 for captive power plants at our BALCO facilities. The Independent Power plants of BALCO and Jharsuguda are required to comply with the norms by December 2023 and December 2024 respectively. We have been working with the relevant government authorities at state and national level, in addition to potential suppliers and business partners to evaluate the best techno-commercial options over the past year. We have had multiple correspondences with regulatory agencies to update on the progress in this regard. We have issued the Letter of Intent for installation of FGD to competent bidders for our Jharsuguda, Lanjigarh and BALCO captive power facilities.

The timeline for FGD installation at TSPL was December 2019. TSPL had issued letter of intent on SEPCO before this deadline. MOP issued notification dated July 2, 2020 to restrict imports from China. Power China SEPCO1 has communicated their inability to execute the FGD project quoting aforementioned MOP notification and prevailing COVID situation in India. TSPL is proceeding with further steps for retendering the FGD project. The Government of Punjab has written to the concerned authorities for extending the timelines for Punjab power plants till December 2022 to implement FGD. The Punjab Pollution Control Board ("PPCB") issued Show cause Notice (SCN) on November 21, 2019, following which TSPL made a representation to Chairman, PPCB on November 28, 2019. PPCB has since disposed the notice and has forwarded TSPL's request letter for time extension to Central Pollution Control Board ("CPCB") till December 2022 and for further direction. CPCB issued SCN on January 31, 2020 for which TSPL submitted their detailed response to CPCB and representation was made to Chairman, CPCB on February 5, 2020 along with IIT Kanpur study report carried out by TSPL showing negligible contribution of its operation on Delhi's particulate air pollution. The CPCB response is awaited on the same. Meanwhile, CPCB has imposed a nominal fine of ₹ 1.8 million per month per unit for all the plants till they install FGD, which the entity has applied for refund, post MoEF&CC vide notification dated March 31, 2021 extended the FGD installation time limit upto December 2024 APTEL vide order dated August 28, 2020 has approved the said notification including installation and operation of FGD and associated system for Sulphur Dioxide ("SO₂") emissions as well as installation and operation of SNCR and/or any other appropriate technology for Nitrogen Oxid ("NOx") emissions as a change in law event as per the PPA. It has further stated that TSPL is entitled for additional expenditure for installation and operation of FGD and associated systems including all allied cost like taxes, duties etc. as a part of Additional Capital Cost to be incurred by TSPL and has directed the Commission to devise a mechanism for payment of above mentioned costs and other expenses in relation to procurement, installation, commissioning, operation and maintenance of FGD for SO₂ as approved by the concerned authority, after prudence check. PSPCL has appealed against the order in SC and hearings are yet to commence.



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Our business is heavily dependent on plant and machinery for the production of our copper, zinc, oil and gas, iron ore and aluminium products, as well as investments in our mining and exploration operations and our commercial power generation business. Investments to maintain and expand production facilities are, accordingly, an important priority and have a significant effect on our cash flows and future results of operations. Our capital expenditures in fiscal year 2019, 2020 and 2021 were ₹ 89,754 million, ₹ 78,227 million and ₹ 68,833 million (\$ 941 million), respectively, largely due to our capacity expansion and new projects across our oil and gas, copper, zinc, aluminium and power businesses.

ESL has plans for an expansion project with an estimated investment of approximately ₹ 27,000 million (\$ 369 million) for increasing the plant capacity from 1.5 MTPA to 3.0 MTPA in the existing premises. Project includes addition of major facilities like 0.5 MTPA coke plant, new 1.8 MTPA Pellet plant, New 1.1 MTPA blast furnace, 0.18 MTPA DI Pipe plant, railway siding infrastructure, Raw Material Handling System ("RMHS") along with upgradation of existing plants through debottlenecking and digitalization. Project duration will be 16 to 18 months.

HZL has expansion projects in the amount of approximately ₹ 122,100 million (\$ 1,690 million) to be spent on the expansion of its existing underground mines together with the development of the underground mine at Rampura Agucha, expansion of Sindesar Khurd, Zawar, Rajpura Dariba and Kayad mines. As of March 31, 2021, ₹ 109,450 million (\$ 1,496 million) has been spent on the expansion projects. Based on a long-term evaluation of assets and in consultation with global experts, the Company is evaluating plans to increase its mined metal capacity from 1.2 mtpa to 1.5 mtpa. The Board has approved the Phase I of this expansion which will increase mined metal and smelting capacity from 1.2 mtpa to 1.35 mtpa through brownfield expansion of existing mines at an estimated capital expenditure of around ₹ 45,000 million (\$ 597 million).

We commenced exploration campaigns in Rajasthan in our oil and gas business to test prospective reserves. To unlock the potential of the prospective reserves, we are carrying out exploration drilling, seismic activities construction activities and studies. The estimated cost of this project for joint operation partners is \$ 804 million and the corresponding capital expenditure spent on the exploration campaign as of March 31, 2021, is \$ 722 million.

We have ongoing projects set up on the existing producing fields at Mangala, Bhagyam and Aishwariya which approximately amounts to \$ 5,673 million for joint operation partners. The plan involves ramping up or sustaining the production from all the fields for which additional wells and related surface facilities are being drilled and constructed. Further, we continue to focus on infrastructure creation and prudent reservoir management for water flood and enhanced oil recovery implementation. As of March 31, 2021, \$ 4,371 million was spent on the ongoing projects at Mangala, Bhagyam and Aishwariya.

We planned to upgrade the existing Raageshwari gas terminal to provide increased capacity and also to unlock the opportunities in Mangala and Aishwariya Barmer hill development by investing \$ 804 million by the joint operation partners. We are also looking at the options to construct a new gas pipeline to monetize the additional gas potential in the block. As of March 31, 2021, \$ 634 million has been spent.

Also, we are also intending to start the production from the blocks acquired under Open Acreage Licensing policy (OALP). As of March 31, 2021, \$ 55 million has been spent.

We have ₹ 44,240 million (\$ 605 million) of ongoing expansion projects to set up a 400,000 tpa copper smelter plant. Specifically, the proposed capacity expansion at Tuticorin had been delayed since December 2009 due to a writ petition filed before the High Court of Madras which has been dismissed by an order dated April 28, 2016. We legitimately approached for necessary approvals for setting up the project. We received environmental clearance from MoEF&CC in May 2015 and a consent to establish from TNPCB for the smelter in November 2016. In December 2017, we restarted the construction activities of the proposed expansion project and the same were in progress. In the meantime, the Madurai Bench of the High Court of Madras in a Public Interest Litigation filed against the MoEF&CC, State Industries Promotion Corporation of Tamil Nadu (SIPCOT) and us, held vide its order dated May 23, 2018 that the application for renewal of the Environmental Clearance for the Expansion Project shall be processed after a mandatory public hearing and the said application shall be decided by the competent authority on or before September 23, 2018. In the interim, the High Court ordered us to cease construction and all other activities on site for the proposed Expansion Project with immediate effect. The MoEF&CC has delisted the expansion project since the matter is sub judice. Separately, SIPCOT vide its letter dated May 29, 2018, cancelled 342.22 acres of the land allotted for the proposed Expansion Project. Further the TNPCB issued orders on June 7, 2018 directing the withdrawal of the Consent to Establish ("CTE") which is valid till March 31, 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 hearing and is listed for filing of counter by TNPCB on August 4, 2021.

We have incurred ₹ 8,645 million (\$ 118 million) on these ongoing expansions as of March 31, 2021.

BALCO has set up a 325,000 tpa aluminium smelter and 1,200 MW power facility at an estimated cost of ₹ 107,500 million (\$ 1,470 million) which uses pre-baked technology from the Guiyang Aluminium Magnesium Design & Research Institute, or GAMI, of China. The first metal tapping from the 325,000 tpa aluminium smelter started in fiscal year 2015, and commercial production started during fiscal year 2015. On May 13, 2021, the Board approved the expansion of Rolled Product Capacity from existing 50 KTPA to 130 KTPA at a cost of ₹ 3,480 million (\$ 48 Million) which will improve the plant's VAP capacity and overall premium.



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VEDANTA 20-F - IFRS	None		SNG		HTM ESS	0C

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Initially in 2008, we planned to expand our alumina refining capacity at Lanjigarh to 6 mtpa and constructing an associated 210 MW captive power plant. The expansion of the alumina refinery and related mining operations in and around the Niyamgiri was put on hold in October 20, 2010, when the MoEF&CC directed us to hold from further expansion. See “*Item 8. Financial Information—A. Consolidated Statements and Other Financial Information – Legal Proceedings*” for details. As of March 31, 2021, we spent ₹ 46,001 million (\$ 629 million) on the Lanjigarh expansion project (up to 6 mtpa) including other auxiliary assets. Total Project cost for refinery expansion upto 5 MTPA is estimated at ₹ 108,120 million (\$ 1,478 million). On February 3, 2021, the expansion plan to increase the capacity of the Lanjigarh alumina refinery to 5 MTPA was approved by Vedanta Limited Board, subject to requisite Government approvals and further on May 13, 2021, the Board approved the estimated cost of ₹ 46,810 Million (\$ 640 million). The completion of this expansion plan will place the Lanjigarh alumina refinery as one of the world’s largest single-location alumina refinery complex. We had estimated of investing ₹ 150,380 million (\$ 2,056 million) to set up 1,250,000 tpa aluminium smelter at Jharsuguda. As of March 31, 2021, we have already spent ₹ 147,372 million (\$ 2,015 million) on this project. Further, the 120 KTPA Billet capacity expansion project has been approved at a cost of ₹ 1,940 Million (\$ 27 million) which will improve the VAP capacity and the overall premium.

The first 660 MW and second 660 MW unit of the Talwandi Sabo power plant were capitalized in fiscal year 2015 and 2016 respectively. The third 660 MW unit was capitalized on September 1, 2016 after successfully completing trial runs.

We have scheduled repayment of borrowings during fiscal year 2022, outstanding at the end of fiscal year 2021, denominated in a mix of Indian Rupees and US dollars of ₹ 166,650 million (\$ 2,279 million) and ₹ 16,974 million (\$ 232 million), respectively. We plan to finance our capital expenditures and our loan repayment obligations out of our cash flows from operations and financing activities. Our failure to make planned expenditures could adversely affect our ability to maintain or enhance our competitive position and develop higher margin products.

Consistent with our strategy to consolidate our ownership interests in our key subsidiaries, we had exercised the second call option to acquire the GoI’s remaining ownership interest in HZL although the exercise is currently subject to dispute. See “*Item 4. Information on the Company—B. Business Overview—Our Business—Options to Increase Interests in HZL and BALCO*” for more information. The option value will be the fair market value determined by an independent appraiser and will entail significant capital requirements. Based solely on the market price of HZL’s shares on the NSE on June 25, 2021 of ₹ 339.55 (\$ 4.58) per share, and not including the other factors that the independent appraiser may consider, one possible estimation of the exercise price to acquire all of the GoI’s 1,247,950,590 shares in HZL would be ₹ 423,742 million (\$ 5,715 million). If the GoI sells its remaining ownership interest in HZL through a public offer, we may look into alternative means of increasing our ownership interest in HZL.

In addition, we have exercised our option to acquire the GoI’s remaining 49.0% ownership interest in BALCO, although the exercise of this option has been contested by the GoI and the GoI retains the right and has expressed an intention to sell 5.0% of BALCO to BALCO employees. See “*Item 4. Information on the Company—B. Business Overview—Our Business—Options to Increase Interests in HZL and BALCO*” for more information.

We may in the future make acquisitions of mines, plants or minerals and metals businesses that complement or enhance our existing businesses.

We have consistently paid dividends including tax on dividend amounting to ₹ 106,953 million in fiscal year 2019, ₹ 14,441 million in fiscal year 2020 and ₹ 91,216 (\$ 1,247) million in fiscal year 2021.

Capital Resources

We plan to finance our capital requirements through a mix of cash flows from operating and financing activities. We do not depend on off-balance sheet financing arrangements. We believe that our working capital requirements can be sufficiently funded through our internal accruals and undrawn line of credit.



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Comparison of Years Ended March 31, 2020 and March 31, 2021**Net Cash from Operating Activities**

Net cash from operating activities was ₹ 295,952 million (\$ 4,046 million) in fiscal year 2021 compared to net cash from operating activities of ₹ 182,393 million in fiscal year 2020, an increase of ₹ 113,559 million. The net increase in cash from operating activities was primarily due to the following reasons:

- net proceeds of short term investments was ₹ 81,695 million (\$ 1,117 million) in fiscal year 2021 compared to net proceeds of short term investments of ₹ 49,870 million in fiscal year 2020.
- the cash used from operating assets and liabilities (working capital) in fiscal year 2021 was ₹ 7,902 million (\$ 108 million) compared to cash used of ₹ 23,822 million in fiscal year 2020.
- interest received was ₹ 20,351 million (\$ 278 million) in fiscal year 2021 compared to inflow of ₹ 9,401 million in fiscal year 2020.
- dividend received was ₹ 18 million (\$ 0 million) in fiscal year 2021 compared to inflow of ₹ 181 million in fiscal year 2020.

We believe our current working capital is sufficient for our present capital requirements.

Net Cash Used in Investing Activities

Net cash used in investing activities was ₹ 167,358 million (\$ 2,288 million) in fiscal year 2021 as compared to net cash used of ₹ 116,866 million in fiscal year 2020. The net cash used in investing activities in fiscal year 2021 was higher primarily due to:

- lower cash used towards acquisition of property, plant and equipment of ₹ 68,833 million (\$ 941 million) in fiscal year 2021 as compared to ₹ 78,227 million in fiscal year 2020.
- net cash inflow on account of structured investments was ₹ 26,420 million in fiscal year 2020 as compared to nil in fiscal year 2021.
- net cash outflow on account of short-term deposits was ₹ 34,206 million (\$ 468 million) in fiscal year 2021 as compared to cash outflow of ₹ 66,265 million in fiscal year 2020.
- net cash outflow on account of loans given to related party was ₹ 65,484 million (\$ 895 million) in fiscal year 2021 as compared to nil in fiscal year 2020.
- net cash outflow on account of acquisition of business was ₹ 448 million (\$ 6 million) in fiscal year 2021 as compared to net cash outflow of ₹ 335 million in fiscal year 2020.

Net Cash used in Financing Activities

Net cash used in financing activities was ₹ 131,371 million (\$ 1,796 million) in fiscal year 2021 and ₹ 87,356 million in fiscal year 2020, primarily on account of:

- net cash inflow from long-term and short-term debts (other than working capital and related party debt) was ₹ 84,916 million (\$ 1,161 million) in fiscal year 2021 as compared to cash inflow of ₹ 23,804 million in fiscal year 2020.
- net cash outflow for payment of dividend (including deemed dividend and payment of dividend by subsidiaries to non-controlling interests) of ₹ 91,216 million (\$ 1,247 million) in fiscal year 2021 as compared to ₹ 14,441 million in fiscal year 2020.
- net cash outflow from working capital loans was ₹ 95,925 million (\$ 1,312 million) in fiscal year 2021 as compared to cash outflow of ₹ 113,658 million in fiscal year 2020.

Comparison of Years Ended March 31, 2019 and March 31, 2020**Net Cash from Operating Activities**

Net cash from operating activities was ₹ 182,393 million (\$ 2,420 million) in fiscal year 2020 compared to net cash from operating activities of ₹ 208,420 million in fiscal year 2019, a decrease of ₹ 26,027 million. The net decrease in cash from operating activities was primarily due to the following reasons:

- net proceeds of short term investments was ₹ 49,870 million (\$ 661 million) in fiscal year 2020 compared to net proceeds of short term investments of ₹ 18,296 million in fiscal year 2019.
- the cash used from operating assets and liabilities (working capital) in fiscal year 2020 was ₹ 23,822 million (\$ 314 million) compared to cash generated of ₹ 32,790 million in fiscal year 2019.
- interest received was ₹ 9,401 million (\$ 125 million) in fiscal year 2020 compared to inflow of ₹ 8,868 million in fiscal year 2019.
- dividend received was ₹ 181 million (\$ 2 million) in fiscal year 2020 compared to inflow of ₹ 306 million in fiscal year 2019.

We believe our current working capital is sufficient for our present capital requirements.

**Net Cash Used in Investing Activities**

Net cash used in investing activities was ₹ 116,866 million (\$ 1,551 million) in fiscal year 2020 as compared to net cash used of ₹ 133,147 million in fiscal year 2019. The net cash used in investing activities in fiscal year 2020 was lower primarily due to:

- lower cash used towards acquisition of property, plant and equipment of ₹ 78,227 million (\$ 1,038 million) in fiscal year 2020 as compared to ₹ 89,754 million in fiscal year 2019.
- net cash inflow on account of structured investments was ₹ 26,420 million (\$ 350 million) in fiscal year 2020 as compared to cash outflow of ₹ 18,152 million in fiscal year 2019.
- net cash outflow on account of short-term deposits was ₹ 66,265 million (\$ 879 million) in fiscal year 2020 as compared to cash inflow of ₹ 24,191 million in fiscal year 2019
- net cash outflow on account of acquisition of business was ₹ 335 million (\$ 4 million) in fiscal year 2020 as compared to net cash outflow of ₹ 50,750 million in fiscal year 2019.

Net Cash used in Financing Activities

Net cash used in financing activities was ₹ 87,356 million (\$ 1,159 million) in fiscal year 2020 and ₹ 45,643 million in fiscal year 2019, primarily on account of:

- net cash inflow from long-term and short-term debts (other than working capital and related party debt) was ₹ 23,804 million (\$ 316 million) in fiscal year 2020 as compared to cash inflow of ₹ 81,972 million in fiscal year 2019.
- net cash outflow for payment of dividend (including deemed dividend and payment of dividend by subsidiaries to non-controlling interests) of ₹ 14,441 million (\$ 192 million) in fiscal year 2020 as compared to ₹ 106,953 million in fiscal year 2019.
- net cash outflow from working capital loans was ₹ 113,658 million (\$ 1,508 million) in fiscal year 2020 as compared to cash outflow of ₹ 6,265 million in fiscal year 2019.

Outstanding Loans

See “*Note 22: Borrowings*” of Notes to the Consolidated Financial Statements.

Export Obligations

See “*Note 33: Commitments, guarantees, contingencies and other disclosures—Export Obligations*” of Notes to the Consolidated Financial Statements.

Guarantees

See “*Note 33: Commitments, guarantees, contingencies and other disclosures—Guarantees*” of Notes to the Consolidated Financial Statements.

Capital Expenditure and Commitments

Our principal financing requirements primarily include:

- capital expenditures, towards expansion of capacities in existing businesses including modernization of facilities;
- the establishment of our planned commercial power generation business;
- consolidation of our ownership in our various subsidiaries; and
- acquisitions of complementary businesses that we determine to be attractive opportunities.

The following table shows our capital expenditures in fiscal years 2019, 2020 and 2021:

Particulars	For Year Ended March 31,			
	2019	2020	2021	2021
		(in millions)		(US dollars in millions)
Capital Expenditure	89,754	78,227	68,833	941

Capital Commitments

See “*Note 33: Commitments, guarantees, contingencies and other disclosures*” of Notes to the Consolidated Financial Statements for disclosures on capital commitments.

Contingencies

See “*Note 33: Commitments, guarantees, contingencies and other disclosures*” of Notes to the Consolidated Financial Statements for disclosure on contingent liabilities.

Off-Balance Sheet Arrangements

See “*Note 33: Commitments, guarantees, contingencies and other disclosures*” of Notes to the Consolidated Financial Statements for disclosure on off-Balance Sheet arrangements.

**Contractual Obligations**

The following table sets out our total future commitments to settle contractual obligations as of March 31, 2021:

Contractual obligations	Payment Due by Period (in millions)									
	Total		Less than 1 Year		1-3 Years		3-5 Years		More than 5 Years	
	(₹)	(\$)	(₹)	(\$)	(₹)	(\$)	(₹)	(\$)	(₹)	(\$)
Bank loans and borrowings	571,351	7,812	190,081	2,599	169,493	2,317	85,044	1,163	126,733	1,733
Interest commitments ⁽¹⁾	156,424	2,139	45,055	616	51,386	703	31,682	433	28,301	387
Other non-current liabilities ⁽²⁾	300,205	4,104	286,685	3,919	12,518	171	220	3	782	11
Capital commitments	141,544	1,935	35,748	489	42,941	587	62,855	859	—	—
Total	1,169,524	15,990	557,568	7,623	276,338	3,778	179,801	2,458	155,816	2,131

- (1) Interest payments for long-term fixed rate debts have been calculated based on applicable rates and payment dates. Interest payments on floating rate debt have been calculated based on the payment dates and rates as applicable on March 31, 2021 for each relevant debt instrument.
- (2) Other non-current liabilities consist of security deposits and retentions.

Our total future commitments to settle contractual obligations as of March 31, 2021 were ₹ 1,169,524 (\$ 15,990 million), representing a ₹ 12,277 million decrease as compared to our total future commitments to settle contractual obligations as of March 31, 2020.

Net defined benefit liability relating to post retirement benefit obligations recorded in accordance with IAS 19 - Employee Benefits is included in Note 27 in Item 18 in this Annual Report. Refer to "Note 27 in Item 18 in this Annual Report" for further details.

Safe Harbor

See "Special note regarding forward-looking statements"

Foreign exchange effects

See "Note 25: Financial instruments - Financial risk - Foreign exchange risk" of Notes to the Consolidated Financial Statements.

Recently issued accounting pronouncements

See "Note 3 (b): Application of new and revised standards" of Notes to the Consolidated Financial Statements.

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES**A. Directors and Senior Management**

Our board of directors consists of nine directors.



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The following table sets forth the name, age and position of each of our chairman, directors, other executive officers and significant employees as of the date hereof:

Name#	Age	Position
Anil Agarwal ⁽¹⁾	68	Non-Executive Chairman
Directors		
Navin Agarwal ⁽²⁾	60	Executive Vice-Chairman and Whole Time Director*
Padmini Somani ⁽³⁾	45	Non-Executive Independent Director
Dindayal Jalan ⁽⁴⁾	64	Non-Executive Independent Director
Priya Agarwal ⁽⁵⁾	31	Non-Executive Non – Independent Director
Upendra Kumar Sinha ⁽⁶⁾	69	Non-Executive Independent Director
Mahendra Kumar Sharma ⁽⁷⁾	74	Non-Executive Independent Director
Akhilesh Joshi ⁽⁸⁾	67	Non-Executive Independent Director
Sunil Duggal ⁽⁹⁾	58	Whole Time Director* and Chief Executive Officer
Other Executive Officers		
Sharad Kumar Gargiya	48	Chief Commercial Officer
Madhu Srivastava	47	Chief Human Resources Officer
Dilip Golani	55	President, Management Assurance Services
Varun Kapoor	44	Director- Investor Relations
Andrew Lewin	61	Head, Health, Safety, Environment and Sustainability
Ajay Goel	45	Deputy Chief Financial Officer
Roma Balwani	62	Senior Director, Communications and Brand
Dhiraj Nayyar	45	Director, Economics and Policy
Vikash Jain	44	General Counsel (Interim)
Leena Verenkar	50	Head- Corporate Social responsibility
Anand Laxshmivarahan R	43	Chief Digital Officer (Interim)
Philip Campbell	61	Head- Asset Optimization
Significant Employees		
<i>Zinc India</i>		
Arun Misra	56	Chief Executive Officer, Hindustan Zinc Limited
Vinaya Jain	46	Finance Head, Hindustan Zinc Limited
<i>Zinc International</i>		
Laxman Shekhawat	53	Anchor, Zinc International Division and CMT
Pushpender Singla	39	Chief Financial Officer, Zinc International Division and CMT
<i>Oil and Gas</i>		
Prachur Sah	45	Deputy Chief Executive Officer, Cairn Oil & Gas
Hitesh Vaid	48	Deputy Chief Financial Officer, Cairn Oil and Gas
<i>Iron Ore and Steel</i>		
Sauvick Mazumdar	50	Chief Executive Officer, Iron and Steel Business
Navin Kumar Jaju	39	Chief Financial Officer, Iron Ore Business
Navanath Vhatte	58	Chief Executive Officer, Electrosteel Steels Limited
<i>Copper</i>		
Pankaj Kumar	53	Chief Executive Officer, Copper Operations at Tuticorin and Silvassa
Anand Soni	41	Chief Financial Officer, Copper Operations at Tuticorin and Silvassa
<i>Aluminium and Power</i>		
Ajay Kapur	55	Chief Executive Officer, Aluminium and Power & MD- Commercial
Rahul Sharma	48	Deputy Chief Executive Officer, Aluminium Business
Abhijit Pati	55	Chief Executive Officer and Whole-time Director, BALCO
Chhavi Nath Singh	61	Chief Executive Officer (Interim), Jharsuguda.
Vikas Sharma	57	Chief Executive Officer and Whole-time Director, TSPL
Sonam Donkar	41	Chief Financial Officer, Aluminium Business
Gobinda Gopal Pal	56	Deputy Chief Executive Officer, Alumina Business

* A “Whole Time Director” is a director who is in whole-time employment of the Company. A Whole-Time Key Managerial Personnel cannot hold office in more than one company except in its subsidiary company.

Notes

- (a) Lalita D. Gupte stepped down from her post of Non-Executive Independent Director of the Company from close of business hours on Friday, November 6, 2020;
- (b) Krishnamurthi Venkataramanan ceased to be Non-Executive Independent Director of the Company from close of business hours on March 31, 2021 upon completion of his second and final term;
- (c) GR Arun Kumar resigned from the post of Whole-Time Director & Chief Financial Officer of the Company and was relieved from his position effective from close of business hours on April 24, 2021;



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VEDANTA 20-F - IFRS	None		SNG		HTM ESS	0C

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- (1) Anil Agarwal was appointed as the Chairman Emeritus of our Company with effect from April 1, 2014 and ceased to be a member of the Board with effect from April 1, 2014. Subsequently, he has been appointed as an additional Non-Executive Director designated as Chairman of the Company with effect from April 1, 2020 which was approved by the shareholders in the Annual General Meeting of the Company held on September 30, 2020. He is member of Nomination & Remuneration Committee.
- (2) Navin Agarwal was appointed as an Executive Chairman with effect from April 1, 2014. Navin Agarwal was appointed as Whole Time Director with effect from August 17, 2013 to July 31, 2018 and further reappointed with effect from August 1, 2018 upto July 31, 2023. Subsequently, he has been re-designated as Executive Vice-Chairman of the Company with effect from April 1, 2020 and ceased to be a member of the Nomination and Remuneration Committee with effect from April 1, 2020. He is a permanent invitee of the Nomination and Remuneration Committee;
- (3) Padmini Somani has been appointed as an Additional Director designated as Non-Executive Independent Director with effect from February 5, 2021 for a 1st term of two years effective from February 5, 2021 till February 4, 2023 subject to the approval of the shareholders at the ensuing Annual General Meeting. She is also a member of the Corporate Social Responsibility Committee effective February 5, 2021 and appointed as a member of the Stakeholders Relationship Committee effective April 01, 2021.
- (4) Dindayal Jalan has been appointed as an Additional Director designated as Non-Executive Independent Director of the Company for a 1st term of two years effective from April 1, 2021 till March 31, 2023 subject to the approval of the shareholders at the ensuing Annual General Meeting. He has been appointed as a member of the Audit & Risk Management Committee, Nomination & Remuneration Committee and Sustainability Committee effective April 1, 2021.
- (5) Priya Agarwal was appointed as a Non-Executive Non-Independent Director with effect from May 17, 2017. She was appointed as a Non-Independent Director for a term of 3 years effective from May 17, 2017 to May 16, 2020 and further reappointed for a term of 3 years effective from May 17, 2020 till May 16, 2023 which was approved by the shareholders at the Annual General Meeting held on September 30, 2020. As on date, Priya Agarwal is a member of the Corporate Social Responsibility Committee.
- (6) Upendra Kumar Sinha was appointed as a Non-Executive Independent Director with effect from March 13, 2018 till August 10, 2021 which was approved by the shareholders at the Annual General Meeting held on August 24, 2018. In June 2021, the Board of Directors, on recommendation of Nomination and Remuneration Committee of the Company, have considered and approved the re-appointment of Upendra Kumar Sinha as Non-Executive Independent Director on the Board of the Company for a 2nd and final term of 3 years effective from August 11, 2021 to August 10, 2024, subject to approval of the shareholders at the ensuing Annual General Meeting. Upendra Kumar Sinha is the Chairperson of the Stakeholders Relationship Committee and Nomination & Remuneration Committee and member of the Audit & Risk Management Committee and Corporate Social Responsibility Committee. He has been designated as the Chairperson of the Sustainability Committee effective from April 1, 2021.
- (7) Mahendra Kumar Sharma was appointed as Non-Executive Independent Director with effect from June 1, 2019 till May 3, 2022 which was approved by the shareholders of the company at the Annual General Meeting held on July 11, 2019. Mahendra Kumar Sharma is the chairperson of the Audit & Risk Management Committee and Corporate Social Responsibility Committee and member of the Nomination & Remuneration Committee and Stakeholders Relationship Committee.
- (8) Akhilesh Joshi was appointed as an Additional Director designated as Non-Executive Independent Director on the Board of the Company for a 1st term of 1 year effective July 01, 2021 till June 30, 2022, subject to approval of the shareholders at the ensuing Annual General Meeting. He has been appointed as a member of the Audit & Risk Management Committee and Sustainability Committee effective July 1, 2021
- (9) Sunil Duggal has been appointed as an Additional Director designated as Whole-Time Director & CEO and KMP of the Company effective from April 25, 2021 till July 31, 2023, subject to the approval of the shareholders of the Company at the ensuing Annual General Meeting. Sunil Duggal continued to be the member of Sustainability Committee and has been newly appointed as a member of the Stakeholders Relationship Committee effective from April 25, 2021.

Non-Executive Chairman

- *Anil Agarwal* was appointed to the Board in May 2003 and is the Executive Chairman of Vedanta Resources Limited since March 2005 and chairs the Nominations Committee. He became the Non-Executive chairman of Vedanta Limited in April 2020. Mr. Agarwal founded the Group in 1976 and has over four decades of entrepreneurial and mining experience. He has led the Group and has helped shape its strategic vision to contribute to a larger purpose towards uplifting communities. Under his leadership, Vedanta has grown from an Indian domestic miner into a global natural resources group with entities listed in a number of markets and a world class portfolio of large, diversified, structurally low-cost assets that are capable of generating strong cash flows. Mr. Agarwal has this year signed the Giving Pledge, a movement of global philanthropists who commit to giving the majority of their wealth to philanthropy or charitable causes. The Anil Agarwal Foundation is committed towards empowering communities, transforming lives and facilitating nation building through sustainable and inclusive growth. Nand Ghars have been created as model anganwadis which are focused on eradicating child malnutrition, providing education, healthcare, and empowering women with skill development. The Anil Agarwal Foundation has teamed up with the Bill & Melinda Gates Foundation to achieve United Nations Sustainable Development Goal 2, which aims to end all forms of hunger and malnutrition by 2030. Anil Agarwal is also the Executive Chairman of Vedanta and a director of Sterlite Technologies Limited, Conclave PTC Limited, Black Mountain Mining (Proprietary) Limited and Anil Agarwal Foundation. He is the son of Late Shri Dwarka Prasad Agarwal and is the brother of Navin Agarwal and father of Priya Agarwal. The business address of Anil Agarwal is 75 Nehru Road, Vile Parle (East), Mumbai, Maharashtra 400099, India.



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Directors

- *Navin Agarwal* has been with the Group since its inception and has four decades of strategic executive experience. Under his stewardship, Vedanta has enjoyed leadership position in all the major sectors in which it operates. Over the years, he has been instrumental in building a highly successful meritocratic organization, anchored by an extraordinary force of 100,000 employees. He spearheads our strategy through a mix of organic growth and value-generating acquisitions leading to Vedanta's transformation into a globally diversified natural resources company. He is passionate about developing leadership talent and has been responsible for creating a culture of excellence at Vedanta through the application of advanced technologies and global best practices. He drives Vedanta's unwavering commitment to the highest standards of corporate governance and engagement with key stakeholders. His vision is to gradually unlock the enormous potential of the natural resources sector and make it an engine of growth for India. The overarching vision of empowering the nation by achieving self-sufficiency in the resource sector remains close to his heart. In recognition of his exceptional distinction in the fields of business and entrepreneurship and contribution to the natural resources sector, he was conferred with the 'Industrialist of the Year' award by the Bombay Management Association for 2018. He is a fervent advocate of sustainable development and is committed to the empowerment of women and promotion of culture and sports. He has been the Executive Chairman of Vedanta Limited from April 1, 2014 till March 31, 2020 and with effect from April 1, 2020, he has been re-designated as Executive Vice - Chairman. He serves as Executive Vice Chairman of Vedanta and a Non-Executive Director of HZL and Hare Krishna Packaging Private Limited. He has completed the Owner/President management program at Harvard University and holds a bachelor's degree in commerce from Sydenham College, Mumbai, India. He is the son of Late Shri Dwarka Prasad Agarwal and is the brother of Anil Agarwal. The business address of Navin Agarwal is 75 Nehru Road, Vile Parle (East), Mumbai, Maharashtra 400099, India.
- *Padmini Somani* is one of our independent directors and was appointed to our Board with effect from February 5, 2021. She has been active in the philanthropy and development space for over 20 years. She is the vision behind Salaam Bombay Foundation that she founded in 2002, working with more than 3 million children across India. She has been recognized for her work in youth education, health, and skilling programs with vulnerable and marginalized populations. Having established the largest preventive school based program in tobacco control in India she has also received a number of awards and recognitions including from the WHO, and the Mayor's citation from Michael Bloomberg. Padmini Somani holds bachelor's degree in Economics from Sophia College for Women, Mumbai and completed her Master's in Financial Economics from University of London. She has also been awarded the prestigious Silver Jubilee Pendant and more recently the "Distinguish Alumnum" Award and is an alumnum of the London School of Economics and the London Business School. Padmini Somani serves as a Director on various boards of companies, organizations, charities, and educational institutes including Everest Industries Limited, Madhurima International Private Limited, Narotam Sekhsaria Foundation, Salaam Bombay Foundation, FSN E-Commerce Ventures Private Limited, Ambuja Cement Foundation, Falak Investment Private Limited, Aga Khan Health Services India, Trapu Investments Private Limited, Trapu Cans Private Limited, GACL Finance Private Limited, Radha Madhav Investments Private Limited and as a Managing Director of Madhurima Limited (UK). The business address of Padmini Somani is 2001, Lodha Altamount, Altamount Road, Mumbai – 400026, Maharashtra, India.
- *Dindayal Jalan* is one of our independent directors and has been appointed to our Board with effect from April 1, 2021. Dindayal Jalan is a Chartered Accountant and has over 40 years of extensive experience in managing business and finance of large metal & mining companies. He is currently an entrepreneur and independent director on Boards of some prominent Companies. In his previous role, before superannuation in 2016, he was the Group CFO of London listed Vedanta Resources Plc. and an Executive Director and CFO of Vedanta Limited. He started his corporate journey in 1978 with Aditya Birla Group's Hindustan Gas & Industries Limited as a management trainee, rising upto the ranks of finance & commercial head. He was instrumental in transforming iron ore business & setting up a greenfield SME business for Essel Mining, an associate company. In 1996, he moved to Birla Copper to lead Finance & Commercial function. He was part of the Core team instrumental in setting up and operationalizing the greenfield Copper Smelting project, into a robust operating business. He was responsible for raising finance, building the finance team, putting in place strong business process & systems, negotiating stable sources for long term raw material supplies, setting up commodity hedging desk and building a robust marketing organization. In the year 2001, he moved to Sterlite Industries (now Vedanta Limited) as CEO of its Copper mining business in Australia for five years. He led turnaround of the business, working in a multicultural environment. In 2003, he was appointed as the CFO of Sterlite Industries. In 2005, he was elevated to, CFO of Vedanta Resources PLC, a FTSE 250, London listed company. In this role, he provided strategic leadership to the finance function with a clear focus on enhancing shareholder's value by improving capital management, governance framework, systems and processes, developing a robust Finance team. He was closely partnering with CEO to drive business performance. Dindayal Jalan serves as a director on the boards of HDFC Trustee Company Limited and Bharat Aluminum Company Limited. The business address of Dindayal Jalan is D-807, Ashok Tower, 63/74, SS Rao Road, Parel, Mumbai - 400012, Maharashtra, India.
- *Priya Agarwal* is one of our Non-Executive directors and was appointed to our Board with effect from May 17, 2017 and reappointed with effect from May 17, 2020. She brings with her experience in public relations with Ogilvy & Mather and in human resources with Rediffusion Y&R. She holds a bachelor's degree in Science (Psychology) with Business Management from the University of Warwick in the UK. She anchors Corporate Social Responsibility, Public Relations & Communications for the Group. She is also a director of Anil Agarwal Foundation. She is the daughter of Anil Agarwal. The business address of Priya Agarwal is 75 Nehru Road, Vile Parle (East), Mumbai, Maharashtra 400099, India.
- *Upendra Kumar Sinha* is one of our Independent Directors and was appointed to our Board with effect from March 13, 2018. He has over three decades of experience and has served as the Chairman of Securities and Exchange Board of India (SEBI) from February 2011 to March 2017. He was instrumental in bringing about key capital market reforms. Under his leadership, SEBI introduced significant regulatory amendments to the various acts enhancing corporate governance and disclosure norms. Prior to joining SEBI, he was the Chairman and Managing Director of UTI Asset Management Company Private Limited and has also worked for the Department of Economic Affairs under the Ministry of Finance, India. Upendra Kumar Sinha also serves as director on the boards of several companies including Havells India Limited, Housing Development Finance Corporation Limited and Aavishkaar Venture Management Services Private Limited, as a Board member at Aavishkaar Foundation, Senior Advisor at Max Healthcare Institute Limited and Member Advisory Board at Gaja Corporate Advisors Private Limited. He is also a member of the Army Group Insurance and member of Court of Governors at the Administrative Staff College of India, Hyderabad. The business address of Upendra Kumar Sinha is K 94, 2nd Floor, Hauz Khas Enclave, New Delhi - 110 016, India.



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- *Mahendra Kumar Sharma* is one of our independent directors and was appointed to our Board effective June 1, 2019. He has over four decades of experience. He retired in May 2007 as the Vice-Chairman of Hindustan Unilever Limited. As Vice Chairman he had responsibility for H.R, Legal & Secretarial, Corporate Affairs, Corporate Communications, Corporate Real Estate functions and new ventures, plantations, and export businesses of the Company. He displays passion for ensuring highest standards of corporate governance and adherence to responsible and ethical conduct in all aspects of business operations. He holds bachelor's degree in Arts and Bachelors of Law Degree from Canning College, University of Lucknow, completed Post Graduate Diploma in Personnel Management from Department of Business Management, University of Delhi and Diploma in Labour Laws from Indian Law Institute, Delhi. In 1999 he was nominated to attend Advance Management Programme at Harvard Business School. Mahendra Kumar Sharma served on the seven member committee constituted by the GoI for redrafting the Companies Act and was also a member of the Naresh Chandra Committee constituted by GoI which formulated norms for Corporate Governance in India. He is currently the Non-Executive Chairman and Independent Director of United Spirits Limited – Indian subsidiary of Diageo, Atria Convergence Technologies Ltd, (an unlisted public company), an Independent Director of Wipro Limited, Asian Paints Limited, The Anglo Scottish Education Society which runs the Cathedral & John Cannon School in South Mumbai and Non-Executive Non-Independent Director of Ambuja Cements Limited. He also serves on the board of Gwalior Webbing Co. Private Limited, East India Investment Co. Private Limited and Indian School of Business, Hyderabad. He is also the member of National Management Committee and trustee of Indian Cancer Society and Cathedral Welfare Trust. The business address of Mahendra Kumar Sharma is Flat 192-A Wing, Centrum Towers, Barkat Ali Road, Near Wadala East, Mumbai – 400037, Maharashtra, India.
- *Akhilesh Joshi* is a first-class mine manager, who began his career at HZL in 1976 and was appointed as COO and Whole-time Director in the period between 2008-2012. He took over as HZL's CEO and Whole-time Director in the period between 2012-2015. He was designated as President of Vedanta's Global Zinc Business during 2015-2016. He is the recipient of National Mineral Award 2006, by Govt. of India for his outstanding contribution in Mining Technology and Business Today Best CEO Award (Core Sector) 2013. Akhilesh Joshi serves on the boards of companies like Hindustan Zinc Limited, Rajasthan State Mines and Minerals Ltd, Ferro Alloys Corporation Limited and Facor Power Limited. The business address of Akhilesh Joshi is 54, Polo Ground, Udaipur - 313 002, Rajasthan, India.
- *Sunil Duggal* was appointed as the Interim CEO of Vedanta Limited effective April 6, 2020 and subsequently CEO effective August 1, 2020 and Whole-Time Director effective April 24, 2021. Prior to that he was the CEO & Whole-time Director of Hindustan Zinc Limited (HZL), a subsidiary of the Company from year 2015 and completed his tenure in July 2020. He had been associated with HZL since 2010 as Executive Director and thereafter became the Chief Operating Officer in the year 2012 and Dy. CEO in 2014. He is a result oriented professional with over 37 years of experience of leading high-performance teams and more than 20+ years in leadership positions. He is known for his ability to calmly navigate through tough and challenging times, nurture and grow a business, evaluate opportunities and risks and successfully drive efficiency and productivity whilst reducing costs and inefficiencies and deliver innovative solutions to challenges. His thrust on adopting best-in-class mining and smelting techniques, state-of-the-art, environment-friendly technologies and mechanisation, automation & digitalisation of operational activities has added great value. He has an Electrical Engineering degree from Thapar Institute of Engineering & Technology, Patiala. He is an Alumni of IMD, Lausanne - Switzerland and IIM, Kolkata. He is serving as Vice Chairman – International Zinc Association and President – Indian Lead Zinc Development Association. Recently, he has been appointed as the Chair – Confederation of Indian Industry (CII) National Committee on Mining. He also serves as a Director of Skill Council for Mining Sector and Federation of India Mineral Industries. The business address of Sunil Duggal is Core-6, 3rd Floor, Scope Complex, 7, Lodhi Road, New Delhi – 110 003, India.

Executive Officers

- *Sharad Kumar Gargiya* has been appointed as Chief Commercial Officer of Vedanta with effect from April 2020. He has been associated with Vedanta Group since October 1998 and has held key senior leadership roles as Chief financial Officer and Chief commercial officer across the group companies. He has been an integral part of the Vedanta group Executive committee and Group Management committee. He is member of the Group Ethics Committee since 2016 and an active member of Group insurance council for over 5 years. He is a versatile leader and has over 22 years of experience in leading high-performance teams, developing and executing strategic initiatives, driving business excellence, and cultural transformation. He has contributed significantly in unlocking the business value through his leadership and strategic roles at Telecom cable, Copper, Aluminum and Power business and Zinc. He has a proven track record of adopting best-in-class technologies and processes to increase efficiencies and optimize cost with a focus on building automation and digitalization of operational activities. The business address of Sharad Kumar Gargiya is Vedanta House, Nehru Road, Mumbai, Maharashtra, India.
- *Madhu Srivastava* was appointed as the Chief Human Resources Officer of Vedanta in December 2018. She has been associated with Vedanta for more than eight years and in her earlier role, she was the Chief Human Resources Officer of Cairn- oil and gas business for close to three years. During this time, she was also leading the Talent Acquisition and Diversity and Inclusion functions for Vedanta. Under her leadership, the Vedanta Group has put in place the right Human Resource policies, progressive and benchmarked people practices and frameworks for talent acquisition talent management, performance management, and rewards and recognition. She has 21 years of experience across human resource as well as sales, marketing and operations, spanning the Fast-Moving Consumer Goods ("FMCG"), telecom, Information Technology Enabled Service ("ITES"), Banking, financial services and insurance ("BFSI") and natural resources industries. Madhu started her professional journey in 1999 with Godrej where she handled sales in Gujarat and Maharashtra and later moved to the Corporate Sales & Marketing role. Post working with companies like GE Capital and Reliance in operations and marketing profiles, she started her Human Resources journey in 2006 by joining Genpact as Assistant Vice President, Talent Acquisition where she led middle management hiring. She then went on to lead the recruitments for Citibank's India operations as Vice President, Human Resource before joining Vedanta in 2012. Madhu has completed her Post Graduate Diploma in Management ("PGDM") in marketing and sales, from the Indian Institute of Management, Ahmedabad The business address of Madhu Srivastava is Core – 6, 3rd Floor, SCOPE Complex 7, Lodhi Road, New Delhi – 110003, India.



- *Dilip Golani* currently heads the Vedanta Management Assurance Services function as President, Management Assurance Services. He previously headed the sales and marketing division for HZL and the Vedanta performance management function. Prior to joining the group in April 2000, Dilip Golani was a member of the Unilever corporate audit team responsible for auditing the Unilever group companies in Central Asia, Middle East and Africa region. Prior to that, he was responsible for managing operations and marketing functions for one of the exports businesses of Unilever India. He has over 30 years of experience and has previously worked with organizations such as Union Carbide India Limited and Ranbaxy Laboratories Limited. Dilip Golani holds a bachelor's degree in Mechanical Engineering and has completed his post graduate studies in Industrial Engineering and Management from the National Institute of Industrial Engineering, Mumbai, India. The business address of Dilip Golani is 75 Nehru Road, Vile Parle (East), Mumbai, Maharashtra 400099, India.
- *Varun Kapoor* was appointed as Director – Investor Relations for Vedanta on January 2, 2021. Prior to this role, he was the Chief Strategy & Business Excellence of Cairn Oil and Gas business. He is working towards enhancing the quality, depth and diversity of our shareholder base and investors to ensure optimum valuation for the Company. Mr. Kapoor has more than 18 years of rich leadership and employee experience, having joined Cairn in 2008 and worked in various domains like Mergers & Acquisitions, Commercial & New Business, Gas SBU Asset Management, Business Strategy, Corporate Planning and Business Excellence. Prior to joining Cairn, Mr. Kapoor had experience in buy-side and sell-side equity research with top tier funds and banks like Fidelity, Deutsche Bank, S&P Crisil. He holds a PGDM from IIM Calcutta and a Masters & a Bachelor's degree in Economics from Delhi University. The business address of Varun Kapoor is Core – 6, 3rd Floor, SCOPE Complex 7, Lodhi Road, New Delhi – 110003, India
- *Andrew Lewin* joined us as Group Health, Safety, Environment and Sustainability Head in February 2020. He has over 33 years of experience within mining and oil and gas industries. Previously, he was Managing Director at Spectrum Risk Consulting, Australia. He has also held a number of senior roles at BHP Billiton, Newmont Mining Corporation and other companies across USA, Australia and UK with responsibility for health, safety, environment and sustainability assurance. He has done PhD in Chemistry from University of Waterloo and Postgraduate Diploma in Health and Safety from Aston University, England. He also holds M.Sc. degree in Physics from The University of Manchester, and a B. Sc. (Hons) degree in Chemistry from University of Bristol. The business address of Andrew Lewin is Hindustan Zinc Limited, Yashad Bhawan, Udaipur- 313 004, Rajasthan, India.
- *Roma Balwani* was appointed as Senior Director of Communications and Brand with effect from December 2020. Prior to this she was holding position as Director of Communications and Brand since October 2019. Earlier she was Sr. Advisor from April 2019. Roma's prior stint with Vedanta was as President- of Group Communications, Sustainability and Corporate Social Responsibility from April 2014 till August 2017. Prior to joining our company, she was Chief Communications Officer at Mahindra and Mahindra Limited. With over three decades of experience, she has won several Indian and International awards and accolades and she speaks at several Summits on Sustainable Development and Communications in India and overseas. She has the distinction of being included for 3 consecutive years in the Holmes Global Report, USA, a recognition in the Global Influence 100 listing of In-house Communicators. She is a Director on the board of John Cockerill, India (formerly "CMI FPE Ltd"), the Indian subsidiary of the Belgian company John Cockerill. Roma also chairs the CSR and NR committees as a board member. She did her graduation in economics from Mumbai University and post-graduation (Diploma) in marketing management from Sasmira's Institute of Management Studies and Research, Mumbai and has completed executive management program at Harvard Business School, Massachusetts, USA. The business address of Roma Balwani is 75 Nehru Road, Vile Parle (East), Mumbai, Maharashtra 400099, India.
- *Dhiraj Nayyar* was appointed as Director, Economics and Policy in October 2019. Prior to this, he was the Chief Economist of Vedanta Limited since October 2018. Before joining Vedanta, he was Officer on Special Duty and Head, Economics, Finance and Commerce at NITI Aayog, GoI from October 2015 till October 2018. He has more than 15 years of experience in economics domain. In this role, functionally equivalent to Joint Secretary, GoI, he was responsible for all policy matters related to the Departments of Economic Affairs, Revenue, Financial Services, Investment and Public Asset Management and Commerce. He was Secretary of the Inter-Ministerial Committee on Sick and Loss-Making Public-Sector Enterprises, Member-Secretary of NITI Aayog's Committee on Strategic Disinvestment and Member, Spices Board. Prior to joining Government, Dhiraj spent several years in the media in senior positions. He was an India columnist at Bloomberg View, managing editor at The Quint, editor-at-large at Firstpost.com, Deputy Editor at India Today and Opinion Editor at Financial Express. Dhiraj did BA Honours in economics from St. Stephen's College, Delhi University, M.A. in Philosophy, Politics and Economics from Merton College, Oxford and M. Phil in Development Economics from Trinity College, Cambridge where he also pursued doctoral research in Economics and taught development economics. The business address of Dhiraj Nayyar is Core – 6, 3rd Floor, SCOPE Complex, 7, Lodhi Road, New Delhi – 110003, India.
- *Leena Verenkar* was appointed as Head of Corporate Social responsibility (Vedanta) in October 2019. In addition to the current responsibilities, she also holds the charge as the Chief of Advocacy & Public relations and Head of Corporate Social responsibility for Sesa Iron Ore Business since 2015. Prior to this, she was Head of CSR of Iron Ore Goa since 2010. Leena started her career with our company in 1996, in the field of environment management and compliance and led the environment team for 12 years. She has more than 25 years of experience in environment management, community relations, advocacy and public relations. Leena holds master's degree in microbiology from Goa University and in ecology and environment from Bhopal University, India. She has Fulbright Scholarship by US foundation in India and LEAD fellowship by Lead India. She is also recognized as Women Leader of the year by Economic Times and 100 most impactful CSR leaders (a global listing) by World CSR in 2017. Leena has been a recipient of Great Manager's award in 2019. The business address of Leena Verenkar is Vedanta Limited, Sesa Goa Iron Ore, Sesa Ghor, 20 EDC Complex, Patto, Panjim, Goa- 403001, India.
- *Anand Laxshmivarahan* was appointed as Interim Chief Digital Officer ("CDO") for Vedanta Limited in June 2020. His current responsibilities entail driving digital led interventions across the business with a focus on achieving organization's goals on enhanced reserves, improved recovery, enhanced Health, Safety, Security and Environment ("HSSE"), operational and people excellence. Anand joined Vedanta in 2018 as Chief Digital Officer in the Oil & gas business. Anand is a Digital Transformation Leader with over 21 years of industry experience working with global multinationals in various key business and technical roles. He has two decades of exposure to systems and technologies within Oil & Gas and Manufacturing domains. His previous experiences include Oil & gas consulting working with global majors on Digital Transformation programs Prior to that he has had experiences working with industrial automation companies focusing on process control and automation systems within Manufacturing and Oil & gas. He has worked with companies like Wipro Technologies, Honeywell, General Electric and Siemens. Anand has completed his BE in Electronics and Telecommunication from Dr. Babasaheb Ambedkar Marathwada University, Maharashtra and Masters from Indian Institute of Management, Bangalore. The business address of Anand Laxshmivarahan R is ASF Center, Tower B, 362-363, Jwala Mill Road, Phase IV, Udyog Vihar, Gurugram, Haryana 122016, India.



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- *Vikash Jain* was appointed as the Vedanta General Counsel (Interim) for legal matters across the group in March 2021. In addition to the said responsibilities, he also continues to hold the charge as the General Counsel – Oil & Gas Business, Vedanta Limited. He joined our company in March 2016 as Vice President and General Counsel – Aluminium Business. He has over 25 years of experience in handling complex litigations, contract negotiations, regulatory issues, compliance assurance, mergers and acquisitions, foreign collaborations, joint ventures, advocacy, investors' relations and Taxation (Direct & Indirect) etc. Prior to joining our company, he has experience working with organizations like Transocean, Jubilant Group, Hindustan Oil Exploration Company Limited, Endurance Group etc. He is a law graduate. He is also a qualified company secretary and an associate member of the Insurance Institute of India. He is also doing his Executive MBA from Indian School of Business, Hyderabad. The business address of Vikash Jain is Cairn Oil & Gas – Vedanta Limited, ASF Center, Udyog Vihar, Phase IV, Gurugram, Haryana, India.
- *Ajay Goel* has been appointed as Deputy Chief Financial Officer of Vedanta Limited, effective March 23, 2021 based at Delhi. In this role, Ajay is responsible for Financial Planning & Analysis, Accounting and Consolidation, Controllership, Audit, Tax, Secretarial & Compliance and Risk management. He is driving business performance monitoring and reporting with focus on benchmarking and analytics. Ajay is a national rank holder both as Chartered Accountant and Company Secretary. He brings 21 years of rich experience in global multinational companies like General Electric, Nestle, Coca Cola and Diageo. Ajay joins us from Diageo - USL and under his leadership, the company achieved highest standards of Corporate Governance, Reporting, Tax management, Treasury restructuring, Optimization of borrowing costs. The business address of Ajay Goel is Core – 6, 3rd Floor, SCOPE Complex 7, Lodhi Road, New Delhi – 110003, India
- *Phillip Campbell* has been an advisor, for Vedanta Asset Integrity and Lanjigarh Expansion since January 2020. Phil joined Vedanta as the Director of Lanjigarh Refinery in January 2018 and he has over 40 years of experience within the mining industry. Previously, Phil was Vice President – Mine and Refinery Operations at Maaden, Saudi Arabia. Phil has held senior roles at Queensland Alumina Limited, UC Rusal and Alcoa across the Middle East, Australia and Russia with responsibility for asset optimization and production management. Phillip has a Master's degree in Metallurgy from the University of Wollongong. The business address of Phillip Campbell is 7 Clive Street Bicton 6157 WA, Australia.

Other Significant Employees

Zinc India Business

- *Arun Misra* has been appointed as Chief Executive Officer, HZL effective August 2020. Prior to this he held the position of Deputy Chief Executive Officer, HZL since joining the company on November 20, 2019. In his previous role, he was associated with TATA Steel Limited as Vice President of raw materials. He has 32 years of rich and diverse experience in leading various strategic positions within TATA steel. Arun Misra has a bachelor's degree in electrical engineering from IIT Kharagpur, a diploma in mining and beneficiation from University of New South Wales Sydney and a diploma in general management from CEDEP, France. The business address of Arun Misra is Hindustan Zinc Limited, Yashad Bhawan, Udaipur- 313 004, Rajasthan, India.
- *Vinaya Jain* was appointed as senior vice president, and head finance of HZL in April 2021. He has an MBA from Duke University and is a gold medalist in engineering from IIT-BHU (Banaras Hindu University). He brings 25 years of rich experience in global multinational companies like General Motors and Infosys across India, the United States, Europe, and Africa in areas of Finance Business partnering, treasury, capital markets, M&A, and supply chain. He has held CFO roles at General Motors and Bira 91. The Business address of Vinaya Jain is Hindustan Zinc Limited, Yashad Bhawan, Udaipur- 313 004, Rajasthan, India.

Zinc International Business

- *Laxman Shekhawat* was appointed as Business Head, anchoring the Management Committee of Vedanta Zinc's International Division and CMT to drive business growth on April 24, 2020. Previously, he held the role of Director of Operations of HZL from February 2019. He holds a Bachelor's degree in Mining engineering and has been working with HZL since 1990. With an experience of over 30 years in mining and engineering, he has served in various leadership positions in mining and engineering companies for more than a decade. He is instrumental in developing and executing strategies to unlock the full potential of HZL mines and bring the best practices in mining portfolio. In 2017, he was awarded with prestigious "National Geoscience Award" by the President of India. The business address of Laxman Shekhawat is Green office, Aggenys, Northern Cape, Republic of South Africa.
- *Pushpender Singla* is the executive director and business CFO at Vedanta Zinc International. He was appointed as the Chief Financial Officer ("CFO") of Vedanta Zinc international and CMT Australia Business in October 2016. He was earlier appointed as the Deputy Chief Financial Officer of Vedanta Zinc international and CMT Business in November 2015. He has over 14 years of experience in the mining and metal industry across India, Australia and Africa and served Aluminum, Power, Copper and Zinc Business in Group. He joined the Group in February 2007. During his tenure within the Group, he has handled various functions including project finance, treasury, trade finance, business and financial control, commercial, marketing, legal, information technology and advocacy. He is Director of Vedanta companies in Africa, Australia and Ireland including Black Mountain Mining Pty Ltd. He is Director of, Vedanta Lisheen Holding Ltd, Killoran Lisheen Finance Limited, THL Zinc Namibia Holding (Pty) Ltd and Skorpion Zinc (Pty) Limited. He was Chairman as well as Director of International Zinc Association, Africa before it merged with IZA Global. He also represents as a Treasurer of CII Indian Business Forum (South Africa), an India South Africa Industry Body. Pushpender Singla has a bachelor's degree in commerce from Maharaja Ganga Singh University, Bikaner, Rajasthan and is an associate member of the Institute of Chartered Accountant of India and South Africa Institute of Chartered Accountants ("SAICA"). The business address of Pushpender Singla is Vedanta Zinc International, 2 Maude Street, 11th Floor, The Forum Building, Sandton, 2196, South Africa



Oil and Gas Business

- *Prachur Sah* joined the Vedanta as Director - New Ventures and Reserves of Cairn from August 21, 2018 and was made Deputy Chief Executive Officer of Cairn Oil & Gas on October 19, 2020. He has since played a key role towards realizing Cairn's broader vision and is responsible for unlocking value through monetization of our new Exploration Blocks under OALP. Prior to joining Vedanta, Prachur had 19 years of rich and diverse experience at Schlumberger and has worked across geographies including Houston, South America, UAE and India. At Schlumberger, he held various roles in Operations, Transformation and Business Development, and left Schlumberger as the Managing Director for India, Bangladesh and Sri Lanka. He holds a bachelor's degree in Electrical and Electronics from IIT – Mumbai and a master's degree in Oil and Gas Management from Heriot Watt University, Edinburgh. The business address of Prachur Sah is ASF Center, Tower A, 362-363, Jwala Mill Road, Phase IV, Udyog Vihar, Gurugram, Haryana 122016, India.
- *Hitesh Vaid* leads the Finance function of Cairn Oil & Gas. As part of Oil and Gas leadership team, Hitesh Vaid plays a critical role in business partnering and realizing the full business potential through business delivery, focusing on financial achievement through cost optimization and control, process efficiency improvement, capex planning, cash management and financial accounting & reporting. Hitesh is a graduate in Commerce from Shri Ram College of Commerce ("SRCC"), Delhi University and qualified as Chartered Accountant from The Institute of Chartered Accountants of India. He brings in 17 years of work experience in the Oil & gas Business. Prior to joining Cairn in 2007, Hitesh worked with Bharat Petroleum Corporation Limited for 4 years as part of the Management Reporting team. The business address of Hitesh Vaid is ASF Center, Tower A, 362-363, Jwala Mill Road, Phase IV, Udyog Vihar, Gurugram, Haryana 122016, India.

Iron Ore and Steel Business

- *Sauvick Mazumdar* is holding the position of Chief Executive Officer of Iron and Steel Business since 10th May 2021. Before this, he was Chief Executive Officer – Sesa Goa, to which he was appointed on July 12, 2019. Prior to that role he the Deputy Chief Executive Officer of Iron Ore Business and Vice President since October 1, 2016. Sauvick joined the organization in the year 1994 and is a home grown leader who rose to the ranks from a GET to CEO. He is a well-seasoned executive with 24+ years of extensive experience, having built a solid reputation for achieving business growth through strategic direction, diverse perspectives and positive leadership. He is presently responsible for the overall operations and expansion projects of the Iron Ore & Ferro Alloys business within India — Goa & Karnataka along with Value Added Business (Pig Iron, Met coke, and Power), Jharkhand, Bellary, overseas projects at Liberia and Ferro Alloys business at FACOR in Odisha. Sauvick has a B.Tech degree in mining engineering from NIT Surathkal and a First Class Mines Manager's Certificate of Competency from DGMS, GoI, Dhanbad. The business address of Sauvick Mazumdar is Vedanta Limited, Sesa Goa Iron Ore, Sesa Ghor, 20 EDC Complex, Patto, Panjim, Goa- 403001, India.
- *Navin Kumar Jaju* has been appointed as the Chief Financial Officer of Iron Ore Business in April 2020. He joined Vedanta in March 2005. Navin Kumar Jaju has over 15 years of experience in Finance, Accountancy, Audit, Taxation, Treasury and Corporate Governance. In his current role as a Chief Financial Officer he oversees the Finance, Information Technology and Secretarial functions of Sesa Goa Iron Ore. Prior to joining the Iron ore Business of Vedanta, Navin Kumar Jaju has worked in our Group Companies like HZL and BALCO and Corporate Office. He is a B. Com graduate from St. Xavier's College and a Chartered Accountant from the Institute of Chartered Accountants of India. The business address of Navin Jaju is Vedanta Limited, Sesa Goa Iron Ore, Sesa Ghor, 20 EDC Complex, Patto, Panjim, Goa- 403001, India.
- *Navanath Vhatte* has been appointed as Chief Executive Officer and Whole Time Director of ESL Steel Limited w.e.f. 10th May 2021. Mr. Vhatte is associated with Vedanta since 1993 and has held various senior management positions. Prior to moving ESL as CEO-ESL Steel Limited, he was heading the Value Addition Business (VAB) of VEDL. In this role, he was responsible for the growth of the VAB along with Plant Operations, Sales of Pig Iron, Met Coke and Power. His leadership and strategic approach have helped VAB to become the largest merchant pig iron producer in India at the lowest cost among peer groups. Mr. Vhatte championed the successful expansion of Pig Iron, Met Coke and Power Plant raising the unit capacity to 800 K Mt of Pig Iron. Previously, he has worked with Kalyani Steels, Pune for 8.5 years as a Project & Maintenance Engineer. He brings with him more than 36 years of experience in the Pig Iron, Metallurgical Coke, Waste Heat based Power Plant and Steel Industry. Mr. Vhatte holds Diploma in Electrical Engineering (DEE) from Government Polytechnic Maharashtra, and Graduation in Elect. Engineering (AMIE) from Institute of Engineers and MBA in Finance from IGNOU. The business address of Mr. Vhatte is ESL Steel Limited (Formerly known as Electrosteel Steels Limited) Vill. Siyaljori, Post - Jogidih, O.P. - Bangaria, P.S. - Chandankyari, Bokaro - 828303, Jharkhand.

Copper Business

- *Pankaj Kumar* was appointed the Chief Executive Officer of our copper operations in Tuticorin, Silvassa and Fujairah Gold FZC and director of MEL in March 2019. In his career of over 30 years, Pankaj has worked with large conglomerates like Tata Steel, Mittal Steel, Adani ports, Gujrat Guardian Limited and United Breweries Limited. Prior to joining us at Sterlite Copper as Chief Executive Officer he was the Chief Operating Officer at Hindustan Zinc Limited. Pankaj holds a bachelor's degree of Technology (Hons.) in Mechanical Engineering from Indian Institute of Technology Kharagpur and Post Graduate diploma in Business Management with specialization in Operations Management and Information Technology from XLRI - Xavier School of Management, Jamshedpur, India. The business address of Pankaj Kumar is SIPCOT, Industrial Complex, Madurai Bypass Road, Thoothukudi, Tamil Nadu- 628002, India.



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- *Anand Soni* has been appointed as the Chief Financial Officer of our copper operations in Tuticorin and Silvassa in June 2020. He has 18 years of post-qualification experience and joined Vedanta group in May 2002. He has handled various business roles in the Group including general management positions in finance verticals at Vedanta's Aluminium & power division and Konkola Copper Mines Plc, Zambia before moving to our copper business. Anand has a bachelor's degree in commerce from the University of Rajasthan and is an associate member of the Institute of Chartered Accountants of India & the Institute of Company Secretaries of India. The business address of Anand Soni is SIPCOT, Industrial Complex, Madurai Bypass Road, Thoothukudi, Tamil Nadu- 628002, India.

Aluminum and Power Business

- *Ajay Kapur* was appointed as Chief Executive Officer, Aluminium and Power in March 2019 and took on an additional role as Managing Director of Commercial on 24 November 2020. Ajay leads the Aluminium and Power business for Vedanta comprising of 2.3mtpa installed smelter capacity, 8GW of Power and 2mtpa of Alumina Refinery. Prior to his appointment at Vedanta Limited, Ajay was Managing Director and Chief Executive Officer for Ambuja Cements. He started his career as an Executive Assistant to then founder and Managing Director. He went on to handle various strategic positions at Ambuja cements with his last position as Managing Director and Chief Executive Officer. Ajay Kapur holds a graduate degree in economics from St. Xavier's College, Mumbai, MBA from KJ Somaiya Institute, Mumbai and is an alumnus of Wharton's Advanced Management Program. The business address of Ajay Kapur is Vedanta House, Nehru Road, Mumbai, Maharashtra, India.
- *Chhavi Nath Singh* is Chief Executing Officer (Interim) of our Aluminium business- Jharsuguda in July 2019. He had joined Vedanta in 2016 as Chief Operating Officer of Talwandi Sabo Power Ltd. He has a rich experience of 38 years in Power Industry and played a pivotal role in stabilization of TSPL operations, He has also worked for companies like National Thermal Power Corporation Ltd., Essar Power and JSW Energy Ltd. He has a post graduate degree ("PGDBM") from Management Development Institute, Gurgaon and a bachelor's degree in mechanical engineering from Motilal Nehru National Institute of Technology, Allahabad (formerly Motilal Nehru Regional Engineering College). The business address of Chhavi Nath Singh is Vedanta Limited, Jharsuguda, PMO Office, Bhurkhamunda PO- Sripura District Jharsuguda, Odisha- 768202, India.
- *Abhijit Pati* was appointed as Chief Executive Officer & Whole Time Director of Bharat Aluminium Company Limited (Balco). on July 25, 2019, prior to this he was CEO of our Aluminium business, Jharsuguda from March 2015. Earlier he was the president and Chief Operating Officer of our aluminium and power business at Odisha since April 2012. He has over 32 years of experience in aluminium industry. Prior to joining us, he was the vice president with Hindalco Industries Limited. He started his career as a budding engineer with Indian Aluminium Company in the year 1989. He was awarded with the 'Exceptional Contributor Award' from the Aditya Birla Group Chairman, Mr. Kumar Mangalam Birla for significant contribution to turn around Hirakud Aluminium Smelter in the year 2006 and won the prestigious British Sword of Honor for the Hirakud Smelter in the year 1999. He is a member of the Bureau of Energy Efficiency under Ministry of Power, GoI. He is also holding the position of Vice President in Aluminium Association of India and member of Governing body. He is two times gold medalist from prestigious institutes like Calcutta University and International Management Institute, New Delhi. Abhijit Pati has a first class honours bachelor's degree in chemical engineering from Calcutta University and a master's in business administration from International Management Institute, New Delhi.
- *Vikas Sharma* was appointed the Chief Executive Officer of TSPL - our power business in July 2019 He was appointed as Whole Time Director designated as CEO & WTD effective from Oct 2019, prior to his stint at TSPL he was appointed as Chief Executing Officer & Whole Time Director of BALCO in March 2017. Vikas Sharma has experience of over 31 years in various national and multi-national companies. He has experience of serving HMT Watches Limited, Su-Raj Diamonds India Private Limited, AMP India Private Limited (now Tyco Electronics), Praxair India Private Limited, Jindal Praxair Oxygen Company Limited and JSW Steel Limited in various key positions. Vikas Sharma joined Vedanta Group as location head of Chandriya Smelter of HZL in 2012 and was gradually elevated to the Chief Operating Officer of smelters division of HZL in June 2014. During his tenure at Vedanta, he played integral role in the growth of the Company and made significant contribution in safety, productivity and people development. Vikas Sharma holds bachelor's degree with Honors in Mechanical Engineering from Engineering College Kota, University of Rajasthan and a Master's in Business Administration in Marketing from Sikkim Manipal University, Gangtok, India. The business address of Vikas Sharma is Village Banawala, Mansa - Talwandi Sabo Road, Distt. Mansa, Punjab - 151302, India.
- *Rahul Sharma* joined the Vedanta Group in 1998, and is the deputy Chief Executive Officer of Aluminium Business since 24 November 2020, Prior to this role, he worked as Chief Executive Officer (Acting) of Alumina Business from April 2019 and as Director of Corporate Strategy (Aluminium and Power). He joined Vedanta in 1998. Rahul Sharma has diversified experience of over 25 years and has held leadership positions at Vedanta Limited and Sterlite Technologies Limited. Prior to joining Vedanta, he was Chief Marketing Officer (Domestic and International) and Business Head of System Integration Business at Sterlite Technologies Limited. He is one of the principal figures of India's Metal & Mining industry and has been playing and has been playing a significant role in driving various policies and creating a strategic framework for numerous government reforms for development of exploration, mining and non-ferrous metal sector in the country in the most sustainable manner. Rahul is also the office bearer of various eminent industry associations, including the current President of Aluminium Association of India (AAI), Chairman of Indian Captive Power Producers Association ("ICPPA"), and Co-Chair of FICCI's Mining Committee. For his exemplary leadership he has been conferred with various awards and accolades including People's CEO of the year award 2020 and 'Business Leader of the year award at International Conference on Non-Ferrous Metals-2017 for his contribution to India's Metal and Mining industry. Rahul is an alumnus of IIM - Ahmedabad Executive General Management program, has an MBA in Marketing and a B.E. in Electronics and Communication The business address of Rahul Sharma is Core - 6, 3rd Floor, SCOPE Complex, 7, Lodhi Road, New Delhi - 110003, India.
- *Sonam Donkar* was appointed as Chief Financial Officer of our aluminium business in August 2020 for taking care of the overall finance function. Sonam is part of Vedanta group since October 2018. Prior to joining us, she has worked with Fortune 500 giants like PepsiCo, Dell Computers, Standard Chartered Bank & Ballarpur Industries for more than 15 years. She has extensive experience across diverse industries- Manufacturing, IT, FMCG & Banking covering the core finance areas of accounting, planning, treasury, information technology, controllerships, finance business partnering in areas of operations, supply chain, procurement, customers, among others. Sonam is a qualified Cost Accountant from CIMA London and MBA from IIM Bangalore. The business address of Sonam Donkar is Core - 6, 3rd Floor, SCOPE Complex, 7, Lodhi Road, New Delhi - 110003, India.



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- *Gobinda Gopal Pal* is Dy. Chief Executive Officer of our Alumina business- Lanjigarh since April, 2021. He had joined Vedanta in 2011 as Head- Pot Line of Vedanta Ltd, Jharsuguda. He has a rich experience of 33 years in Aluminium Industry and played a pivotal role in various O&M Vertical (Aluminium Business), Senior management Profiles. He has also worked for companies like National Aluminium Company, MOZAL Aluminium, Bharat Aluminium Company (BALCO). He has a Bachelor degree as “BE-Metallurgy” from REC, Durgapur. The business address of Gobinda Gopal Pal is Vedanta Limited, Lanjigarh, Project Office, District -Kalahandi, Odisha- 766027, India.

None of our directors, other executive officers and significant employees are elected or appointed under any arrangement or understanding with any major shareholder, customer, supplier or otherwise.

B. Compensation

Compensation of Executive Directors, Executive Officers and Significant Employees

The aggregate compensation we paid our executive directors, executive officers and significant employees for fiscal year 2021 was ₹ 1,126 million (\$ 15.0 million), which includes ₹ 970 million (\$ 13.1 million) paid towards salary, bonuses, allowances and other cash payments, ₹ 106 million (\$ 1.4 million) paid and payable for the fair value of share options and cash based units granted to our executive directors, executive officers and significant employees and ₹ 51 million (\$ 0.7 million) paid towards benefits such as contributions to the provident fund and superannuation fund. The total compensation paid to our most highly compensated executive director, executive officer or significant employees during fiscal year 2021 was ₹ 148 million (\$ 2 million) of which ₹ 142 million (\$ 1.9 million) constituted salary, bonuses, allowances, and perquisites, and ₹ 6 million (\$ 0.1 million) was contribution to provident and superannuation funds.

The following table sets forth the compensation paid to our executive directors, executive officers and significant employees in fiscal year 2021, where the disclosure of compensation is required on an individual basis in India or is otherwise publicly disclosed by us:

(₹ and \$ in millions)

Name	Salary, Bonuses, Allowances and Perquisites	Fair Value of Share Options granted	Contribution to Provident and Superannuation Funds	Total (₹)	Total (\$)
Navin Agarwal ⁽¹⁾	142.2	0.0	5.9	148.0	2.00
Sunil Duggal ⁽²⁾	76.8	12.2	2.6	91.6	1.25
GR. Arun Kumar ⁽³⁾	53.1	10.4	2.1	65.6	0.90
Madhu Srivastava	19.2	3.3	0.6	23.1	0.32
Dilip Golani	32.1	6.5	2.3	40.9	0.56
James Cartwright ⁽⁴⁾	25	5.1	—	30.1	0.41
Anup Agarwal ⁽³⁾	16	3.6	0.9	20.5	0.28
Sharad Kumar Gargiya ⁽⁵⁾	14.0	1.6	0.5	16.1	0.22
Vineet Bose ⁽⁶⁾	14.9	0	0.5	15.4	0.21
Dhiraj Nayyar	8.8	0.5	0.4	9.7	0.13
Leena Verenkar	4.9	1	0.8	6.7	0.09
Andrew Lewin	26.8	0	1.1	27.9	0.38
Arun Misra	32.6	1.6	1.9	36.1	0.49
Swayam Saurabh ⁽³⁾	19.9	1.3	0.6	21.8	0.30
Navin Jaju ⁽⁷⁾	9.1	1.7	1.2	12	0.16
Deshnee Naidoo ⁽⁸⁾	5.3	0	0.8	6.1	0.08
Pushpender Singla	21.2	2.9	0	24.1	0.33
Ajay Kumar Dixit ⁽⁹⁾	9.5	0	0	9.5	0.13
Ajay Kapur	82.7	6.2	8.4	97.3	1.33
Abhijit Pati	35.1	6.5	2.1	43.7	0.60
Vikas Sharma	23.2	4.5	1.1	28.8	0.39
Rahul Sharma	21.4	3	1.8	26.2	0.36
Mahesh Iyer	4.8	0.9	0.4	6.1	0.08
Ashok Sonthalia ⁽¹⁰⁾	4.3	0	0.4	4.7	0.06
Pankaj Kumar	19.4	3.4	1.1	23.9	0.33
Amit Agrawal ⁽¹¹⁾	1	0	1.7	2.7	0.04
Anand Soni ⁽¹²⁾	8.7	1.9	0.3	10.9	0.15
Pankaj Malhan	13.8	0.8	0.4	15	0.21
Jalaj Kumar Malpani ⁽¹³⁾	4.5	0	1.7	6.2	0.08
Sauvick Mazumdar	13.9	3.4	1	18.3	0.25
Azad Shaw ⁽¹⁴⁾	11.6	0	1.8	12.4	0.17
Laxman Shekhawat	30.1	4.1	0.2	34.4	0.47
Prachur Sah ⁽¹⁵⁾	42.4	4.3	1.1	47.8	0.65
Vivek Rathi ⁽¹⁶⁾	10.2	0	0.7	10.9	0.15
Anand Laxshmivarahan R	6.2	0.6	0.2	7	0.10
Roma Balwani	16.4	0	0	16.4	0.22
Ajay Goel ⁽¹⁷⁾	2.96	0	0.01	2.97	0.04
Varun Kapoor ⁽¹⁸⁾	7.4	0.9	0.5	8.8	0.12
Vikash Jain ⁽¹⁹⁾	19.5	2.7	1.2	23.4	0.32
Hitesh Vaid ⁽²⁰⁾	10.1	1.4	0.8	12.3	0.17
Chhavi Nath Singh ⁽²¹⁾	22.9	6.5	0	29.4	0.40
Sonam Donkar	8.4	0.4	0.6	9.4	0.13
Gobinda Gopal Pal	17.3	3.2	1	21.5	0.29
Total	969.7	106.4	50.7	1125.7	15.4

(1) Additionally, during the fiscal year 2021, sitting fees and commission paid to Navin Agrawal from HZL was ₹ 0.275 million and ₹ 1.5 million respectively. Also, he received remuneration from Vedanta Resources Limited amounting to ₹ 8.5 million for fiscal year 2021 and cash-based units amounting to fair value of ₹ 44 million under Vedanta Resources Limited Cash Based Plan/ Long Term Incentive Plan (“Vedanta CBP/ LTIP”).



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- (2) Sunil Duggal assumed the position of Vedanta CEO (Chief Executive Officer) on August 1, 2020.
- (3) GR Arun Kumar, Anup Agarwal and Swayam Saurabh left the services of the company subsequent to March 31, 2021.
- (4) James Cartwright left the services of the company on January 31, 2021.
- (5) Sharad Kumar Gargiya assumed the role of CCO (Chief Commercial Officer) on August 1, 2020.
- (6) Vineet Bose left the services of the company on March 6, 2021.
- (7) Navin Jaju assumed the role of CFO (Chief Financial Officer) - Iron Ore Business (IOB) on July 1, 2020
- (8) Deshnee Naidoo left the services of the company on May 31, 2020.
- (9) Ajay Kumar Dixit left the services of the company on May 15, 2020
- (10) Ashok Sonthalia left the services of the company July 31, 2020.
- (11) Amit Agarwal left the services of the company on May 23, 2020.
- (12) Anand Soni was named CFO (Chief Financial Officer) of Sterlite Copper on July 1, 2020.
- (13) Jalaj Kumar Malpani left the services of the company on August 1, 2020.
- (14) Azad Shaw left the services of the company on May 31, 2020.
- (15) Prachur Sah was appointed CEO (Chief Executive Officer) of Cairn on October 19, 2020.
- (16) Vivek Rathi left the services of the company on October 26, 2020.
- (17) Ajay Goel was appointed to the post of Deputy Chief Financial Officer, of Vedanta Limited on March 23, 2021. The salary was paid as arrears in April.
- (18) Varun Kapoor was appointed to the post of director investor relations, on February 1, 2021.
- (19) Vikash Jain was appointed to the post of General Counsel, Cairn on December 15, 2020.
- (20) Hitesh Vaid was appointed to the post of Deputy CFO (Deputy Chief Financial Officer) Cairn, on October 27, 2020.
- (21) Chhavi Nath Singh remains in the services of the company.

The aggregate compensation paid or payable to our non-executive directors for fiscal year 2021 was ₹ 46.4 million (\$ 0.6 million), which comprised ₹ 7.3 million (\$ 0.1 million) in sitting fees and ₹ 39.1 million (\$ 0.5 million) in commissions.

In December 2016, our Company introduced an Employee Stock Option Scheme by awarding our Company options to our selected employees. Under this scheme, the vesting of options is based on our Company's performance as against our industry competitors and based on total shareholder return, for which the vesting percentage is determined over a three year performance period from the date of grant. The stock options awarded under this scheme in 2016 got vested upon approval from Nomination and Remuneration Committee on January 31, 2020 where the Relative Total Shareholder Return ("TSR") based vesting has been NIL.

In September 2017, the Employee Stock Option Scheme was launched with an additional performance condition of sustained earnings before interest, taxes, depreciation and amortization ("EBITDA") for which the vesting percentage is determined over a three year financial year performance period, and was launched again, with similar performance conditions in November 2018. The stock options awarded under this scheme in 2017 got vested upon approval from Nomination and Remuneration Committee on November 6, 2020 where the Relative Total Shareholder Return ("TSR") based vesting has been NIL and business performance (EBIDTA) based vesting varied across businesses between 0% to 42.5%.

In November 2019, the plan was redesigned and launched with additional performance condition of sustained individual performance while the business performance parameter was revised with volume, cost, NSR ("Net Sales Realizable"), free cash flow ("FCF") and EBITDA as applicable for businesses. The Vedanta Limited Conditional Cash Awards (Cash Plan) was introduced in November 2018 under the parent scheme "Employee Stock Option Scheme 2016" linked to Vedanta Limited's share price for the selected employees who are not covered under the Vedanta Limited Employee Stock Option Scheme. The Vedanta Limited Conditional Cash Awards (Cash Plan) is based on the same performance conditions as the Vedanta Limited Employee Stock Option Scheme 2018 while Vedanta Limited Conditional Cash Awards (Cash Plan) 2019 is based on same performance conditions as Vedanta Limited Employee Stock Option Scheme 2019 and the employees covered under the plan receive cash as per vesting and performance conditions instead of shares for which the vesting percentage is determined over three-year performance period from the date of grant of such units.



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VEDANTA 20-F - IFRS	Donnelley Financial	HKRPF64RS04 21.6.2.0	HKR pf_rend	09-Jul-2021 03:52 EST	165852 TX 165	4*
VEDANTA 20-F - IFRS	None		SNG		HTM ESS	0C

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In March 2021, a new employee stock option plan (ESOS 2020) was introduced. The Vedanta Limited ESOS 2020 shall vest in 31 months from the date of the grant based on business performance (Volume, Cost, NSR; EBITDA, FCF, ESG, Carbon Footprint, management discretion, and sustained individual performance over the three financial years falling within the performance period. As a global benchmark, we have introduced a 10% multiplier on account of zero fatalities and an additional multiplier on individual performance ratings to create differentiation at the time of vesting. These options will be awarded to employees under the Vedanta Limited ESOS with effect from March 31, 2021 for which the vesting condition will be the performance period of 31 months from March 31, 2021 to November 6, 2023.

– Outstanding Awards or Options

As of March 31, 2021, our directors, executive officers and significant employees as a group held options under the Vedanta Limited Employee Stock Option Scheme to acquire an aggregate of 4,525,705 ordinary shares of Vedanta Limited representing approximately 0.12% of Vedanta Limited's share capital. The awards are exercisable at the end of the three-year performance period commencing from the date of each grant at an exercise price of ₹ 1 per ordinary share. The awards expire six months after their date of vesting. For more information, see "*Vedanta Limited Employee Stock Option Scheme*."

As of March 31, 2021, our executive officers and significant employees as a group held options under the Vedanta Conditional Cash Awards which is Vedanta's Cash Based Plan to acquire an aggregate of 245,144 units converted to cash. The employees shall be eligible for the awards at the end of the three-year performance period commencing from the date of each grant. For more information, see "*Vedanta Limited Cash Based Plan*".

As of March 31, 2021, our executive officers and significant employees as a group held options under the Vedanta Resources Limited Conditional Cash Awards which is Vedanta Resources Long Term Incentive Plan to acquire an aggregate of 1,361,664 units converted to cash. The employees shall be eligible for the awards at the end of the three-year performance period commencing from the date of each grant. The payment upon vesting will be made by Vedanta Resources Limited, UK. For more information, see "*Vedanta Resources Limited Cash Based Plan/ Long Term Incentive Plan*".

– Employee Benefit Plans

We maintain employee benefit plans in the form of certain statutory and welfare schemes covering substantially all of our employees. As of March 31, 2020 and March 31, 2021, the total amount set aside by us to provide pension, retirement or similar benefits was ₹ 2,678 million and ₹ 2,600 million (\$ 36 million), respectively.

– Provident Fund

In accordance with Indian law, all of our employees in India are entitled to receive benefits under the provident fund, defined contribution plan and defined benefit plan (owned trust) to which both the Company and the employee contribute monthly at a pre-determined rate (currently 12.0% of the employee's base salary). These contributions are made to the provident fund and we also participate in defined contribution schemes in Australia, Namibia, South Africa and Ireland. We have no further obligation under these schemes apart from our regular contributions, except in case of funds classified as defined benefit plan. We contributed an aggregate of ₹ 1,101 million and ₹ 1,460 million (\$ 20 million) to all these schemes in fiscal years 2020 and 2021, respectively.

– Gratuity

In accordance with Indian law, we provide for gratuity pursuant to a defined benefit retirement plan covering all of our employees in India. The gratuity plan provides a lump sum payment to vested employees at retirement, disability or termination of employment, in an amount based on the employee's last drawn salary and the number of years of employment with us. The assets of the plan, to the extent the plan is funded, are held in separate funds managed by the Life Insurance Corporation and a full actuarial valuation of the plan is performed on an annual basis. Our liability for the gratuity plan was ₹ 1,892 million and ₹ 1,739 million (\$ 24 million) as at the end of fiscal years 2020 and 2021, respectively.

– Post-Retirement Medical Benefits

The scheme is framed with a view to provide medical benefits to the regular employees of BALCO and BMM and their spouses subsequent to their retirement on completion of tenure including retirement on medical grounds and voluntary retirement on contributory basis. This scheme is unfunded. Our liability for the post-retirement medical benefits was ₹ 786 million and ₹ 861 million (\$ 12 million) as at the end of fiscal years 2020 and 2021, respectively.

– Superannuation Fund and National Pension Scheme

It is our current policy for all of our non-unionized employees in a managerial position and above to pay into a superannuation fund a sum equal to 15.0% of their annual base salary which is payable to the employee in a lump sum upon his retirement or termination of employment. National Pension Scheme is a retirement savings account for social security and welfare applicable for executives covered under the superannuation benefit of Vedanta Limited and each relevant Indian subsidiary, on a choice basis. It was introduced to enable employees to select the treatment of superannuation component of their fixed salaries and avail the benefits offered by National Pension Scheme launched by GoI. Vedanta Limited and each relevant entity holds a corporate account with one of the pension fund managers authorized by the GoI to which each of the entity contributes a fixed amount relating to superannuation and the pension annuity will be met by the fund manager as per rules of National Pension Scheme.



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VEDANTA 20-F - IFRS	Donnelley Financial	HKRP64RS04 21.6.2.0	HKR pf_rend	09-Jul-2021 03:52 EST	165852 TX 166	4*
VEDANTA 20-F - IFRS	None		SNG		HTM ESS	OC

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We contributed an aggregate of ₹ 210 million and ₹ 212 million (\$ 3 million) in both of schemes in fiscal years 2020 and 2021, respectively.

– **Compensated Absence**

Our liability for compensated absences is determined on an undiscounted basis for short term liabilities and on an actuarial basis for long term liabilities, for the entire unused vacation balance standing to the credit of each employee at each calendar year-end. Contributions to such liability are charged to income in the year in which they accrue. Liability for the compensated absences was ₹ 1,792 million and ₹ 1,661 million (\$ 23 million) as at the end of fiscal years 2020 and 2021, respectively.

– **Vedanta Limited Employee Stock Option Scheme (“Vedanta Limited ESOS”)**

The shareholders of the Company by way of postal ballot on March 30, 2015 approved the Vedanta Limited ESOS and issue of securities to the employees of the Company and its holding or subsidiary companies. No options were granted to the employees under such scheme. Thereafter, the shareholders of the Company by way of postal ballot on December 12, 2016 approved a revised scheme, Vedanta Limited ESOS 2016 and issue of securities to the employees of the Company and its holding or subsidiary companies. Awards under the plan may be granted to any employee of Vedanta Limited or any of its holding or subsidiary companies who is not within six months of such employee’s normal retirement date. The awards are indexed to and settled by Vedanta Limited shares. The awards provide for a fixed exercise price denominated in Vedanta Limited’s functional currency at ₹ 1 per share. The Vedanta Limited ESOS 2016 is consistent with the reward philosophy, which aims to provide superior rewards for outstanding performance, and to provide a high proportion of “at risk” remuneration for the employees. On January 1, 2020, Nomination and Remuneration Committee of Vedanta Limited approved the vesting of options awarded in the said scheme granted on December 16, 2016 upon completion of performance period on three years. The TSR based vesting was NIL while tenure-based vesting was executed basis sustained employment with the company and Vedanta good leaver policy. The total options which vested were 1,688,957.

The Vedanta Limited ESOS 2017 shall vest three years from the date of the grant based on the Group’s relative total shareholder return (TSR) performance against the peer group of resource companies, sustained EBITDA over the three financial years falling within the performance period and continued employment with the Company. These options will be awarded to employees under the Vedanta Limited ESOS with effect from September 1, 2017 for which the vesting condition will be the performance period of 36 months from September 1, 2017 to August 31, 2020.

On November 6, 2020, Nomination and Remuneration Committee of Vedanta Limited approved the vesting of options awarded in the said scheme granted on September 1, 2017 upon completion of performance period of three years. The TSR based vesting was NIL, business performance (EBIDTA) based vesting varied across businesses between 0% to 42.5%, while tenure-based vesting was executed basis sustained employment with the company and Vedanta good leaver policy. The total options which vested were 1,513,755.

The Vedanta Limited ESOS 2018 shall vest three years from the date of the grant based on the Company’s relative TSR performance against the peer group of resource companies, sustained EBITDA over the three financial years falling within the performance period and continued employment with the Group. These options will be awarded to employees under the Vedanta Limited ESOS with effect from November 1, 2018 for which the vesting condition will be the performance period of 36 months from November 1, 2018 to October 31, 2021.

The Vedanta Limited ESOS 2019 shall vest three years from the date of the grant based on the Company’s relative TSR performance against the peer group of resource companies, sustained business performance (volume, cost, NSR and EBITDA depending on respective entities) and sustained individual performance over the three financial years falling within the performance period and continued employment with the Company. These options will be awarded to employees under the Vedanta Limited ESOS with effect from November 29, 2019 for which the vesting condition will be the performance period of 36 months from November 29, 2019 to November 28, 2022.

The Vedanta Limited ESOS 2020 shall vest 31 months from the date of the grant based on business performance (Volume, Cost NSR; EBITDA, FCF, ESG, Carbon Footprint), the performance achievement for each business, which will be evaluated against internal business plan and respective peer comparison on Volume, Cost & NSR, management discretion, and sustained individual performance over the three financial years falling within the performance period subject to continued employment with the company. As a global benchmark, we have introduced a 10% multiplier on account of zero fatalities and an additional multiplier on individual performance ratings to create differentiation at the time of vesting. These options will be awarded to employees under the Vedanta Limited ESOS with effect from March 31, 2021 for which the vesting condition will be the performance period of 31 months from March 31, 2021 to November 6, 2023.



– **Vedanta Limited Cash Based Plan (“CBP”)**

In fiscal year 2019, we introduced conditional cash awards under Employee Stock Option Scheme 2016 (ESOS 2016). These are notional units granted to employees and no shares/options issued, the performance conditions will be same as that in stock options granted in fiscal year 2019 i.e. TSR, continued employment with the Group and business performance based on EBITDA set against business plan for the year. The employee will be paid cash in lieu of units vested once the performance conditions are achieved and once the performance period is completed. These units will be awarded to employees under the CBP with effect from November 1, 2018 for which the vesting condition will be the performance period of 36 months from November 1, 2018 to October 31, 2021.

In fiscal year 2020, the cash-based plan has been redesigned in line with Vedanta Limited ESOS 2019. These are notional units granted to employees and no shares/ options are issued, the performance conditions will be same as that in stock options granted in fiscal year 2020 i.e. Group’s relative TSR performance against the peer group of resource companies, sustained business performance (volume, cost, NSR and EBITDA depending on respective entities) and sustained individual performance over the three financial years falling within the performance period and continued employment with the Group. The employee will be paid cash in lieu of units vested once the performance conditions are achieved and once the performance period is completed. These options will be awarded to employees under the CBP with effect from November 29, 2019 for which the vesting condition will be the performance period of 36 months from November 29, 2019 to November 28, 2022.

In fiscal year 2021, the cash-based plan has been redesigned in line with Vedanta Limited ESOS 2020. These are notional units granted to employees and no shares/ options are issued, the performance conditions will be same as that in stock options granted in fiscal year 2021 i.e. they shall vest 31 months from the date of the grant based on the business performance (Volume, Cost NSR; EBITDA, FCF, ESG, Carbon Footprint), the performance achievement for each business will be evaluated against internal business plan and respective peer comparison on Volume, Cost & NSR, management discretion, and sustained individual performance over the three financial years falling within the performance period subject to continued employment with the organization. As a global benchmark, we have introduced a 10% multiplier on account of zero fatalities and an additional multiplier on individual performance ratings to create differentiation at the time of vesting. These options will be awarded to employees under the CBP with effect from March 31, 2021 for which the vesting condition will be the performance period of 31 months from March 31, 2021 to November 6, 2023.

– **Vedanta Resources Limited Cash Based Plan/ Long Term Incentive Plan (“Vedanta CBP/ LTIP”)**

In fiscal year 2019, Vedanta Resources introduced Conditional Cash Awards linked to Vedanta Limited. This plan is also known as Long Term Incentive Plan. These are notional units granted to employees and no shares/options are issued. The performance conditions will be same as that in stock options granted in fiscal year 2019, i.e., TSR of Vedanta Limited, continued employment with the Group and business performance based on EBITDA of Vedanta Limited set against business plan for the year. The employee will be paid cash in lieu of units vested as per the achievement of performance conditions upon completion of performance period. These options will be awarded to employees under the Vedanta CBP/ LTIP with effect from November 1, 2018 for which the vesting condition will be the performance period of 36 months from November 1, 2018 to October 31, 2021.

In fiscal year 2020, the cash-based plan has been redesigned in line with Vedanta Limited ESOS 2019. These are notional units granted to employees and no shares/options are issued, the performance conditions will be same as that in stock options granted in fiscal year 2020 i.e. Group’s relative TSR performance against the peer group of resource companies, sustained business performance (volume, cost, NSR and EBITDA depending on respective entities of Vedanta Limited) and sustained individual performance over the three financial years falling within the performance period and continued employment with the Group. The employee will be paid cash in lieu of units vested once the performance conditions are achieved and once the performance period is completed. These options will be awarded to employees under the Vedanta CBP/ LTIP with effect from November 29, 2019 for which the vesting condition will be the performance period of 36 months from November 29, 2019 to November 28, 2022.

In fiscal year 2021, the cash-based plan has been redesigned in line with Vedanta Limited ESOS 2020. These are notional units granted to employees and no shares/options are issued, the performance conditions will be same as that in stock options granted in fiscal year 2021 i.e. they shall vest 31 months from the date of the grant based on the business performance (Volume, Cost NSR; EBITDA, FCF, ESG, Carbon Footprint), the performance achievement for each business which will be evaluated against internal business plan and respective peer comparison on Volume, Cost & NSR, management discretion, and sustained individual performance over the three financial years falling within the performance period subject to continued employment with the company. As a global benchmark, we have introduced a 10% multiplier on account of zero fatalities and an additional multiplier on individual performance ratings to create differentiation at the time of vesting. These options will be awarded to employees under the Vedanta CBP/ LTIP with effect from March 31, 2021 for which the vesting condition will be the performance period of 31 months from March 31, 2021 to November 6, 2023.



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The following table summarizes, as of March 31, 2021, the options granted to our directors, executive officers and significant employees under the Vedanta Limited ESOS Scheme:

Name	Shares underlying the Vedanta Limited ESOS,			Total
	Grant date - November 1, 2018 ⁽¹⁾	Grant date - November 29, 2019 ⁽²⁾	Grant Date - March 31, 2021 ⁽³⁾	
Sunil Duggal	156,130	181,970	177,778	515,878
GR Arun Kumar	124,340	170,440	—	294,780
Ajay Kapur	—	273,860	176,000	449,860
Sharad Gargiya	—	31,090	36,060	67,150
Ajay Kumar Dixit	82,930	121,720	—	204,650
Dilip Golani	80,220	90,910	—	171,130
Abhijit Pati	79,890	89,910	53,333	223,133
Vikas Sharma	56,400	55,630	53,333	165,363
Chhavi Nath Singh	42,400	60,190	—	102,590
Anup Agarwal	43,600	55,330	—	98,930
James Cartwright	—	93,370	—	93,370
Sauvick Mazumdar	37,600	58,790	42,222	138,612
Pankaj Kumar	42,300	49,110	31,111	122,521
Madhu Srivastava	36,140	59,050	43,481	138,671
Rahul Sharma	32,900	52,310	66,667	151,877
Azad Shaw	30,630	34,580	—	65,210
Ashok Sonthalia	28,200	41,500	—	69,700
Vineet Bose	27,750	38,480	—	66,230
Arun Misra	—	68,760	88,889	157,649
Swayam Saurabh	—	58,760	—	58,760
Vivek Rathi	—	34,580	—	34,580
Hitesh Vaid	15560	20750	28,889	65,199
Prachur Sah	70260	69160	77,778	217,198
Ajay Goel	—	—	20,000	20,000
Vikash Jain	32,900	41,500	31,111	105,511
Sonam Donkar	—	17,290	26,667	43,957
Anand Soni	—	22,630	22,986	45,616
Anand Laxshmivarahan	8,090	13,840	18,752	40,682
Mahesh Iyer	12,040	17,290	17,778	47,108
Navin Jaju	19,640	26,280	24,444	70,364
Navnath Vhatte	26000	30610	31111	87,721
Varun Kapoor	10,480	15,220	12,444	38,144
Gobinda Pal	37,600	48,570	42,222	128,392
Pankaj Malhan	—	34,580	—	34,580
Leena Verenkar	11,750	15,220	13,617	40,587
Dhiraj Nayyar	—	20,750	22,222	42,972
Laxman Shekhawat	51,700	55,330	—	107,030
Total	1,197,450	2,169,360	1,158,895	4,525,705

- The underlying shares shall vest three years from the date of grant (October 31, 2021), based on the TSR ranking, sustained business performance based on EBITDA as well as tenure served by employees as per the scheme. The options shall expire after six months from the date of vesting.
- The underlying shares shall vest three years from the date of grant (November 29, 2022), based on the TSR ranking, sustained business performance (volume, cost, NSR and EBITDA depending on respective entities) and sustained individual performance subject to continued employment in the organization as per the scheme. The options shall expire after six months from the date of vesting.
- The underlying shares shall vest 31 months from the date of the (November 6, 2023), based on the business (Volume, Cost NSR; EBITDA, FCF, ESG, Carbon Footprint), management discretion, and sustained individual performance subject to continued employment in the organization as per the scheme. The option shall expire after six months from the date of vesting.

The following table summarizes, as of March 31, 2021, the options granted to our directors, executive officers and significant employees under the Vedanta Limited Conditional Cash Awards (CBP) and Vedanta Resources Limited Cash Based Plan/ Long Term Incentive Plan:

Name	Shares Underlying the CBP,	Shares Underlying the CBP,	Shares Underlying the CBP,
	Grant date - November 1, 2018 ⁽¹⁾	Grant date - November 29, 2019 ⁽²⁾	Grant date - March 31, 2021 ⁽³⁾
Navin Agarwal ⁽⁴⁾	435,960	513,260	412,444
Pushpender Singla	30,610	32,380	35,556
Andrew Lewin	—	—	62,222
Anand Soni	28,820	—	—
Laxman Shekhawat	—	—	55,556
Total	495,390	545,640	565,778

- The underlying cash-based units shall vest three years from the date of grant (October 31, 2021), based on the TSR ranking, sustained EBITDA as well as tenure served by employees as per the scheme



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- (2) The underlying cash-based units shall vest three years from the date of grant (November 29, 2022), based on the TSR ranking, sustained business performance (volume, cost, NSR and EBITDA depending on respective entities) and sustained individual performance subject to continued employment in the organization as per the scheme.
- (3) The underlying cash-based units shall vest three years from the date of grant (November 6, 2023), based on the business (Volume, Cost NSR; EBITDA, FCF, ESG, Carbon Footprint), management discretion, and sustained individual performance subject to continued employment in the organization as per the scheme.
- (4) Navin Agarwal has been awarded units under Vedanta Resources Limited Cash Based Plan/ Long Term Incentive Plan 2018, 2019 and 2020, the units will vest as per Vedanta Limited CBP 2018, 2019 and 2020. The payment upon vesting will be made from Vedanta Resources Limited, UK.

Limitations on Liability and Indemnification Matters

The Companies Act, 2013 provides an enabling provision for providing indemnity to directors and officers. The terms of the service contract with the Whole Time Directors provides that the Company shall indemnify and keep the director indemnified from and against all claims, demands, actions, suits and proceedings, penalties and punitive damages, attorney's fees and such reasonable expenses arising out of any claim / litigation whatsoever that may be brought or made against the Director in relation to performance of duties assigned or arising out of normal course of the business of the Company.

The Companies Act, 2013 also provides that where any insurance is taken by a company on behalf of its Managing Director, Whole Time Director, Manager, Chief Executive Officer, Chief Financial Officer or Company Secretary for indemnifying any of them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the company, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel; provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

C. Board Practices

Compensation of the Board

Under the Companies Act, 2013, our shareholders must approve the salary, bonus and benefits of all directors at an annual general meeting of the shareholders or through a postal ballot.

Navin Agarwal is entitled to be paid a fixed salary inclusive of base pay, commission and retirement benefits in addition to which he is eligible for performance incentives (based upon the scheme) to be determined by our Board and perquisites including a housing allowance, medical and insurance reimbursement, club membership fees reimbursement and leave travel concessions for himself and his family and also a commission based on our net profits for a particular fiscal year as determined by our Board, subject to maximum allowable under Indian Law.

GR Arun Kumar was entitled to be paid a basic salary, house rent allowance, personal allowance, and retirement benefits, in addition to which he was eligible for performance incentives (based upon the scheme) to be determined by our Board and perquisites including medical and insurance reimbursement, club membership fees reimbursement and leave travel concessions for himself and his family. GR Arun Kumar was entitled to receive a bonus equal to 20.0% of his basic salary. GR Arun Kumar resigned from the position of Whole-Time Director & CFO with effect from close of business hours on April 24, 2021.

Sunil Duggal is entitled to be paid a basic salary, personal allowance and retirement benefits, in addition to which he is eligible for performance incentives (based upon the scheme) to be determined by our Board and perquisites including vehicle maintenance reimbursement, car benefit and furnishing insurance reimbursement, club membership fees reimbursement and leave travel concessions for himself and his family.

Composition of the Board

Our Board currently consists of nine directors. Five of our nine directors, namely, Mahendra Kumar Sharma, Padmini Somani, Dindayal Jalan, Upendra Kumar Sinha and Akhilesh Joshi satisfy the "independence" requirements of the NYSE rules. The following table provides a snapshot of the composition of the Board as of the date hereof:

Name	Date of current term	Expiration /Renewal of current term
Anil Agarwal ⁽¹⁾	April 1, 2020	—
Navin Agarwal ⁽²⁾	August 1, 2018	July 31, 2023
Mahendra Kumar Sharma ⁽³⁾	June 1, 2019	May 3, 2022
Padmini Somani ⁽⁴⁾	February 5, 2021	February 4, 2023
Dindayal Jalan ⁽⁵⁾	April 1, 2021	March 31, 2023
Priya Agarwal ⁽⁶⁾	May 17, 2020	May 16, 2023
Upendra Kumar Sinha ⁽⁷⁾	March 13, 2018	August 10, 2021
Akhilesh Joshi ⁽⁸⁾	July 1, 2021	June 30, 2022
Sunil Duggal ⁽⁹⁾	April 25, 2021	July 31, 2023

- (1) Anil Agarwal was appointed as an Additional Non-Executive Director designated as Chairman with effect from April 1, 2020 which was approved by shareholders at the Annual General Meeting held on September 30, 2020.



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- (2) Navin Agarwal was re-appointed as a Whole Time Director with effect from August 1, 2018 till July 31, 2023. He was re-designated as Executive Vice Chairman with effect from April 1, 2020.
- (3) Mahendra Kumar Sharma was appointed as a Non-Executive Independent Director effective from June 1, 2019 till May 3, 2022 which was approved by the shareholders at the Annual General Meeting.
- (4) Padmini Somani was appointed as a Non-Executive Independent Director effective from February 5, 2021 to February 4, 2023 subject to approval of the shareholders at the ensuing Annual General Meeting.
- (5) Dindayal Jalan was appointed as a Non-Executive Independent Director effective from April 1, 2021 to March 31, 2023 subject to approval of the shareholders at the ensuing Annual General Meeting.
- (6) Priya Agarwal was appointed as Non-Executive Non – Independent Director with effect from May 17, 2017 for a period of 3 years till May 16, 2020. She was further re-appointed for another term of 3 years effective from May 17, 2020 till May 16, 2023 which was approved by the shareholders at the Annual General Meeting held on September 30, 2020.
- (7) Upendra Kumar Sinha was appointed as a Non-Executive Independent Director for a term effective from March 13, 2018 till August 10, 2021. In June 2021, the Board of Directors, on recommendation of Nomination and Remuneration Committee of the Company, have considered and approved the re-appointment of Upendra Kumar Sinha as Non-Executive Independent Director on the Board of the Company for a 2nd and final term of 3 years effective from August 11, 2021 to August 10, 2024, subject to approval of the shareholders at the ensuing Annual General Meeting.
- (8) Akhilesh Joshi has been appointed as an Additional Director designated as Non-Executive Independent Director on the Board of the Company for a 1st term of one year effective July 01, 2021 till June 30, 2022, subject to approval of the shareholders at the ensuing Annual General Meeting.
- (9) Sunil Duggal has been appointed as an Additional Director designated as Whole-Time Director & CEO and KMP of the Company effective from April 25, 2021 till July 31, 2023, subject to the approval of the shareholders of the Company at the ensuing Annual General Meeting.

Either we or the director may terminate the respective service contract upon 90 days' notice to the other party or payment in lieu of the notice period. None of the service contracts provide for benefits upon termination of their employment.

The Non-Executive Directors serve as directors on our Board until their resignation or removal from office by a resolution of our shareholders, or upon cessation by virtue of the provision of law or upon incurring disqualification from being directors. Mahendra Kumar Sharma, Padmini Somani, Dindayal Jalan, Upendra Kumar Sinha, Akhilesh Joshi, Anil Agarwal and Priya Agarwal do not have any service contracts with the Company.

Committees of the Board

Our equity shares are currently listed and traded on the NSE and the BSE, and our ADSs are currently listed and traded on the NYSE. In addition to compliance with the NYSE corporate governance rules applicable to us as a foreign private issuer, we maintain our corporate governance arrangements in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) Regulations 2015") and the Indian regulations as per the requirements of Companies Act, 2013. In particular, we have established an Audit & Risk Management Committee, a Nomination & Remuneration Committee, a Corporate Social Responsibility Committee, a Stakeholders' Relationship Committee, a Committee of Directors, a Share & Debenture Transfer Committee, and a Sustainability Committee in accordance with the Indian corporate governance requirements.

The composition and general responsibilities of each of these committees are described below.

➤ *Audit & Risk Management Committee*

During fiscal year 2021, the Audit Committee held 9 meetings.

As on March 31, 2021, the Audit & Risk Management Committee consisted of Mahendra Kumar Sharma as the Chairperson, Krishnamurthi Venkataramanan and Upendra Kumar Sinha as members.

Lalita D. Gupte ceased to be the Chairperson of the Committee effective close of business hours of November 6, 2020 and accordingly, the said Committee was re-constituted at the Board Meeting held on November 6, 2020 with Mahendra Kumar Sharma as the Chairperson and Krishnamurthi Venkataramanan and Upendra Kumar Sinha as members.

Krishnamurthi Venkataramanan ceased to be the member of the Committee effective close of business hours of March 31, 2021 and accordingly, Dindayal Jalan was appointed as the member of the Committee effective April 1, 2021. Akhilesh Joshi was appointed as member of the Committee effective July 01, 2021.

Each of Mahendra Kumar Sharma, Upendra Kumar Sinha, Akhilesh Joshi and Dindayal Jalan satisfy the "independence" requirements of Rule 10A-3 of the Exchange Act and the NYSE rules. Dindayal Jalan is designated as our "audit committee financial expert", within the requirements of the rules promulgated by the SEC relating to listed-company audit committees.

The key responsibilities of the Audit Committee are to assist the Board in fulfilling its oversight responsibilities in relation to: financial reporting; the effectiveness of the system of risk management and robustness of internal financial controls and risk management framework including cyber security, adequacy and effectiveness of the Company's legal, regulatory and ethical compliance and governance programs, monitoring the qualifications, expertise, resources and independence of both the internal and external auditors; and assessing the auditors' performance and effectiveness each year.



The principal duties and responsibilities of our Audit Committee are as follows:

Oversight of financial reporting

- Oversight of Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are true, fair, sufficient and credible;
- Discuss and review, with the management and auditors, the annual /quarterly financial statements before submission to the Board;
- Discuss and review earnings press releases and the financial information and guidance provided to analysts and ratings agencies;
- Review of key significant issues, tax and legal reports, and management's report;
- Review of management's analysis of significant issues in financial reporting and judgments made in preparing the financial statements;
- Discuss with the management regarding pending technical and regulatory matters that could affect the financial statements, and updates on management's plans to implement new technical or regulatory guidelines;
- Review of off-balance-sheet structures, if any;
- Review of draft limited review/ audit reports and qualifications, if any, therein;
- Discuss and Review the Form 20 F and Japanese Filings.

Auditors

- Appointment of statutory, internal, secretarial, cost and tax auditors, recommending their fees and reviewing their audit reports;
- Review the independence of the statutory auditor and the provision of audit/non-audit services including audit/non-audit fees paid to the statutory auditor;
- Independent meetings with statutory auditors.

Internal audit and Internal financial controls

- Review of internal audit observations and monitoring the implementation of any corrective actions identified;
- Reviewing the internal financial control framework;
- Review of the performance of the internal audit function and internal audit plan;
- Consideration of statutory audit findings and review of significant issues raised;
- Reviewing related party transactions;
- Management discussion and analysis of financial condition and results of operations.

Risk Management

- Review of the risk management framework, risk profile, significant risks, risk matrix and resulting action plans;
- Review of the significant audit risks with the statutory auditor during interim review and year-end audit;
- Oversight over the effective implementation of the risk management framework across various businesses;
- Assurance of appropriate measures in the organisation to achieve prudent balance between risk and reward in both ongoing and new business activities;
- Annual review of the risk appetite and risk management policy including cyber security procedures adopted in the Group;
- Analytic validation and recommendation of necessary changes in the risk management policies and frameworks to the Audit Committee/Board, if any;
- Evaluation of significant and critical risk exposures for assessing management's action to mitigate or manage the exposures in a timely manner.

Governance

- Reviewing minutes, summary reports of subsidiary company audit committees;
- Reviewing intercorporate loans, advances, guarantees,
- Reviewing ethics (whistle blower, sexual harassment, insider Trading) and statutory compliances;
- Review of its own charter and processes;
- Notices received from statutory authorities and the management's response;
- Regulatory updates;
- Reviewing feedback from the Audit Committee's performance evaluation;

➤ *Nomination and Remuneration Committee*

During fiscal year 2021, the Nomination and Remuneration Committee held 4 meetings.

As on March 31, 2021, the Committee comprised of Upendra Kumar Sinha as the Chairperson of the Committee and Krishnamurthi Venkataramanan, Mahendra Kumar Sharma and Anil Agarwal as members of the Committee. Navin Agarwal is a permanent invitee to this Committee.

Subsequent to the cessation of Lalita D. Gupte from the close of business hours of November 6, 2020, the Committee was re-constituted.

Krishnamurthi Venkataramanan ceased to be the member of the Committee effective close of business hours of March 31, 2021 and accordingly, Dindayal Jalan was appointed as the member of the Committee effective April 1, 2021.

Section 178 of the Companies Act, 2013 and SEBI (LODR) Regulations 2015, requires a Nomination and Remuneration Committee to consist of three or more non-executive directors out of which not less than one half of the members shall be Independent Directors, provided the Chairperson of the Company may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee.



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Our Nomination and Remuneration Committee complies with this requirement which comprises of four members of which three members are Independent Directors and one is Non-Executive Director who is our Non-Executive Chairman of the Company. The chairperson of the Committee is a Non-Executive Independent Director.

The Nomination and Remuneration Committee is responsible for making recommendations to the Board on the structure, size, and composition of the Board, ensuring that the appropriate mix of skills, experience, diversity and independence is present on the Board for it to function effectively. The Nomination and Remuneration Committee also leads the process for new Board appointments, advises the Board on succession planning arrangements and oversees the development of management talent within the Vedanta Group.

Another key objective of the Nomination and Remuneration Committee is to ensure that competitive and fair awards are linked to key deliverables and are also aligned with market practice and shareholders' expectations. The Nomination and Remuneration Committee ensures that remuneration policies and practices are designed to attract, retain and motivate the Executive Directors and the senior management group, while focusing on the delivery of the Vedanta Group's strategic and business objectives. The Nomination and Remuneration Committee is also focused on aligning the interests of the Executive Directors and the senior management group with those of shareholders, to build a sustainable performance culture. When setting remuneration for the Executive Directors, the Nomination and Remuneration Committee takes into account the business performance, developments in the natural resources sector and, considering that the majority of the Group's operations are based in India, similar information for high-performing Indian companies. The Nomination and Remuneration Committee also carries out the entire process of board evaluation.

The principal duties and responsibilities of the Nomination and Remuneration Committee are as follows:

Board Composition and Nomination

- Review and recommend the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and its Committees;
- Formulate the criteria/ policy for appointment of Directors, Key Managerial Personnel (KMPs) and Senior Management (as defined by Nomination and Remuneration Committee) in accordance with identified criteria;
- Review and appoint shortlisted candidates as Directors, KMPs and Senior Management (including evaluation of incumbent directors for potential re-nomination) and make recommendations to the Board;
- Evaluate the balance of skills, knowledge, experience and diversity on the Board for description of the role and capabilities, required for an appointment;
- Formulate and recommend to the Board the criteria for determining qualifications, positive attributes and independence of a director.

Compensation

- Recommend to the Board a policy relating to the remuneration of directors (both executive and non-executive Directors), KMP and Senior Management Personnel;
- Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
- Ensuring relationship of remuneration to performance is clear and meets the appropriate performance benchmarks; and;
- Ensure remuneration to directors, KMP and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
- Determine remuneration based on the Company's financial position, trends and practices on remuneration prevailing in the industry as considered appropriate by the Nomination and Remuneration Committee;
- Review of the Company's Share Based Employee Benefit Scheme(s), if any, including overseeing the administration of the Scheme(s), formulating the necessary terms and conditions for such Scheme(s) like quantum of options/rights to be granted, terms of vesting, grant options/rights to eligible employees, in consultation with management; and allotment of shares/other securities when options/rights are exercised etc. and recommend changes as may be necessary.

Evaluation of the Board, its Committees and individual directors

- To develop, subject to approval by the Board, a process for an annual self-evaluation of the performance of the Board, its committees and the individual directors in the governance of the Company and to coordinate and oversee this annual self-evaluation;
- To formulate a criteria for evaluation of independent Directors and the Board and carry out evaluation of every Director's performance and present the results to the Board;
- To review the performance of all the Executive Directors, on the basis of detailed performance parameters set for each of the executive Directors at the beginning of the year and present the results to the Board;
- Action report on suggestions made on evaluation;
- To maintain regular contact with the leadership of the Company. This should include interaction with the Company's Leadership Institute, review of data from the employee survey and regular review of the results of the annual leadership evaluation process

Succession Planning and Governance

- Review succession planning for Executive and Non-Executive Directors and other Senior Management;
- Establishing policies and procedures to assess the requirements for induction of new members to the Board;
- To maintain regular interaction and collaborate with the leadership including the Human Resource team to review the overall Human Resource vision and people development strategy of the Company;
- To review and reassess the adequacy of the Nomination and Remuneration Committee's charter as required and recommend changes to the Board;
- To develop and recommend a policy on Board diversity.



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Under the NYSE listing standards, listed companies must have a remuneration committee composed entirely of independent board members as defined by the NYSE listing standards. However, foreign private issuers such as us, are permitted to follow their respective home country rules in this regard. As a foreign private issuer, we are permitted to follow home country corporate governance practices and since we comply with the Indian regulations in relation to the independence requirements of the remuneration committee, we are not required to follow the NYSE listing standards for an all independent remuneration committee. The broad terms of reference of the Nomination and Remuneration Committee are to appraise the performance of Managing and/or Executive Directors, determine and recommend to the Board the compensation payable to them. This committee is responsible for recommending the fixation and periodic revision of remunerations (including commissions and/or incentives, etc.) of whole-time directors and executive directors. This is done after taking into account our profits and performance, external competitive environment and our growth plans and the company policy on rewarding achievements and performance. Payment of remuneration to the Executive Chairman and Whole Time Director is governed by the respective agreements executed between them and the Company and are governed by the board and shareholder resolutions. The remuneration structure comprises of salary, commission linked to profits, perquisites and allowances, retirement benefits (pension, superannuation, and gratuity) and performance incentives (based upon the scheme) to be determined by our Board.

➤ *Corporate Social Responsibility Committee*

During fiscal year 2021, the Corporate Social Responsibility Committee held 2 meetings.

Section 135 of the Companies Act, 2013 along with Companies (Corporate Social Responsibility Policy) Rules, 2014, including any amendments thereof, mandates companies with revenue, net worth, or profitability beyond a prescribed limit to form a Corporate Social Responsibility Committee. This Committee should comprise of three or more directors with at least one of them being an independent Director. We comply with this requirement as three of our four members of the committee (all of whom are directors on the Board) are independent directors. As on March 31, 2021, the Committee comprised Mahendra Kumar Sharma as the Chairperson of the Committee and Krishnamurthi Venkataramanan, Priya Agarwal and Upendra Kumar Sinha as members of the Committee.

Padmini Somani was inducted as the member of the Committee effective February 5, 2021 and Krishnamurthi Venkataramanan ceased to be the member of the Committee effective close of business hours of March 31, 2021.

The principal duties and responsibilities of our Corporate Social Responsibility (CSR) Committee are as follows:

CSR Policy

- Formulate and recommend to the Board the CSR policy indicating the activities to be undertaken;
- Review the CSR policy and associated frameworks, processes and practices.

CSR Activities

- Identify the areas of CSR activities and projects and to ensure that the Company is taking the appropriate measures to undertake and implement CSR projects successfully;
- Assess the performance and impact of CSR activities of the Company;
- Evaluate CSR communication plans;
- Set path for implementation and monitoring mechanism and the progress stature to ensure achievement;
- Ensure the value, ethics and principles are upheld in all its activities.

CSR Budget

- Decide and recommend to the Board the amount of expenditure to be incurred on CSR activities;
- Evaluate and monitor expenditure towards CSR Activities in compliance with the Companies Act, 2013.

➤ *Stakeholders' Relationship Committee*

During fiscal year 2021, the Stakeholders' Relationship Committee held 1 meeting.

As on March 31, 2021, the Stakeholders' Relationship Committee comprised of Upendra Kumar Sinha as the Chairperson of the Committee and Mahendra Kumar Sharma, Krishnamurthi Venkataramanan and GR Arun Kumar as the members.

Lalita D. Gupte ceased to be the Chairperson of the Committee effective from the close of business hours of November 6, 2020 and accordingly, the Committee was re-constituted with Mahendra Kumar Sharma as the Chairperson of the Committee.

Krishnamurthi Venkataramanan ceased to be the member of the Committee effective close of business hours of March 31, 2021 and accordingly, Dindyal Jalan was appointed as the member of the Committee effective April 1, 2021.

GR Arun Kumar ceased to be the member of the Committee effective close of business hours of April 24, 2021 and accordingly, Sunil Duggal was appointed as the member of the Committee effective April 25, 2021.

Three members of the Committee are Independent Directors, and one member is Whole Time Director.

The principal duties and responsibilities of the Stakeholders' Relationship Committee follows:

Shareholder grievances

- Review and timely resolution of grievances of Security holders related to issue, allotment, transfer/transmission, dematerialization and rematerialization etc. of shares and /or other securities of the Company;



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- Review and timely redressal of all the Security holders grievance related to non- receipt of information demanded if any, non-receipt of annual report, non-receipt of declared dividend, issue of new/duplicate share certificates, general meeting etc;
- Review from time to time the shares and dividend that are required to be transferred to the Investor Education and Protection Fund (IEPF) Authority;
- Review and closure of all investor cases.

Enhancing shareholder experience/services

- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;
- Initiatives for registration of email addresses, permanent account numbers and bank mandates and demat of shares.
- Review reports on shareholder satisfaction surveys, if any;
- Oversight of the performance and services standards of various services being rendered of/by Registrars and Transfer Agents of the Company.

Shareholding Pattern

- Review shareholding distribution;
- Review movement in shareholding pattern;
- Comparative details on demat and physical holding.

➤ Sustainability Committee

During fiscal year 2021, the Sustainability Committee held 2 meetings.

As a Group we have sought to embed a standardised, high-performance sustainability culture across all our businesses. Our emphasis remains on our philosophy of 'Zero Harm, Zero Waste and Zero Discharge'. Sustainability being one of our core values and pillar, means giving utmost priority to health and safety, being environmentally responsible and supporting all our communities. The well-being and security of our people, the community and the environment is considered in each of the things that we do.

As on March 31, 2021, the Sustainability Committee comprised of Krishnamurthi Venkataramanan as the Chairperson of the Committee and Upendra Kumar Sinha and Sunil Duggal as the members.

Krishnamurthi Venkataramanan ceased to be the Chairperson of the Committee effective close of business hours of March 31, 2021 and accordingly, the Committee was re-constituted with Upendra Kumar Sinha as the Chairperson of the Committee effective April 1, 2021. Dindayal Jalan was inducted as the member of the Committee effective April 1, 2021. Akhilesh Joshi was appointed as member of the Committee effective July 1, 2021.

The duties and responsibilities of the Committee are:

- Overseeing the Company's sustainability performance and ensuring adequacy of the Company's sustainability framework in line with international standards;
- Advising the Board on sustainability policies and management systems, clearly setting out the commitments of the Company to manage matters of sustainable development effectively;
- Ensuring effective implementation of governance, advocacy and public relation mechanisms and practices related to sustainability;
- Outlining initiatives required to institutionalize a sustainability culture through involvement of the employees at all levels;
- Evaluating emerging sustainability risks in terms of intensity and impact, in turn, guiding the management on reasonable avoidance of adversities likely to pose a threat to sustained growth;
- Advising the Board to enable it to discharge its responsibilities, having regard to the law and the expected international standards of sustainability and stakeholder governance.

➤ Internal Committees

The Board has constituted few internal committees, for ensuring smooth functioning of the Board. With the constitution of these committees, the Board ensures that prompt and timely decisions are taken on the matters important for the Company and are delegated to the respective committees. Minutes of each committee meeting are placed before the Board for its noting. The Board also formulates several project specific sub-committees from time to time which ensures speedy implementation and execution of the projects. The Board is updated on each of the meetings of sub-committees as well.



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As on March 31, 2021, there are two internal Board committees which are detailed below:

1) Committee of Directors

The Committee of Directors (“COD”) supports the Board by considering, reviewing, and approving all borrowing related proposals, within the overall limits approved by the Board from time to time. The COD enables seamless flow of procedures and assists the Board by catering to various routine requirements. The Committee meets as and when deemed necessary.

The Committee during the fiscal year 2021 met five (5) times. As on March 31, 2021, the Committee comprised Navin Agarwal and GR Arun Kumar.

GR Arun Kumar ceased to be the member of the Committee effective close of business hours of April 24, 2021 and accordingly, Sunil Duggal was appointed as the member of the Committee effective April 25, 2021.

2) Share and Debenture Transfer Committee

As on March 31, 2021, the Committee consisted of three members, GR Arun Kumar – Whole-Time Director & Chief Financial Officer, Anup Agarwal – SVP Corporate Finance and Jagdeep Singh – Senior Corporate Counsel. During the fiscal year 2021, the Committee met one (1) time and passed a total of nine (9) resolutions through circulation.

GR Arun Kumar and Anup Agarwal ceased to be the Chairperson and member of the Committee respectively effective close of business hours on April 24, 2021 and March 31, 2021, respectively.

Ajay Goel – Deputy Chief Financial Officer and Dindayal Jalan, Non-Executive Independent Director have been appointed as the member and the Chairperson of the Committee effective April 1, 2021 and April 25, 2021, respectively.

The role of Share and Debenture Transfer Committee primarily includes the following:

- Allotment of shares, debentures or any other securities;
- Review and approval of transfer, transmission, deletion and transposition of shares, debentures or any other securities.

D. Employees

See “Item 4 - Information on the Company - B. Business Overview - Our Business - Employees.”

E. Share Ownership for Directors, Executive Officers and Significant Employees

The following table sets forth information with respect to the beneficial ownership of our equity shares as of June 25, 2021, by each of our directors, executive officers, and significant employees and all our directors, executive officers and significant employees as a group. As used in this table, beneficial ownership means the sole or shared power to vote or direct the voting or to dispose of or direct the sale of any security. A person is deemed to be the beneficial owner of securities that can be acquired within 60 days upon the exercise of any option, warrant or right. Equity shares subject to options, warrants or rights that are currently exercisable or exercisable within 60 days are deemed outstanding for computing the ownership percentage of the person holding the options, warrants or rights. The amounts and percentages as of June 25, 2021 are based on an aggregate of 3,717,504,871 equity shares outstanding as of that date.

Name of the Beneficial owner	Number of Shares Beneficially Owned	
	As of June 25, 2021	
	Number	Percent
Anil Agarwal	2,422,689,293 ⁽¹⁾	65.18%
Navin Agarwal	—	—
Priya Agarwal	—	—
Upendra Kumar Sinha	—	—
Mahendra Kumar Sharma	—	—
Padmini Somani	—	—
Dindayal Jalan	11,000	*
Akhilesh Joshi	200	*
Sunil Duggal	—	—
Sharad Kumar Gargiya	180	*
Madhu Srivastava	4,051	*
Dilip Golani	600	*
Varun Kapoor	—	—
Andrew Lewin	—	—
Ajay Goel	1,250	*
Roma Balwani	—	—
Dhiraj Nayyar	—	—
Vikash Jain	3,370	*
Leena Verenkar	3,200	*
Anand Laxshmivarahan R	—	—
Philip Campbell	—	—
Arun Misra	—	—
Vinaya Jain	—	—
Laxman Shekhawat	520	*
Pushpender Singla	900	*
Prachur Sah	—	—
Hitesh Vaid	10	*
Sauvick Mazumdar	—	—
Navin Kumar Jaju	2,442	*
Navanath Vhatte	—	—
Pankaj Kumar	—	—
Anand Soni	835	*
Ajay Kapur	—	—
Abhijit Pati	—	—
Chhavi Nath Singh	3,450	*
Vikas Sharma	—	—
Rahul Sharma	600	*
Sonam Donkar	—	—
Gobinda Gopal Pal	9,788	*



All our directors, executive officers, and significant employees as a group

2,422,731,689

65.18%

* Represents beneficial ownership of less than 1.0%.

(1) Vedanta is the beneficial owner of 2,422,689,293 equity shares of the Company. See “Item 7 – Major Shareholders and Related Party Transactions” for further details on beneficial ownership of our equity shares.

(2) Anil Agarwal is the protector and one of the beneficiaries of the Trust. Accordingly, Anil Agarwal is deemed to be a beneficial owner of securities that are beneficially owned by the Trust.



ITEM 7. Major Shareholders and Related Party Transactions

A. Major Shareholders

The following table sets forth information regarding beneficial ownership of our equity shares as of June 25, 2021 held by each person who is known to us to have 5.0% or more beneficial share ownership based on an aggregate of 3,717,196,639 equity shares outstanding as of that date which excludes 308,232 pending allotment as they are under dispute.

Beneficial ownership is determined in accordance with the SEC rules and includes shares over which the indicated beneficial owner exercises voting and/or investment power or receives the economic benefit of ownership of such securities. Equity shares subject to options currently exercisable or exercisable within 60 days are deemed outstanding for the purposes of computing the percentage ownership of the person holding the options but are not deemed outstanding for the purposes of computing the percentage ownership of any other person.

<u>Name of Beneficial Owner</u>	<u>Number of Shares Beneficially Owned</u>	<u>Percentage Beneficially Owned</u>
Vedanta ⁽¹⁾	2,422,689,293	65.18%
Life Insurance Corporation Limited	244,010,659	6.56%

(1) Vedanta is the beneficial owner of 2,422,689,293 equity shares of the Company, consisting of:

- 1,620,820,572 equity shares held by Twin Star. This includes 24,823,177 ADS converted into 99,292,708 equity shares of Re.1/- each on August 11, 2020;
- 401,496,480 equity shares held by Finsider;
- 44,343,139 equity shares held by Westglobe; and
- 38,241,056 equity shares held by Welter Trading
- 210,445,341 equity shares held by Vedanta Holdings Mauritius II Limited; and
- 107,342,705 equity shares held by Vedanta Holdings Mauritius Limited.

Vedanta is the majority shareholder of the Company. Vedanta was delisted from the official list of the London Stock Exchange on October 1, 2018 and was subsequently re-registered as a private limited company as Vedanta Resources Limited.

Volcan and its wholly owned subsidiary i.e. Volcan Investments Cyprus Limited are the sole shareholders of Vedanta, which in turn is the sole shareholder of VRHL, which in turn is the sole shareholder of each of Twin Star and VRFL. VRFL is the sole shareholder of VRCL, which in turn is the sole shareholder of each of Welter Trading and Richter. Richter is the sole shareholder of Westglobe and the majority shareholder of Finsider. Vedanta Holdings Mauritius Limited is wholly owned by Vedanta Holdings Jersey Limited. Vedanta Holdings Mauritius II Limited is wholly owned by Finsider. Volcan is 100.0% beneficially owned and controlled by the Trust. Conclave is the trustee of the Trust and the sole registered shareholder of Volcan.

Mr. Anil Agarwal, the Executive Chairman of Vedanta and protector of the Trust, may be deemed to have beneficial ownership of securities that are beneficially owned by the Trust and since October 16, 2014, Mr. Anil Agarwal is one of the beneficiaries of the Trust.

Vedanta, Volcan, the Trust, Conclave and Mr. Anil Agarwal were previously parties to a relationship agreement that was intended to ensure that Volcan, as Vedanta's controlling shareholder, complies with the independence provisions of the UK Financial Conduct Authority's listing rules. Subsequent to the Vedanta's delisting from the Official List of the London Stock Exchange, the Relationship Agreement was automatically terminated.



Significant Changes in Percentage of Ownership

The following table sets forth the significant changes in the shareholding interests of our Company by our principal shareholders in our equity shares in the last three fiscal years. Except as disclosed below, there were no significant changes in the percentage of ownership in our Company in the last three fiscal years. Percentages set forth below are based on the number of equity shares outstanding as of the dates set forth below.

Type of Shares	As of March 31,						As on June 25,	
	2019		2020		2021		2021	
	Number	Percent (%)	Number	Percent (%)	Number	Percent (%)	Number	Percent (%)
Equity shares ⁽¹⁾	1,863,458,132	50.13	1,863,458,132	50.13	1,863,458,132	50.13	2,422,689,293	65.18
Equity Shares ⁽²⁾	236,640,744	6.37	236,693,725	6.37	236,693,725	6.37	244,010,659	6.56
Equity Shares ⁽³⁾	—	—	186,896,030	5.03	186,896,030	5.03	—	—

- (1) Vedanta is the beneficial owner of equity shares.
- (2) Life Insurance Corporation Limited is the beneficial owner of equity shares.
- (3) ICICI Prudential Equity Arbitrage Fund is the beneficial owner of equity shares.

As of June 25, 2021, there were approximately 643,032 holders of our equity shares of which 673 shareholders have registered addresses in the US. As of the same date, 161,104,800 equity shares representing 40,276,200 of our ADSs, representing 4.33% of our outstanding equity shares were held by a total of 7 registered holders of record with addresses in and outside of the US. Since certain of these equity shares and ADSs were held by brokers or other nominees, the number of record holders in the US may not be representative of the number of beneficial holders or where the beneficial holders are resident. Each of our equity shares is entitled to one vote on all matters that require a vote of shareholders, and none of our shareholders has any contractual or other special voting rights.

B. Related Party Transactions

The following is a summary of the material transactions we have engaged with our controlling shareholder, Vedanta, and its subsidiaries and other related parties, including those where our management or we have a significant equity interest. In addition, the following contains a discussion of how we intend to handle conflicts of interest and allocations of business opportunities between us and our affiliates, directors and executive officers. For a further discussion of related party transactions, See “*Note 35 to our consolidated financial statements*” included elsewhere in this Annual Report.

Related Parties

(i) Volcan and the Agarwal Family

As of June 25, 2021, Volcan and its wholly owned subsidiary hold 100.0% of the share capital and 100.0% of the voting rights of Vedanta. Volcan is 100.0% beneficially owned and controlled by the Trust. Conclave is the trustee of the Trust and sole registered shareholder of Volcan, and consequently controls all voting and investment decisions of the Trust. Mr. Anil Agarwal, our Chairman and non-executive director and the Executive Chairman of Vedanta, is the protector of the Trust and since October 16, 2014, is one of the beneficiaries of the Trust. While Vedanta was listed on the London Stock Exchange, Vedanta, Volcan, the Trust, Conclave and Mr. Anil Agarwal were parties to a relationship agreement which was intended to ensure that Volcan, as Vedanta’s controlling shareholder, complied with the independence provisions of the Financial Conduct Authority’s listing rules in the UK. This relationship agreement was automatically terminated on Vedanta’s delisting from the Official List of the London Stock Exchange

(ii) Key Management Personnel

See “*Note 35: Related Party Transactions*” of Notes to the Consolidated Financial Statements.

Related Party Transactions

(i) Outsourcing Services Agreement with Vedanta

Vedanta Limited entered into a service agreement with Vedanta on April 1, 2010, under which we agreed to provide accounting, treasury and related services at the request of Vedanta from time to time. In consideration of above, Vedanta agreed to pay us service charges aggregating to an amount of \$ 0.2 million per year.

Since the effectiveness of the Re-organization Transactions, we renewed this agreement with Vedanta on May 20, 2014 for a period of 5 years. This agreement was valid until March 2018 and Vedanta agreed to pay us service charges aggregating to an amount of \$ 0.4 million per year with an annual increase of 10.0%. This agreement was further renewed for a period of 5 years from April 1, 2018 and is valid till March 2023. Further, Vedanta has agreed to pay us service charges aggregating to an amount of cost plus arm’s length mark-up per year.

(ii) Brand License Agreement with Vedanta

During fiscal year 2018, the Company entered into a brand license agreement with Vedanta under which Vedanta agreed to grant the Company a license to use the trademark “Vedanta” and its logo. In consideration of the grant of license by Vedanta, the Company has agreed to pay 0.75% of revenue of the Company. The agreement was valid until March 2020.



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VEDANTA 20-F - IFRS	None		SNG		HTM ESS	0C

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During the current year, the agreement was renewed between the parties and certain additional services were also agreed to be provided by VRL. In consideration of the services, the brand and strategic service fee was re-negotiated at 2% of turnover of the Company. The agreement will be reviewed every three years for revision on such terms and conditions as may be agreed between the parties.

For a further discussion of related party transactions, see “*Note 35: Related Party Transactions*” of Notes to the Consolidated Financial Statements.

(iii) During the year ended March 31, 2021, the Group had renewed loan provided to Sterlite Iron and Steel Company Limited to finance project in earlier years. The loan balance as at March 31, 2021 was ₹ 49 million (\$ 1 million). The loan is unsecured in nature and carries an interest rate of 7.15% per annum. The loan was due in March 2021 and the agreement was renewed for a further period of 12 months.

In 2016, a subsidiary of the Company had executed an agreement with Twin Star Holding Limited, the intermediate parent of the Group, to provide an unsecured loan of \$10 million at an interest rate of 2.1% per annum.

During the year, these companies have recognised a provision of ₹ 979 million (\$ 13 million) (including accrued interest of ₹ 200 million) against said loans.

(iv) Twin Star Holding Limited and THL Zinc Limited

During fiscal year 2019, THL Zinc Limited entered into a loan agreement with Twin Star Holding Limited for \$ 20 million at an interest rate of 2.25% per annum. The agreement was valid until February 2019. During the fiscal year 2020, the agreement was renewed with an increased rate of interest of 7.78% and was extended until October 2022. The loan is unsecured. The outstanding balance as on March 31, 2021 was \$ 40,000.

(v) Structured investments purchased from Volcan Investments Limited

During the financial year ended March 31, 2019, as part of its cash management activities, CIHL purchased an economic interest in a structured investment for the equity shares of Anglo American Plc (“AA Plc”), a company listed on the London Stock Exchange, from Volcan for a total consideration of ₹ 38,124 million (GBP 428 million, USD \$ 541 million) determined based on an independent third-party valuation. In July 2019, the transaction was unwound and the investments were redeemed for a total consideration of ₹ 44,847 million (GBP 519 million, USD \$ 639 million), representing the actual price Volcan realised from selling the shares of AA Plc. CIHL was informed that the said realization was net of applicable transaction costs of ₹ 926 million (GBP 10 million, USD \$ 12 million), which in January 2021, CIHL agreed to bear. Accordingly, this amount has been recorded in the consolidated statements of profit and loss in the current year.

(vi) Vedanta Limited - oil and gas business’s PSC and Open Acreage Licensing Policy (“OALP”) guarantee to Government

Vedanta Resources Limited as a parent company, has provided financial and performance guarantee to GoI for erstwhile Cairn India group’s (“Cairn”) obligations under the PSC provided for onshore block RJ-ON-90/1, for making available financial resources equivalent to Cairn’s share for its obligations under the PSC, personnel and technical services in accordance with industry practices and any other resources in case Cairn is unable to fulfill its obligations under the PSC.

During the current year, the Board of Directors of the Company has approved a consideration to be paid for this guarantee at an annual charge of 1.2% of net exploration and development spend, subject to a minimum annual fee of ₹ 366 million (\$ 5 million), applicable from April 2020 onwards to be paid in ratio of participating interests held equally by the Company and its step-down subsidiary, Cairn Energy Hydrocarbons Limited (“CEHL”).

Similarly, VRL has also provided financial and performance guarantee to GoI for the Company’s obligations under the Revenue Sharing Contract (“RSC”) in respect of 51 Blocks awarded under the OALP by the GoI. During the current year, the Board of Directors of the Company has approved a consideration to be paid for this guarantee consisting of one-time charge of ₹ 1,829 million (\$ 25 million), i.e., 2.5% of the total estimated cost of initial exploration phase of approx. ₹ 73,140 million (\$ 1 billion) and an annual charge of 1% of spend, subject to a minimum fee of ₹ 731 million (\$ 10 million) and maximum fee of ₹ 1,463 million (\$ 20 million) per annum.

Accordingly, the Company has recorded a guarantee commission expense of Nil and ₹ 1,332 million (\$ 18 million) for the year ended March 31, 2020 and 2021 respectively and Nil and ₹ 1,610 million (\$ 22 million) is outstanding as a pre-payment at March 31, 2020 and March 31, 2021 respectively.

(vii) Loans to parent companies

In June 2020, as part of its cash management activities, the Company through its overseas subsidiaries extended certain loans and guarantee facilities, for a period upto 12 months, to VRL and its subsidiaries (collectively “the VRL group”) which were drawn over a period of time carrying interest ranging from 3% to 7% and guarantee fee at 1%. In October 2020, certain terms of the loan facilities were modified primarily comprising extension of the tenor, increase in quantum and making it repayable in instalments by December 2023, which resulted in substantial modification of the instruments. Further, the guarantee was also extinguished. The difference in the fair value of the loan was debited to equity as a transaction with the shareholder. The provisions of IFRS 9 – ‘Financial Instruments’ as applicable for assets which are credit impaired on initial recognition were applicable to loans aggregating to ₹ 8,923 million (US\$ 122 million) to one of the subsidiaries of VRL.

Subsequently, in February 2021, the contractual rate of interest on these instruments were increased with retrospective effect to 14% to 17.5% to enable the Group to earn the fair market rate of interest, as was determined on the date of the origination of the transaction.



With an understanding to revise it further based on prevailing market conditions. Thereafter, in March 2021, since the credit default swap rates had stabilized, the Group revised the interest rate to 9.6% using a level 2 valuation approach by applying the prevailing US Dollar treasury rates and the company specific credit default swaps. The Group also benchmarked the said rate to the coupon rate on bonds issued to non-related third parties by the VRL group during the same period. As per the accounting requirements of IFRS 9 with respect to modification of loans, the net excess of loan amount over the present value of the modified contractual cash flows discounted at the original effective interest rate aggregating to ₹ 5,361 million (US\$ 73 million) is reflected in the statements of changes in equity and cash flow as a transaction with the shareholder. The accounting effects of these transactions have been recorded for the first time in these financial statements and were not recorded in the interim financial statements of the Group as at and for the six months ended September 30, 2020.

As of March 31, 2021, loans of ₹ 70,653 million (US\$ 966 million) are outstanding. The loans are now entirely held by a single subsidiary of VRL, which holds 37.1% shares (increased to 43.6% subsequent to the year-end) in the Company and is required to maintain the said level of shareholding during the tenure of the loans. The said entity also has a contractual ceiling on its borrowings, which is lower than the market value of its investments and other assets. Further, an accretive interest of ₹ 146 million (US\$ 2 million) over and above the contractual interest has been accounted for in the statement of profit and loss. Subsequent to the year end, in April 2021, the VRL group has repaid ₹ 15,140 Million (US\$ 207 million) of the aforesaid loans. In May 2021, the overseas subsidiaries of the Company, entered into a novation agreement with the said subsidiary of VRL and agreed to novate ₹ 21,942 million (US\$ 300 million) to another subsidiary of VRL with a revised rate of interest of 10.1%. Being a non - adjusting post balance sheet event, accounting effects of the same have not been recorded.

(viii) Conflicts of Interest and Allocations of Business Opportunities

From time to time, conflicts of interest have in the past and will in the future arise between us and our affiliates, including our controlling shareholder, Vedanta, and other companies controlled by Vedanta, our directors and our executive officers. See “*Item 3. Key Information - D. Risk Factors - Risks Relating to Our Relationship with Vedanta.*” With respect to transactions between us and our affiliates, directors and executive officers that involve conflicts of interests, we have in the past undertaken and will continue to undertake such transactions in compliance with the rules for interested or related party transactions of the NYSE, NSE and BSE.

As part of our listing with the NYSE, we were required to confirm to the NYSE that we will appropriately review and oversee related party transactions on an ongoing basis. These related party transactions include transactions between us and our controlling shareholder, Vedanta, and its affiliates. The NYSE reviews the public filings of its listed companies as to related party transactions. Under the rules of the NYSE, we are required to have an independent audit committee comprised entirely of independent directors. We have had an independent audit committee comprised entirely of independent directors since our ADSs offering in June 2007. One of the functions of the independent audit committee is to review any related party transactions by us or any of our subsidiaries or affiliates. In addition, under the rules of the NYSE, we are required to obtain shareholder approval for any issuance of our equity shares, or securities convertible into or exercisable for our equity shares, to any related party, except that such approval would not be required for sales of our equity shares to our controlling shareholder or its affiliates in an amount not to exceed 5.0% of the number of our equity shares outstanding prior to such issuance and at a price equal to or greater than the higher of the book or market value of our equity shares.

Under the listing regulations we have entered into with the NSE and BSE, we are required to ensure that our disclosures in relation to material and significant related party transactions in our Annual Reports are in compliance with applicable accounting standards in India. Specifically, we are required to place before the audit committee and publish in our Annual Reports a statement in summary form of the related party transactions entered into by us during the previous fiscal year, providing details of whether such transactions were undertaken in the ordinary course of business and details of material individual transactions with related parties or others which were not on an arm’s length basis, together with our management’s justification for such transactions. Under the listing regulations, 2015, our audit committee is required to review and discuss with the management the disclosures of any related party transactions, as provided in our annual financial statements.

As per Companies Act, 2013, the related party transactions require approval of the Board of Directors in case the transaction is not at arm’s length or in the ordinary course of business. Further approval of the shareholders would be required whenever the prescribed threshold limits exceed. Further, the member of the company shall not vote on such resolution to approve any contract or arrangement which may be entered into by the company, if such member is a related party. However, the approval of the Board / Shareholders will not apply if the related party transactions are in the ordinary course of business and at arm’s length.

We also have used and will continue to use independent appraisers in appropriate circumstances to help determine the terms of related party transactions. We have had and will continue to have an audit committee comprised entirely of independent directors which is responsible for reviewing any related-party transaction by us or any of our subsidiaries or affiliates.

We are continually seeking to identify and pursue business opportunities. However, Vedanta, as our controlling shareholder, has the power to determine in its sole discretion what corporate opportunities we may pursue and whether to pursue a corporate opportunity itself or through one of its other subsidiaries, which may benefit such companies instead of us and which could be detrimental to our interests. See “*Item 3. Key Information—D. Risk Factors—Risks Relating to Our Relationship with Vedanta—Vedanta may decide to allocate business opportunities to other members of the Vedanta group instead of to us, which may have a material adverse effect on our business, results of operations, financial condition and prospects.*” Vedanta has in the past allocated and expects in the future to allocate corporate opportunities among itself and its various subsidiaries based on a number of factors, including the nature of the opportunity, the availability of funds at the relevant subsidiary to pursue the opportunity and which subsidiary it believes can most successfully take advantage of the opportunity.

ITEM 8. FINANCIAL INFORMATION

A. Consolidated Statements and Other Financial Information

Please see “*Item 18 – Financial Statements*” for a list of the financial statements filed as part of this Annual Report.



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Legal Proceedings

Except as described below, there are no governmental, legal or arbitration proceedings (including any such proceedings, which are pending, or to our knowledge, threatened) which we believe could reasonably be expected to have a material adverse effect on our results of operations, cash flows or financial position. See – “*Note 33 to our consolidated financial statements*” included elsewhere in this Annual Report for more information.

– *Proceedings against the GoI which has disputed our exercise of the call option to purchase its remaining ownership interest in BALCO*

There are certain proceedings that are currently ongoing with respect to the exercise of a call option to acquire the remaining shares of BALCO held by the GoI, in accordance with the terms of the shareholders’ agreement between the GoI and us. The amount claimed under this proceeding is presently unquantifiable. The arbitral tribunal formed under the directions of the High Court of Delhi pronounced an award on January 22, 2011. The award held certain clauses of the shareholders’ agreement to be void, ineffective and inoperative as being in violation of sub section (2) of Section 111A of the erstwhile Companies Act, 1956. We filed an application before the High Court of Delhi to set aside this award under Section 34 of the Arbitration and Conciliation Act, 1996. See “*Item 4 – Information on the Company - B. Business Overview - Our Business - Options to Increase Interests in HZL and BALCO*”.

– *Proceedings by the GoI which has disputed our exercise of the call option to purchase its remaining ownership interest in HZL*

We commenced arbitration proceedings against the GoI with respect to exercise of our call option to acquire the remaining shares of HZL held by the GoI, in accordance with the terms of the shareholders’ agreement between the GoI and us. The GoI denied our right to exercise the option on the basis that the shareholders’ agreement contravenes the provisions of Section 111A of the erstwhile Companies Act, 1956 and is therefore void. While the Arbitration was in process, a PIL was filed seeking restraint on disposal of residual shares by GoI the Supreme Court on January 19, 2016 ordered the status quo be maintained with respect to any further disinvestment of government interest in HZL until further orders are passed by the Supreme Court. The Supreme Court, on August 13, 2020 however removed the status quo order in place to the extent that arbitration proceedings can continue with respect to our claim call option rights under the shareholder agreement. Pursuant to the Supreme Court order we had written to the arbitration tribunal for commencement of arbitration proceedings and tribunal is yet to confirm the date for resumption of arbitration proceedings. The PIL seeking restraint on further disinvestment is tentatively listed for July 19, 2021. The matter will be listed for hearing before the Supreme Court in due course. See “*Item 4: Information on the Company - B. Business Overview - Our Business - Options to Increase Interests in HZL and BALCO*”.

– *Legal proceedings related to mining operations in the State of Goa*

Pursuant to findings in the Justice M.B. Shah Commission Report dated March 15, 2012 on the allegations of illegal mining in the State of Goa, the state government banned iron ore mining operations in Goa on September 10, 2012 and the MoEF&CC suspended environmental clearances of all mining leases within the State of Goa. A writ petition was filed before the Supreme Court of India to initiate action based on the Justice M.B. Shah Commission Report and an interim order was passed by the Supreme Court of India on October 5, 2012 suspending mining operations within Goa.

The Supreme Court of India passed an interim order on November 11, 2013 directing that the Directorate of Mines and Geology verify the inventory of the excavated mineral ores and the Monitoring Committee be constituted to sell the materials through an e-auction and proceeds from the auction to be deposited with the state government. The auction of inventorized ore is yet to be completed.

On April 21, 2014, the Supreme Court passed judgment in the matter lifting the ban with certain stipulations, including directions on mining by the lessees after November 22, 2007 as being illegal, and dumping outside the leased area as being impermissible. The Supreme Court also ordered that an interim buffer zone be fixed at one kilometer from the boundaries of National Parks and Sanctuaries, set an ad-hoc cap on annual excavation at 20 million tons other than from dumps until such time as the final report of Expert Committee on Iron ore is submitted, and also ordered the appropriation of the sale value of e-auctioned inventorized ores by the state government as per stipulated conditions, and the payment of 10.0% of the sale proceeds to the Goa Iron Ore Permanent Fund. The Supreme Court has held that all mining leases in the State of Goa, including those of the Company, had expired in 2007 and consequently, no mining operations can be carried out until renewal/execution of mining lease deeds by the state government. The petition filed by us in May 2014 for the review of the aforesaid judgment in the Supreme Court of India on certain limited issues was subsequently withdrawn by us in September 2014.

On August 13, 2014, the High Court of Bombay, Goa Bench passed a common order directing the State of Goa to renew the mining leases for which stamp duty was collected in accordance with the Goa Mineral Policy (2013) and to decide the other applications for which no stamp duty was collected within three months thereof.

On January 15, 2015, the government of Goa revoked the order suspending mining operations in the State of Goa and MoEF&CC has revoked suspension of environmental clearances in March 2015. Subsequently, the lease deeds for all working leases were executed and registered as of August 2015. We obtained the CTO under the Air (Prevention of Pollution) Act and Water (Prevention of Pollution) Act from the Goa State Pollution Control Board and mining plan approval from the Indian Bureau of Mines for these leases, and the Company resumed operations of its mines on August 10, 2015.

On September 10, 2014, the Goa Foundation challenged the High Court order directing the renewal of mining by way of a SLP before the Supreme Court of India, challenging the judgment of the High Court dated August 13, 2014 directing renewal of mining leases. Another set of SLPs on an identical issue were filed by a local activist. Two writ petitions have also been filed before Supreme Court by Goa Foundation and Sudip Tamankar in September 2015 for setting aside the second renewal of iron ore mining leases in Goa made under section 8 (3) of Mines and Minerals (Development and Regulation) “(MMDR)” Act and challenging the revocation of suspension on mining in State of Goa. The Supreme Court passed its final order in the matter on February 7, 2018 wherein it set aside the second renewal of the mining leases granted by the State of Goa. The Supreme Court directed all lease holders operating under a second renewal to stop all mining operations with effect from March 16, 2018 until fresh mining leases (not fresh renewals or other renewals) and fresh environmental clearances are granted under the MMDR Act. The State Government of Goa and company have filed a review petition against the said judgment dated February 7, 2018. The review petition has been heard in chambers and the order is being awaited.



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Subsequent to the aforesaid judgement, Vedanta Limited filed a representation before the state government seeking an extension on the validity of leases in consonance with provisions of MMDR Amendment Act which provided that all leases granted prior to the commencement of MMDR Amendment Act were deemed to be granted for a tenure of fifty (50) years. The state government did not consider the representation citing the Supreme Court judgment in place in respect of the issue. Vedanta Limited challenged state government's stand before the High Court of Bombay at Goa by way of a writ petition which was also rejected basis the earlier Supreme Court. Company has now challenged the order of High Court before the Supreme Court, in which notice has been issued to parties and the State Government has filed a supportive affidavit. The SC has also allowed the impleadment of Goa Foundation and Sudip Tamankar and they have filed their replies. The matter will now be taken up for hearing on July 20, 2021. Separately, the Expert Committee on Iron ore has filed their reports on dump handling and ceiling on annual extractions before the Supreme Court recommending the immediate enhancement of the annual extraction ceiling to 30 million MT, and subsequently to 37 million MT after the development of infrastructure. The Expert Committee on Iron ore's report is yet to be accepted and the matter is pending before the Supreme Court.

– ***Certain prosecution proceedings brought by SEBI against us, Mr. Anil Agarwal and Mr. Tarun Jain***

In April 2001, SEBI ordered that prosecution proceedings be brought against us, alleging that we have violated the regulations prohibiting fraudulent and unfair trading practices and it also passed an order prohibiting us from accessing the capital markets for a period of two years. This SEBI order was overruled by the SEBI Appellate Tribunal on October 22, 2001 on the basis of lack of sufficient material evidence to establish that we had, directly or indirectly, engaged in market manipulation and that SEBI had exercised its jurisdiction incorrectly in prohibiting us from accessing the capital markets. On November 9, 2001, SEBI appealed to the High Court of Bombay. The next date of hearing has not yet been fixed. In addition to the prosecution proceedings, SEBI also initiated criminal proceedings in 2001 before the Court of the Metropolitan Magistrate, Mumbai, against us, Mr. Anil Agarwal and Mr. Tarun Jain (who was the Chief Financial Officer of MALCO at the time of the alleged price manipulation). The matter is tentatively listed for August 27, 2021. When SEBI's order was overruled on October 22, 2001, we filed a petition before the High Court of Bombay to stay those criminal proceedings on the grounds that the SEBI Appellate Tribunal had overruled SEBI's order on price manipulation. An order was passed by the High Court of Bombay in our favor on December 2, 2005, granting an interim stay of the criminal proceedings.

– ***Criminal proceedings against certain directors and employees of BALCO***

Criminal proceedings were initiated by Mr. Ajay Padia before the Court of the Judicial Magistrate First Class, Pune against Mr. Anil Agarwal, Mr. Navin Agarwal, Mr. Tarun Jain and certain of our other former directors and employees in 2002 alleging that an assurance that was given by the above mentioned directors regarding payment of all amounts owed to him for the damaged material supplied by BALCO was not honored. An application under Section 482 of the Indian Criminal Procedure Code was filed in the High Court of Bombay for quashing the proceedings in the Judicial Magistrate First Class and to dispose the matter directing that alternative remedies were available before the Sessions Court, Pune, which was the appropriate Court. The High Court of Bombay stayed the criminal proceedings and the application was listed for disposal. The next date of hearing has tentatively been fixed for September 18, 2021.

– ***Penalties levied by the Enforcement Directorate on certain of our directors and us***

On August 3, 2004, the Enforcement Directorate levied penalties on certain of our directors and us aggregating to ₹ 347 million (\$ 4 million). It was alleged that we transferred an amount of ₹ 2,080 million (\$ 28.44 million) to Twinstar Holdings Limited and invested in Sterlite and MALCO through Twinstar Holdings Limited without the permission of the RBI. We have submitted that Twinstar Holdings Limited obtained the required approvals from the Foreign Investment Promotion Board ("FIPB") for the investment. We appealed to the appellate tribunal against the Enforcement Directorate's order for foreign exchange seeking a waiver of the pre-deposit amount, which was equal to 100.0% of the penalty levied, which appeal was allowed by the tribunal. The Enforcement Directorate appealed against this decision of the tribunal to the High Court of Delhi, which referred the matter back to the tribunal to consider the issue afresh. The Appellate Tribunal on August 06, 2019 passed a favorable order directing a stay on the pre-deposit amount. The matter will be heard on merits in due course.

– ***Criminal proceedings against former directors of Sesa Industries Limited***

Ms. Krishna Bajaj filed a complaint against the former directors of Sesa Industries Limited (which has since been amalgamated with Sesa Goa) before the Magistrate at Mumbai in 2000, in relation to shares issued on a preferential basis by Sesa Industries Limited in 1993 to Sesa Goa's shareholders, alleging that the shares of Sesa Industries Limited were not listed within 12 to 18 months of the offer as stated in the offering document. The four directors appeared before the court on June 16, 2009 and pleaded not guilty to the charges. The four directors filed a criminal application in the High Court of Bombay challenging the Magistrate's order of framing charges before the High Court of Bombay. The High Court of Bombay admitted the criminal application and stayed the proceedings pending before Magistrate at Mumbai.

– ***Writ petitions filed against us alleging violation of certain air, water and hazardous waste management regulations at our Tuticorin plant***

Various writ petitions were filed before the High Court of Madras alleging that sulphur dioxide emissions from our copper smelting operations at Tuticorin were causing air and water pollution and hazardous waste and sought a cancellation of our permits and environmental approval to operate our smelter.

A writ petition was filed in December 2009 before the High Court of Madras challenging the grant of environmental clearance for the expansion of our copper smelter at Tuticorin, however no order or direction for injunction was granted. By way of its order dated April 28, 2016, the High Court of Madras dismissed the petition and rejected the claims of the petitioner.



Separately, in March 2013, the TNPCB ordered the closure of the copper smelter at Tuticorin due to complaints regarding a noxious gas leak by local residents. On April 1, 2013, we filed a petition with the NGT challenging the order of the TNPCB on the basis that the plant's emissions were within permissible limits. The NGT passed an interim order on May 31, 2013 allowing the smelter to recommence operations subject to certain conditions, and consequently we recommenced operations on June 16, 2013. The expert committee constituted by the NGT submitted a report on the operation of the plant on July 10, 2013 stating that the plant's emissions were within the prescribed standards. Based on this report, the NGT ordered on July 15, 2013 that the smelter could recommence its operations. On August 8, 2013, the NGT confirmed its May 31, 2013 order and held that there was no health impact owing to the operations with directions to comply with the recommendations made by the committee to further improve the working of the plant within a time bound schedule. We implemented all the recommendations during fiscal year 2013. However, the TNPCB filed a Civil Appeals in 2013 against the NGT's interim order dated May 31, 2013 and the final order dated August 8, 2013. V Gopalaswamy, the General Secretary of a political party, MDMK, also filed civil appeals in 2013.

These appeals have been allowed by the Supreme Court and the NGT judgment dated August 8, 2013 has been set aside on grounds of maintainability. However, the Supreme Court has given the Company, liberty to approach the High Court of Madras challenging the orders of TNPCB. We have now approached the High Court of Madras, Principal Bench challenging the impugned orders of TNPCB passed in 2013. The High Court vide its judgement dated August 18, 2020 dismissed the writ petition filed by the Company. The Company approached the Supreme Court and challenged the said High Court order by way of a SLP to Appeal. The SLP was admitted on August 31, 2020 wherein the court had directed the parties to file their counters and rejoinders if any. Subsequent to the same, the counter affidavits and the rejoinders were filed by the parties and the matter was listed on November 16, 2020 wherein Vedanta Limited had informed the court for a need to look at a workable approach and an option to resume the plant operations (at least on a trial basis so that allegations of pollution could be checked). Pursuant to the same an Interlocutory Application was filed by Vedanta Limited. The Matter was then listed on December 02, 2020 before Supreme Court. The 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 is now listed on August 17, 2021. The State of Tamil Nadu and TNPCB had filed a SLP as well, but on the limited point of expunging of certain paragraphs in the Madras High Court judgement, wherein adverse remarks were made against the State Government officials and TNPCB officials. The matter was listed on January 21, 2021 wherein we had also appeared. The SLP of the State of Tamil Nadu and TNPCB has been clubbed with our main SLP matter.

– ***Proceedings related to the existing copper smelting operations and the proposed expansion project at the Tuticorin plant***

The CTO for our existing 400,000 TPA copper smelter plant at Tuticorin which was due to expire on March 31, 2018. We filed an application dated January 31, 2018, before the TNPCB for renewal of consent to operate, as per procedure established by law. The TNPCB rejected the said renewal application by its order dated April 9, 2018 (Rejection Order). The Company had filed an appeal before the TNPCB Appellate Authority challenging the Rejection Order, which the Company withdrew after the NGT Order dated December 15, 2018 on account of redundancy of proceedings before the TNPCB Appellate Authority.

During the pendency of the aforesaid appeal, TNPCB through its order dated May 23, 2018, ordered the disconnection of electricity supply and closure of the existing copper smelter plant with immediate effect. TNPCB passed the said closure order without any prior notice to us, which was due to be served as per the requirements under Section 21(4) of the Air (Prevention and Control of Pollution) Act, 1981 and Rule 34 of the Water (Prevention and Control of Pollution) Rules 1975. Thereafter, the Government of Tamil Nadu, proclaiming and endorsing TNPCB's Rejection Order, issued orders dated May 28, 2018, with a direction to seal the existing copper smelter plant unit permanently ("TN Government Order"), without providing any prior notice to us. The Company filed an appeal before NGT, Principal Bench at New Delhi challenging the closure order passed by TNPCB as well as the TN Government Order for sealing of the existing plant and the appeal was allowed vide NGT's judgement dated December 15, 2018. The NGT judgment was challenged before the Madurai Bench of the High Court of Madras (by a writ petition filed by an intervenor, Fathima Babu), which ordered to maintain status quo regarding the closure of the plant at Tuticorin until the State decided on filing of the appeal. The Company challenged the order of the High Court before the Supreme Court. Meanwhile, the State also approached the Supreme Court against the final orders of the NGT ordering the reopening of the plant at Tuticorin.

The Supreme Court on February 18, 2019 set aside the NGT judgment dated December 15, 2018 on the grounds of maintainability, allowing Vedanta Limited the liberty to approach the High Court of Madras to challenge all the orders collectively, stating that no plea of alternative remedy shall be allowed.

Based on the said order, Vedanta Limited has filed a writ petition before the Principal Bench of the High Court of Madras and has additionally filed an application seeking interim relief for care and maintenance of the plant. The High Court vide its judgement dated August 18, 2020 dismissed the writ petition filed by the Company. The Company approached the Supreme Court and challenged the said High Court order by way of a SLP to Appeal. The SLP was admitted on August 31, 2020 wherein the court had directed the parties to file their counters and rejoinders if any. Subsequent to the same, the counter affidavits and the rejoinders were filed by the parties and the matter was listed on November 16, 2020 wherein Vedanta Limited had informed the court for a need to look at a workable approach and an option to resume the plant operations (at least on a trial basis so that allegations of pollution could be checked). Pursuant to the same an Interlocutory Application was filed by Vedanta Limited. The Matter was then listed on December 02, 2020 before Supreme Court. The 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 is now listed on August 17, 2021. The State of Tamil Nadu and TNPCB had filed a SLP as well, but on the limited point of expunging of certain paragraphs in the Madras High Court judgement, wherein adverse remarks were made against the State Government officials and TNPCB officials. The matter was listed on January 21, 2021 wherein we had also appeared. The SLP of the State of Tamil Nadu and TNPCB has been clubbed with our main SLP matter.

Separately, our environmental clearance for the proposed copper smelter plant 2 (expansion project) expired on December 31, 2018. Our application for renewal of such environmental clearance was rejected by the MoEF&CC. Thereafter, we made a new application dated March 12, 2018, before the Expert Appraisal Committee of the MoEF&CC wherein a sub-committee was directed to visit the expansion project site prior to prescribing the terms of reference.



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In the meantime, the Madurai Bench of the High Court of Madras in a public interest litigation filed against us by the MoEF&CC and State Industries Promotion Corporation of Tamil Nadu (“SIPCOT”) held through its order dated May 23, 2018, that the application for renewal of the environmental clearance for the expansion project shall be processed after a mandatory public hearing and the said application shall be decided by the competent authority on or before September 23, 2018. In the interim, the High Court ordered us to cease construction and all other activities on site for the proposed expansion project with immediate effect. Separately, SIPCOT through its letter dated May 29, 2018, cancelled 342.22 acres of the land allotted to us for the proposed expansion project, which has been stayed by High Court of Madras. Further, the TNPCB issued orders on June 7, 2018, directing the withdrawal of the consent to establish for the expansion project, which is valid until March 31, 2023.

Hearing the case of expansion project, Madras High Court vide its order dated October 3, 2018 has granted an interim stay in favour of the Company against order of SIPCOT (State Industries Promotion Corporation of Tamil Nadu) dated May 29, 2018, cancelling 342.22 acres of the land allotted to us. The MoEF&CC has updated on its website that Vedanta Limited’s environmental clearance for expansion project will be considered for ToR either upon verdict of the NGT case or upon filing of a Report from the State Government/ District Collector, Thoothukudi. The Company has also filed Appeals before the TNPCB Appellate Authority challenging withdrawal of CTE by the TNPCB. The matter is pending for hearing and is listed on August 4, 2021 for filing Counter to the Appeals by TNPCB.

– ***Challenge relating to the environmental clearance granted for our expansion plans of refinery in Lanjigarh***

On November 20, 2015, the MoEF&CC granted an environmental clearance in line with the Expert Appraisal Committee’s recommendation for the alumina refinery expansion up to 4 mtpa and environmental clearance of up to 6 mtpa, which will be received as an amendment to the existing environmental clearance after the completion of land acquisition of the balance area of 666.03 HA. Further, a Consent to establish for 4 mtpa and CTO for 2 mtpa has also been granted.

On February 18, 2016, an individual challenged the environmental clearance granted for the alumina refinery expansion at Lanjigarh before the NGT, Kolkata, wherein MoEF&CC, Odisha State Pollution Control Board and we have been made parties. Pleading in the matter is complete and pending for hearing of arguments, however, the same has not been posted owing to the paucity of judges in the Tribunal. It is pertinent to note that the Hon’ble NGT has not passed any interim order staying the project as prayed by the appellant.

– ***Proceedings relating to levy of environmental compensation on account of fly-ash generation***

BALCO has three thermal power plants in Korba, Chhattisgarh with a total capacity of 2010 MW out of which 1740 MW is operational. The MoEF&CC has issued several notifications laying down the terms for disposal of ash produced from the thermal power plants. However, compliance with manner of disposal as specified in these notifications is not practically attainable on account of lack of demand from user agencies. Consequently, in accordance with the conditions of BALCO’s Environmental Clearance, left over ash generated from the power plants is disposed off in ash dykes after giving preference to supplying the same to user agencies.

The NGT took cognizance of the matter and vide its order dated February 12, 2020 ordered for levy of environmental compensation on companies failing to comply with the aforesaid notifications. BALCO filed a SLP before the Supreme Court by way of challenging the NGT order on the grounds that it is not in consonance with the Supreme Court’s previous orders dated December 12, 2018 and February 4, 2019 and the methodology for determination of compensation is not reasonable. The Supreme court vide its order dated September 11, 2020 have stayed the impugned NGT order dated February 12, 2020.

No demand letter has been received from the State/ Central Pollution Control Board for environmental compensation by BALCO as on date. Vedanta Limited (Jharsuguda and Lanjigarh units) and TSPL have also challenged the aforesaid NGT order by way of separate Civil Appeals before the Supreme Court. The Civil appeals filed by Vedanta Limited are tagged along with the case of M/S Aravali Power Co. Private Limited V. Vedprakash And Anr and the matter is tentatively listed for July 27, 2021. Vedanta Limited Jharsuguda and TSPL have also not received any demand notices yet.

However, in a similar matter in a SLP filed by NTPC (where demand has been raised), Supreme Court granted stay of recovery of environmental compensation. In yet another matter, in a SLP filed by National Aluminium Company Limited (“NALCO”) (where no demand has been raised), the Supreme Court granted stay of recovery, if any, in pursuance of the impugned order of the NGT.

– ***Proceedings against us challenging environmental consents received for our expansion project of pig iron, metallurgical coke, sinter plants and power plant in Goa***

An application was filed by the village panchayat head of Navelim, Goa before the NGT against the Goa State Pollution Control Board (“GSPCB”), MoEF&CC, State of Goa, others and us alleging that (i) GSPCB had issued its approval in a piecemeal manner to us, even though the environmental clearance order issued by the MoEF&CC and the approval are for all four plants thereby violating the MoEF&CC order, (ii) the no-objection certificate issued in relation to this project in 2007 was forged and fabricated, and (iii) the CN5 bridge at Maina-Navelim junction falls outside the notified industrial area, and crosses a public road belonging to the village panchayat. The application sought cancellation of the approval and the order of the MoEF&CC. On March 1, 2013, the NGT gave directions to issue notices to all the parties. We responded on April 11, 2013, denying all contentions and submissions made by the village head and requested that the application be dismissed. Pleadings in the matter have been completed. Subsequently on February 10, 2014, the matter was transferred from the Principal Bench of the NGT at New Delhi to the Western Bench of the NGT at Pune, where the matter is yet to be listed.



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– ***Shenzhen Shandong Nuclear Power Construction Co. Limited has commenced arbitration proceedings against us***

On February 19, 2012, Shenzhen Shandong Nuclear Power Construction Co. Limited (“SSNP”) filed a petition before the Bombay High Court under section 9 of the Arbitration and Conciliation Act, 1996, alleging non-payment of their dues towards construction of a 210 MW co-generation power plant for a refinery expansion project at Lanjigarh, and filed a claim of ₹ 16,420 million (\$ 225 million). This was subsequent to SSNP’s notice for termination of the contract dated February 25, 2011 and legal notice dated February 23, 2012 for recovery of its alleged dues. SSNP also made a request for interim relief. Under the petition, SSNP sought for a restraining order on encashment of the advance bank guarantee, injunction from disposing or creating third party right over plant and machinery at the project site and security for the amount due under the contract. On April 25, 2012, the High Court of Bombay dismissed SSNP’s petition. SSNP appealed against this order and the High Court of Bombay by its order dated December 12, 2012 ordered us to deposit a bank guarantee for an amount of ₹ 1,870 million (\$ 25 million) until completion of the arbitration proceedings.

On April 9, 2013, we filed a counterclaim for delays in operations caused for which we argued that SSNP was responsible. Subsequently, SSNP filed an application for an interim award of ₹ 2,020 million (\$ 28 million) before the arbitral tribunal, which was not granted. The arbitral award was pronounced on November 9, 2017, wherein the Tribunal awarded an aggregate amount of ₹ 2,210 million (\$ 30 million) to SSNP payable within a period of 120 days carrying an interest at the rate of nine per cent (9.0%) from the date of filing of the claim and along with a cost of ₹ 5 million (\$ 0.07 million). The tribunal further directed that beyond the said period of 120 days, the award amount shall carry an interest at the rate of fifteen per cent (15.0%) till the realization of the award amount.

Vedanta Limited challenged the award before the High Court of Delhi under section 34 of Arbitration Act. This was dismissed by the court, post which the Company filed an appeal under section 37 before the division bench of the High Court of Delhi. The court granted a stay subject to the deposit of the award amount. Accordingly, we deposited an amount of ₹ 1,522 million with the court, requesting the court to direct SSNP to return the bank guarantee post which the balance amount shall be deposited.

The division bench, on August 30, 2018, dismissed our appeal u/s 37 of Act and vacated all interim orders passed by the court. We challenged the said order of High Court before Supreme Court by way of a SLP. In the meantime, SSNP also filed an execution application before the High Court for appropriation of money which was deposited with the court, against which we filed an appeal to get a stay of execution.

The Supreme Court disposed of the SLP passing its final order, on October 11, 2018, partially modifying the Arbitral Award on the interest aspect as under: (i) A uniform rate of 9.00% will be applicable for the INR component of the award amount in entirety till the date of realization (ii) The interest payable on the EUR component of the award amount will be as per LIBOR + 300 basis points on the date of Award, till the date of realization.

SSNP had filed a clarification application before the Supreme Court praying for the original award pronounced by the Tribunal on November 9, 2017 which was withdrawn by SSNP and now stands disposed of.

Vedanta Limited then filed a reply to the Execution Petition filed by SSNP in the Delhi HC for giving effect to the its earlier order and requesting SSNP to hand over the drawings, documents and the Bank Guarantee. The court, in its order dated August 08, 2019, accepted the Company’s argument that the Euro component can be paid in INR subject to the arguments of SSNP on the next date. With respect to our submission for return of drawings and documents as a precondition to the release of payments, SSNP submitted an affidavit on September 12, 2019. The matter was then listed on October 21, 2019 for hearing and as per the order ₹ 347 Million has been released out of the deposit made with the Registry in the first week of November. In the meantime, SSNP also approached Vedanta Limited for a settlement which was rejected, stating that the same shall not be accepted unless the settlement offer is made by SSNP in writing.

On January 6, 2020, the court recorded our submissions on refund of excess security deposited with the Registry by Vedanta Limited and on the issue of release of drawings and documents as sought by Vedanta Limited. The court directed SSNP to file an affidavit within two weeks’ to show that such drawings and documents have been supplied by them, thereafter two weeks’ time was given to Vedanta Limited to file a reply to the same. Vedanta Limited has filed a petition to recover the surplus deposit amount lying with the Registry. In the same order, accounts officers of the court was directed to examine the calculation filed by the parties and submit the report to the court. The matter to be heard on August 02, 2021. In the meantime, SSNP filed an Execution First Appeal before the Division Bench, Delhi High Court against the aforesaid order dated January 6, 2020, wherein SSNP has prayed for modification of the arbitral award. The execution first appeal has been part heard on November 26, 2020 and December 17, 2020 and is pending for adjudication.

The aggregate award amount now stands revised at ₹ 2,981.6 million (\$ 40 million) as on March 31, 2021.

– ***Proceedings against TSPL relating to its delay in commissioning various units of the power plant***

TSPL entered into a long term power purchase agreement with the PSPCL for supply of power. TSPL has a contractual obligation to complete the commissioning of various units of the power plant according to the scheduled timelines agreed in terms of the agreement. According to the terms of the agreement, there are obligations and performances to be met by both PSPCL and TSPL. PSPCL was obligated to fulfill certain conditions including procuring interconnection and transmission facilities, arranging supply of adequate quantity of fuel for the project etc. However, due to the delay in fulfilment of certain obligations and other force majeure reasons, there were delays in implementing the project as compared to the scheduled timelines under the agreement. TSPL received letter from PSPCL, seeking payment of liquidated damages of ₹ 3,176 million (\$ 43 million) for each delay in commissioning of Units I, II and III totaling ₹ 9,529 million (\$ 130 million).



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Subsequently, PSPCL invoked the bank guarantee of ₹ 1,500 million (\$ 21 million) towards payment of the liquidated damages on account of delay in completion of the commissioning of Unit I. TSPL filed a petition with the Punjab State Electricity Regulatory Commission (“PSERC”) for quashing of the wrongful claim of liquidated damages and grant of extension of time to complete the commissioning of various units of the power plant. On October 22, 2014, PSERC ordered the matter to be settled through arbitration and allowed the stay on encashment of the bank guarantee until the matter is finally adjudged by the arbitrator. PSPCL submitted an appeal in Appellate Tribunal for Electricity (“APTEL”) against the PSERC order and on May 12, 2015, APTEL disposed the appeal by directing that the matter will be adjudicated by an arbitral tribunal. The arbitral proceedings have concluded on February 15, 2017 and the award was made in TSPL’s favor. Meanwhile, PSPCL has filed an application challenging the award under section 34 of the Arbitration and Conciliation Act, 1996. TSPL had filed an application on September 28, 2018 for dismissal of PSPCL’s application on maintainability stage. However, the application filed by TSPL has been dismissed by the court on January 12, 2021. TSPL has challenged the Order dated January 12, 2021 before Punjab & Haryana High Court which is yet to be listed. Further, the Section 34 matter before District Court, Patiala has been scheduled for filing of reply by TSPL and is pending for adjudication.

– ***Proceedings against TSPL relating to mega power project benefits***

TSPL submitted its bid for setting up a 1980 MW thermal power plant in the state of Punjab under a tariff based international competitive bidding process under a Case-2 Model bidding mechanism in June 2008, which was ultimately awarded to Sterlite Energy Limited (now Vedanta Limited). A PPA was entered between TSPL and PSEB (Punjab State Electricity Board) on September 2008, which is now known as PSPCL. According to the PPA, any increase or decrease in the capital cost of the project on the occurrence of any “Change in Law” (as defined therein) after the cut-off date of June 16, 2008, had to be passed on to PSPCL, if it resulted in change in economic position of TSPL.

At the time of bidding, TSPL was not eligible for the ‘mega power project’ status, however towards the end of 2009, the government policy on mega power projects was amended and various conditions were relaxed making TSPL eligible for the grant of mega power project benefits. TSPL was then granted the mega power project status in 2010 in terms of which TSPL has availed customs and excise duty exemption for import of capital goods during construction of the power plant. As TSPL had become entitled to the mega power project status after the cut-off date, according to PSPCL, the mega power project benefits received by TSPL had to be passed on to PSPCL pursuant to the PPA’s “Change in Law” clause. TSPL’s position was that as of the cut-off date, similar benefits were available to it under India’s foreign trade policy as a non-mega power project and accordingly, its economic position had not altered pursuant to the grant of mega power project status to warrant the passing on of such benefits to PSPCL. TSPL has also produced a number of approval letters issued by various Director General of Foreign Trade offices across India, which extended such benefits to non-mega power projects including government power projects or other public sector undertakings.

PSERC passed a 2:1 majority judgement dated December 2, 2014, holding against TSPL. TSPL thereafter filed an appeal in January 2015 along with a stay application before the APTEL. The appeal was admitted, however, the stay application was rejected by APTEL. Against this rejection of stay application, TSPL filed an appeal in Supreme Court on July 28, 2015. The Supreme Court granted stay order against any recovery of mega power project benefits by PSPCL. The stay granted by the Supreme Court was vacated on February 6, 2017, which led to a deduction of ₹ 2,140 million (\$ 29 million) from TSPL’s monthly billing by PSPCL. Upon appeal, Supreme Court directed PSPCL to refund ₹ 500 million (\$ 7 million) from the amount deducted from TSPL’s bill subject to final outcome of appeal before APTEL. Following this order, APTEL also granted a stay against further deductions from the monthly billing against a bank guarantee furnished by TSPL.

APTEL dismissed the appeal filed by TSPL and disallowed TSPL’s contentions in its final judgement order dated July 4, 2017. TSPL filed an appeal before the Supreme Court against the adverse final judgement of APTEL. This appeal was admitted by Supreme Court on July 10, 2017 and a stay order was granted against PSPCL’s proposed deduction of ₹ 900 million (\$ 12 million) from TSPL’s bills and against the encashment of bank guarantee amounting to ₹ 380 million (\$ 5 million) which was furnished by TSPL to PSPCL under APTEL’s order. TSPL filed a clarification application before the Supreme Court of India, which was allowed and PSPCL was directed to refund ₹ 500 million (\$ 7 million). However, the ongoing monthly deductions on account of mega benefit claim has not been stayed by the Supreme Court. On this account, PSPCL has already made deductions of approximately ₹ 7,850 million (\$ 107 million) till March 31, 2021. The appeal is pending for further hearing and next date is yet to be notified.

– ***TSPL dispute related to Coal GCV measurement and coal washing***

Upon PSPCL’s refusal to pay energy charges to TSPL as per the provisions of a PPA between PSPCL and TSPL dated September 1, 2008, TSPL filed a petition on May 22, 2014, in PSERC against PSPCL claiming charges for washing, unloading, surface transportation, transit loss, finance charges and gross calorific value (“GCV”) loss related to the procurement of coal. PSPCL’s contention was that fuel charges should only include charges billed by the fuel supply company namely Mahanadi Coalfields Limited, whereas TSPL contended that all costs of fuel procurement are to be considered by PSPCL under the PPA, since the obligation to supply fuel for the project is that of PSPCL under Case II Scenario IV bidding procedure of Ministry of Power. PSPCL’s obligation of signing fuel supply agreement with Mahanadi Coalfields Limited and to supply fuel for project was later upheld by APTEL in another case between TSPL and PSPCL and that judgement is subsisting since its operation has not been disturbed in PSPCL’s appeal to Supreme Court of India.

PSERC issued the final order on November 23, 2015 denying all the claims made by TSPL. TSPL filed an appeal before APTEL challenging the order of PSERC. On July 3, 2017, APTEL partially allowed the appeal awarding unloading and shunting charges to TSPL although it ruled against TSPL on other claims. PSERC remand proceedings commenced pursuant to APTEL’s order dated July 3, 2017, for computation of unloading and shunting charges allowed to TSPL and PSERC passed its final order on May 6, 2019.

TSPL filed an appeal against the APTEL order dated July 3, 2017 before the Supreme Court. On March 7, 2018, the Supreme Court allowed TSPL’s appeal and directed PSPCL to pay charges for washing, surface transportation and to measure GCV of coal at TSPL site. The Supreme Court also dismissed the cross appeal filed by PSPCL, thereby affirming APTEL’s order allowing unloading and shunting charges to be paid by PSPCL.

However, PSPCL misinterpreting the Supreme Court order, paid only ₹ 160 million (\$ 2 million) on September 17, 2018 on account of washing charges. TSPL has filed a Contempt Petition in the Supreme Court.



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VEDANTA 20-F - IFRS	None		SNG		HTM ESS	0C

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The Supreme Court vide its order dated August 7, 2019 allowed the claims of TSPL and directed PSPCL to pay within six weeks. PSPCL paid ₹ 10,021 million to TSPL.

However, PSPCL did not pay the complete amount and withheld balance amount due on account of yield loss and interest etc. TSPL had filed a second contempt petition for the remaining amounts. PSPCL has filed counter affidavit in reply to the second contempt petition. TSPL has filed rejoinder to the counter affidavit.

On March 7, 2020, PSPCL filed an application to submit an additional document (namely, expert opinion regarding coal washing). On August 14, 2020, PSPCL filed an affidavit seeking extension of time for reconciliation of amounts due towards energy charges. On October 14, 2020, PSPCL filed an application for permission to file additional documents/ additional facts. On February 04, 2021, PSPCL filed an affidavit stating that all the payments have been made in compliance of the Supreme Court Order and as per computations of PSPCL. On March 6, 2021, PSPCL also filed a note of arguments stating that they have paid only 83% of the claimed amount by TSPL.

Finally, on March 9, 2021, Hon'ble Supreme Court has disposed off the matter in favour of TSPL directing PSPCL to clear all the arrears as on date as understood by TSPL in two instalments i.e. on or before March 31, 2021 and May 31, 2021 including interest or any other component which is admissible as per the contract inter se the parties and as per the orders of the Hon'ble Supreme Court. Subsequently, PSPCL has paid ₹ 3,750 million (\$ 51 million) till March 31, 2021 on the basis of the Supreme Court order.

– ***Petitions filed against BALCO in relation to the alleged encroachment of land on which our Korba smelter is located***

BALCO has 1,804.67 acres of government land out of which 1,751 acres is forest land which were given on lease by the state government. The lease deed has not been executed till date. The High Court of Chhattisgarh on February 2010 held that BALCO is in legal possession of 1,805 acres of government land based on which the cabinet of Chhattisgarh recommended the execution of lease deed in favor of BALCO but after approvals for forest land were sought.

With respect to the approvals for forest land, petitions have been filed in public interest before the Supreme Court of India by various individuals and Sarthak, a non-governmental organization alleging that BALCO is using forest land for non-forest activities. The Supreme Court of India referred the matter to the Central Empowered Committee ("CEC"), which recommended an ex post-facto diversion of forest land with payment of net present value of land for which forest compensation was not paid prior to the year 1980. Subsequently, it was alleged that BALCO had cut trees in violation of the Court order and the petitioner filed a contempt petition and the matter was again referred to the CEC. The CEC submitted its report on June 30, 2012 to the Court recommending that a detailed survey should be conducted through Forest Survey of India (MoEF&CC) using high quality remote sensing technique to find out whether any tree felling and/or non-forest use has taken place after February 29, 2008 in the revenue forest land and/or deemed forest in possession of BALCO. In order to expedite the proceedings, BALCO filed an application in the Court seeking direction to pay the net present value of forest land as per the recommendation of the CEC providing an ex-post facto diversion of the 1,751 acres forest land held by BALCO. The CEC has submitted its report dated February 22, 2019 on the ground trothing exercise conducted by the Forest Survey of India (FSI) jointly with BALCO between October 29, 2019 and October 31, 2019.

Matter is currently pending before the Supreme Court and is to be listed in due course. In the meantime, BALCO had filed an application before the Tehsildar, Korba for eviction of illegal occupants on BALCO's land. The application was rejected on the grounds of the land matter being sub-judice before the Supreme Court. BALCO has filed an interlocutory application before the Supreme Court against the order of the Tehsildar and the matter is yet to be listed for hearing.

BALCO has also filed another IA in this matter against the directions issued by the Chhattisgarh Government under the Rajiv Gandhi Ashray Yojna for allotment of land to the illegal occupants of land. The matter is also pending before the Supreme Court and is to be listed in due course.

– ***Forest development tax levied by the Government of Karnataka***

In October 2008, we filed a writ petition in the High Court of Karnataka against the Government of Karnataka and others, challenging the imposition of a forest development tax ("FDT") at a rate of 8.0% (a subsequent demand was made for the payment of tax at the rate of 12.0%) on the value of iron ore sold by us from the mining leases in the forest area, pursuant to the notification by the Government of Karnataka and the memorandum/common order issued by the Deputy Conservator of Forests. In August 2009, the High Court of Karnataka permitted the Government of Karnataka to levy the forest development tax and ordered that the demand be restricted to 50.0% of the forest development tax as an interim arrangement pending disposal of the writ petition.

We filed an application before the High Court of Karnataka, seeking modification of the order in August 2009. However, the application was not taken up for hearing. Subsequently, we filed a SLP before the Supreme Court of India against the High Court's order. In November 2009, the Supreme Court of India ordered the High Court of Karnataka to dispose the application for modification of the order given in August 2009 and ordered us to furnish a bank guarantee towards payment of the forest development tax. In April 2010, we were ordered by the High Court of Karnataka to pay 25.0% of the demand in cash and furnish a bank guarantee for the remaining 25.0%. On January 3, 2016, the High Court of Karnataka passed its final order quashing the forest development tax notification, holding that the rate of forest development tax levied to be 8.0% and directing a refund of the amounts collected from mining lessees other than state government owned companies. The state government of Karnataka appealed against the order before the Supreme Court of India, and another mining lessee also filed a counter appeal in the matter. The matter is pending before the Supreme Court and in the interim, the Supreme Court has stayed the refund of the forest development tax amount as ordered by the High Court.

Meanwhile, the Government of Karnataka legislated the Karnataka Forest Development (Amendment) Act, 2016 (the 'Amendment Act') to validate the earlier law making certain amendments with retroactive effect. The Amendment Act has also changed the nomenclature of Forest Development Tax ("FDT") to Forest Development Fee ("FDF") with retroactive effect, since the court had previously declared that FDT was a tax and not a fee, as claimed by Government of Karnataka. We challenged the validity of the Amendment Act by way of a writ petition before the High Court of Karnataka. The High Court of Karnataka, on October 4, 2017, struck down the Amendment Act directing refund of the amounts collected. On March 13, 2017, the Supreme Court, in the appeal filed by state of Karnataka against the order of the High Court, has stayed the refund of the amount collected as FDF. On March 21, 2018, the Supreme Court directed that appeals against both the FDT and FDF matters will be heard together. The matter will be listed for hearing in due course.



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– ***Demands against HZL by Department of Mines and Geology***

The Department of Mines and Geology of the State of Rajasthan issued several show cause notices in August, September and October 2006, aggregating ₹ 3,339 million (\$ 46 million) to HZL, claiming unlawful occupation and unauthorized 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. 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 canceling the lease. However, the Central Government and State Government are yet to file their replies. In a similar matter, DMG had issued a demand notice with respect to HZL's Rajpura Dariba Mines which was challenged by HZL before Revisionary Authority and secured a favourable order. The State Government has filed a writ petition before the High Court of Jodhpur against the said RA order. Subsequently the State filed an early hearing application, but it was held that the State's application cannot be admitted till the Central Government files its affidavit. The matter is to be listed in due course.

– ***Demand against BALCO for electricity duty***

In February 2010, BALCO received a notice from the Chief Electrical Inspector, Government of Chhattisgarh demanding BALCO to pay ₹ 2,404 million (\$ 32 million) from June 2005 to March 2009, towards electricity duty for the generation of power by BALCO's 540 MW power plant. The notice alleged that BALCO did not submit the eligibility certificate required for exemption from payment of electricity duty. The said exemption was claimed pursuant to a memorandum of understanding entered with the state government and according to the industrial policy 2001-2006. The state level committee recommended that an eligibility certificate be issued to us that will exempt us from paying duty on electricity. BALCO filed an application before Directorate of Industries for the issuance of an eligibility certificate and granting an exemption from payment of electricity duty in year 2005 and also 2007 but the same was rejected by its letter dated February 28, 2019. Thereafter, BALCO submitted its representation dated April 18, 2019 before the Industries Department and the Energy Department for re-consideration of BALCO's application with subsequent reminders dated June 26, 2019 and September 06, 2019 and the same are pending for consideration as on date. The amount of duty on electricity payable for the period subsequent to March 31, 2009 until March 31, 2021 is ₹ 12,027 million (\$ 164 million).

– ***Claim against HZL for environment and health cess by the State of Rajasthan***

The state of Rajasthan issued a notification in June 2008 notifying the Rajasthan Environment and Cess Rules, 2008, imposing environment and health cess on major minerals including lead and zinc. HZL and other mine operators resisted this notification and the imposition thereunder before the High Court of Rajasthan on the ground that the imposition of such cess and all matters relating to the environment fall under the competence of the central government as opposed to the state government. In October 2011, the High Court of Rajasthan disposed the writ petitions and held the Rajasthan Environment and Cess Rules, 2008 that imposes a levy of cess on mineral as being constitutionally valid. An amount of ₹ 150 per metric ton of ore produced would be attracted under the statute if it is held to be valid. HZL challenged this order by a SLP in December 2011 before the Supreme Court of India. The Supreme Court of India issued a notice for stay. The Supreme Court issued further direction on March 23, 2012 not to take any coercive action against HZL for recovery of cess. The matter is still pending and not yet listed for hearing. The state government has rescinded the prospective liability towards environment and health cess by notification dated January 6, 2017.

– ***Claims for contributions towards the District Mineral Foundation***

The District Mineral Foundation was introduced by the MMDR Amendment Act, whereby all mining lease holders are required to pay contributions towards the DMF. The contribution amounts were to be percentage of royalties as prescribed by the central government and were effective from January 12, 2015. In September 2015, a notification was issued by the Ministry of Mines prescribing the rate for the District Mineral Foundation contribution.

Subsequently, state rules were formulated for Rajasthan with effect from May 2016 and HZL received demand notices for the deposit of contributions to the District Mineral Foundation from January 12, 2015. In its order dated August 8, 2016, the High Court of Rajasthan stayed the demand retroactively for the period under challenge.

On December 16, 2015, the Federation of Indian Mineral Industries also filed a writ petition before the High Court of Delhi, obtaining an order for no coercive action. The writ petition was subsequently transferred to the Supreme Court.

In October 2015, another notification was issued by the Ministry of Coal whereby rates were prescribed for certain minerals such as coal and lignite, although an additional provision also required for the application of such rates from the earlier date of the notification or the respective state rules. Vedanta Limited and BALCO challenged the notifications for liability on account of fuel before the High Court of Delhi.

The Supreme Court through order dated October 13, 2017, held that contribution to DMF in case of minerals other than coal shall take effect from September 17, 2015 and in the case of coal from October 20, 2015 or from the date on which the DMF was established by the state, whichever is later. Pursuant to the Supreme Court order, HZL has challenged the demand for payment between the disputed periods, i.e. from the date when the State of Rajasthan established DMF until the date when the High Court of Rajasthan has granted a stay. In parallel, BALCO has filed a petition before the High Court of Delhi challenging the constitutionality of section 9B (5) and section 9B (6) of the MMDR Act. HZL has also filed an intervention application in the said petition.



HZL has also filed another writ petition before the High Court of Jodhpur challenging the discriminatory rates of contribution for major and minor minerals as well as mining leases granted post and prior to the date of amendment of the Act. Both the writ petitions have been clubbed by the court. The stay granted by the High Court has been vacated vide order dated January 21, 2021. HZL filed an SLP before the Supreme Court against such stay vacation, which was later withdrawn with liberty to push for expeditious disposal of matter in the High Court. Further, a second stay application had been filed in the second writ petition filed by HZL in the discriminatory rate matter. The matter is to be listed in due course.

– ***Demands against HZL by Department of Mines and Geology - Demand for royalty***

The Department of Mines and Geology of the State of Rajasthan issued a show cause notice to HZL vide an office order dated January 31, 2020 wherein HZL was called upon to present its case against the DMG's demand for royalty for associated minerals i.e. Silver and Cadmium, by-product Sulphur, waste tailing and demand for DMFT and NMET contributions.

HZL challenged the computation mechanism in the royalty on the ground that the state has not complied with the previous orders of High Court of Rajasthan where a similar computation mechanism was challenged and court had directed the government to review the supporting documents, rules and judicial precedents. Pending compliance of its previous orders, the High Court vide its order dated February 19, 2020 directed that HZL shall be afforded an opportunity of hearing by the Additional Chief Secretary, Department of Mines, Government of Rajasthan and no coercive action should be taken on account of the order passed by the Additional Chief Secretary until the same is placed for confirmation before the court. The Department of Mines and Geology of the State of Rajasthan has filed an affidavit dated November 04, 2020 commenting on the representations submitted by HZL and has also issued a show cause notice on May 20, 2020 in connection with the removal of silver and cadmium without payment of royalty based on an investigation done by the State Directorate of Revenue Intelligence ("SDRI"), HZL is in the process of filing the response highlighting the errors on facts done by SDRI and will provide a statement to demonstrate full payment of royalty on silver and cadmium produced and sold by HZL. A no coercive action order has been passed vide order dated December 17, 2020. The matter is to be listed in due course.

– ***Proceedings relating to HZL's transfer of mining leases***

On February 25, 2020 the State of Rajasthan issued orders to HZL alleging that the disinvestment of HZL and various other mergers amounts to transfer of HZL's leases in favour of Vedanta. HZL has been directed to regularise the lease under section 12A(6) of the MMDR Act read in conjunction with Mineral (Transfer of Mining lease Granted otherwise than through Auction for Captive Purpose) Rules, 2016 applicable to captive mines, failing which the leases would be terminated. HZL has since filed revision applications before the Central Government under Section 30 of the MMDR Act challenging the said order by State of Rajasthan. HZL also approached the High Court of Rajasthan for necessary protection orders until the matter is heard by the Revisionary Authority, Ministry of Mines. The revision application is currently being processed and next date of hearing is two months from July 17, 2020. The State of Rajasthan has been directed by the Revisionary Authority, Ministry of Mines not to take coercive action until final disposal of the matter HZL has also challenged the validity of Rule 24 of Mineral Concession ("MCR") Rules, 1960 and has obtained a status quo order.

– ***Claim against BALCO for energy development cess***

BALCO challenged the imposition of Energy Development Cess levied on generators and distributors of electrical energy at the rate of 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 are required to pay at the rate of 10 paise while the State Electricity Board is required to pay at the rate of 5 paise. The High Court of Chhattisgarh by its order dated December 15, 2006 declared the provisions imposing ED Cess on CPPs as discriminatory and therefore ultra vires the Constitution. BALCO sought a refund of the cess amounting to ₹ 345 million (\$ 5 million) it had already paid till March 2006 under protest.

The State of Chhattisgarh filed a SLP before the Supreme Court 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. In case the Supreme Court overturns the decision of the High Court, Balco may be liable to pay an additional amount of ₹ 9,650 million (\$ 132 million) as on March 31, 2021.

– ***Show cause notice from the Indian tax authorities for not withholding tax on payments made while acquiring a subsidiary***

In March 2014, Vedanta Limited (notice was served on Cairn India Limited which subsequently merged with Vedanta Limited, accordingly now referred to as Vedanta Limited) received a show cause notice from the Indian Tax Authorities ('Tax Authorities') for not deducting withholding tax on the payments made to CUHL, for acquiring shares of CIHL, as part of their internal reorganisation. The Tax Authorities have stated in the notice that a short-term capital gain has accrued to CUHL on transfer of the shares of CIHL to Vedanta Limited, in the financial year 2006–2007, on which tax should have been withheld by the Company. Pursuant to this, various replies were filed with the Tax Authorities. After several hearings, the Income Tax Authority, in March 2015, issued an order holding the Company as 'assessee in default' and raised a demand totaling ₹ 204,947 million (\$ 2,802 million) (including interest of ₹ 102,473 million (\$ 1,401 million)). The Company had filed an appeal before the First Appellate Authority, Commissioner of Income Tax (Appeals) which vide order dated July 03, 2017 confirmed the tax demand against the Company. The Company has challenged the Commissioner of Income Tax's (Appeals) order before the Income Tax Appellate Tribunal ("ITAT").

Vedanta Limited also filed a writ petition before the Delhi High Court wherein it has raised several points for assailing the aforementioned Income Tax Authority's order. The matter came up for hearing on February 05, 2020 before Delhi High Court but got adjourned and the next date of hearing is July 29, 2021.



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VEDANTA 20-F - IFRS	Donnelley Financial	VDI-W7-PF3-0587 21.7.8.0	HKR mutsa0cb	13-Jul-2021 16:46 EST	165852 TX 189	6*
VEDANTA 20-F - IFRS	None		SNG		HTM ESS	OC

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Separately CUHL, on whom the primary liability of tax lies, had received an Order from the ITAT in the financial year 2016-17 holding that the transaction is taxable in view of the clarification made in the Act but also acknowledged that being a retrospective transaction, interest would not be levied. Hence affirming a demand of ₹ 102,473 million (\$ 1,401 million) excluding the interest portion that had previously been claimed. The tax department has appealed this order before the Delhi High Court. As a result of the above order from ITAT, the Group considers the risk in respect of the interest portion of claim to be remote. Further, as per the recent recovery notice dated October 12, 2018 received from the Tax Recovery Officer (TRO) appointed for CUHL, tax demand of CUHL of approx. ₹ 49,960 million (\$ 663 million) along with interest is outstanding. Further, in the said notice, tax department had also instructed to remit the preference shares redemption amount including dividend payable thereon to the TRO. Accordingly, amount aggregating to ₹ 6,070 million (\$ 81 million) has been paid to the TRO on October 26, 2018 thus reducing the liability to ₹ 43,890 million (\$ 582 million). Vedanta Limited has also paid interim dividend of ₹ 50 million (\$ 1 million) to the TRO. Accordingly, the Group has revised the contingent liability to ₹ 43,840 million and ₹ 43,830 million (\$ 599 million) as at March 31, 2020 and March 31, 2021 respectively.

In the event, the case is finally decided against the Company, the demand payable along with interest as per the above mentioned order would be ₹ 204,947 million (\$ 2,802 million), of which only ₹ 43,840 million (\$ 599 million) million is considered as possible. Separately, but in connection with this litigation, Vedanta Resources Limited has filed a Notice of Claim against the GoI under the UK India Bilateral Investment Treaty (the BIT). The International Arbitration Tribunal passed a favourable order on jurisdiction and Transparency and hearing on merits have been completed in May 2019 and order will be passed in due course.

The Government of India has challenged the Jurisdiction orders of Arbitration Tribunal before the High Court of Singapore and Transparency matter before Supreme court of Singapore against the adverse order of Singapore HC. The Singapore Supreme Court heard the Transparency matter on April 8, 2021 and dismissed the government appeal.

As the Cairn Energy Plc Arbitration award regarding retrospective tax will have a direct influence upon Vedanta's case, due to the primarily liability of paying the tax is CUHL's and in this case there is expected to be no tax liability in the hand of CUHL, the claim of amounts assessed as in default against Vedanta Limited should be eliminated. The classification and full financial implications will be reviewed based on further developments in the case.

In Cairn UK ITAT ruling and as well as in Vodafone and Cairn Arbitration award it was held that the amendment was retrospective and not clarificatory in nature. Thus, going by the recent ruling of Supreme court in royalty case, it was impossible for Vedanta Limited (successor in the business of Cairn India Limited) to deduct tax and hence it can't be held responsible for default under section 201.

– ***The Amalgamation and Re-organization Scheme has been challenged by the Indian tax authorities and others***

Subsequent to the effectiveness of the Amalgamation and Re-organization Scheme, SLPs challenging the orders of the High Court of Bombay at Goa were filed before the Supreme Court of India by the Commissioner of Income Tax, Goa and the Ministry of Corporate Affairs in July 2013 and in April 2014, respectively. Further, a creditor and a shareholder have challenged the Amalgamation and Re-organization Scheme in the High Court of Madras in September 2013. Further, the Ministry of Mines, GoI have challenged the Amalgamation and Reorganisation Scheme before the High Court of Madras and the High Court of Bombay, Goa Bench, respectively. The Supreme Court of India has admitted the SLPs and the matter was last listed on July 1, 2019 and the next date of hearing is yet to be notified.

– ***Arbitration proceedings on issues related to the cost recovery of the Ravva block***

ONGC Carry

The Ravva Production Sharing Contract (PSC) obliges the contractor parties to pay a proportionate share of ONGC's exploration, development, production and contract costs in consideration for ONGC's payment of costs related to the construction and other activities it conducted in Ravva prior to the effective date of the Ravva PSC (the ONGC Carry). The question as to how the ONGC Carry is to be recovered and calculated, along with other issues, was submitted to an International Arbitration Tribunal in August 2002 which rendered a decision on the ONGC Carry in favour of the contractor parties (including Vedanta Limited (Cairn India Limited which subsequently merged with Vedanta Limited, accordingly now referred to as Vedanta Limited)) whereas four other issues were decided in favour of 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 the Company'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 February 28, 2019 and the Federal Court dismissed GOI's leave to appeal.

The Company has also filed for the enforcement of the Partial Award and Final Award before the Hon'ble Delhi High Court. The matter is next listed for hearing on August 31, 2021.



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Base Development Cost

Ravva joint operations had received a claim from the MoPNG, GoI for the period from 2000-2005 for ₹ 9,455 million (\$ 129 million) for an alleged underpayment of profit petroleum (by recovering higher Base Development Costs (“BDC”) against the cap imposed in the PSC) to the GoI, out of which, Vedanta Limited’s (Cairn India Limited which subsequently merged with Vedanta Limited, accordingly now referred to as Vedanta Limited) share will be ₹ 2,126 million (\$ 29 million) plus interest. Joint venture partners initiated the arbitration proceedings and Arbitration Tribunal published the Award allowing claimants (including Vedanta Limited) to recover the development costs spent to the tune of ₹ 20,377 million (\$ 278 million) and disallowed over run of ₹ 1,613 million (\$ 22 million) spent in respect of BDC along with 50% legal costs. The High Court of Kuala Lumpur as well as Court of Appeal dismissed GOI’s application of setting aside the part of the Award. GOI challenge to the same before the Federal Court of Malaysia was also dismissed on May 17, 2016. The Company has filed an application for enforcement of award before Delhi High Court. In connection with the above two matters, the Company has received an order dated October 22, 2018 from the GOI directing oil marketing companies (OMCs) who are the off-takers for Ravva to divert the sale proceeds to Government’s account. GOI alleges that the Ravva Joint Operations (consisting of four joint venture partners) has short paid profit petroleum of ₹ 23,015 million (\$ 315 million) (the Company share approximately - ₹ 6,817 million (\$ 93 million)) on account of the two disputed issues of ONGC Carry and BDC matters, out of which ₹ 4,691 million (\$ 64 million) pertains to ONGC Carry and ₹ 2,126 million (\$ 29 million) pertains to BDC Matter. Against an interim application, filed by Vedanta Limited along with one its other joint venture partner, seeking stay of such action from GOI, before the Delhi High Court, where enforcement petitions for both matters are pending, the Court directed the OMCs to deposit above sums to the Court for both BDC and ONGC Carry matters. However, Vedanta Limited (and other joint venture partner) has been given the liberty to seek withdrawal of the proportionate amounts (fallen due as of the date of Court order) from the Court upon furnishing a bank guarantee of commensurate value.

During the proceedings of the above matter, the GOI has also filed an interim application seeking deposit by the said OMCs of an amount of ₹ 6,377 million (\$ 87 million) (Vedanta’s share of ₹ 4,105 million (\$ 56 million) towards interest on the alleged short payment of profit petroleum by the petitioners i.e. Vedanta Limited (and other joint venture partner).

The Hon’ble Delhi High Court vide its order dated February 19, 2020 allowed the petition for enforcement of the arbitration award in relation to BDC including declaratory relief and rejected the objections of GOI. The GOI has filed an SLP against this order before the Supreme Court. The Hon’ble Court on September 16, 2020 pronounced the order in favour of Vedanta, rejecting all objections of the GOI and allowed enforcement of the Arbitration Award. With the Supreme Court order, the Ravva BDC Matter stands closed.

The Hon’ble Delhi High Court vide its order dated May 28, 2020 has directed that all future sale proceeds of Ravva Crude with effect from June 5, 2020 be paid directly to Vedanta Limited by the OMCs. In connection with the proceedings on the above matters, GOI has also filed an interim application seeking deposit by the said OMCs towards interest on the alleged short payment of profit petroleum by the petitioner (i.e. the Company and the other joint venture partner). The interim application filed by GOI and the matter in respect of the ONGC Carry has been listed for hearing on August 31, 2021.

While the Company 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, the Company would be liable for approximately ₹ 4,691 million (\$ 64 million) plus interest.

– ***Proceedings, notices and enquires initiated by the Central Excise***

The Central Excise department of the GoI had issued in July 2010 an ex-parte notice for reversal of Cenvat credit of ₹ 3,150 million (\$ 42 million) along with interest of ₹ 88 million (\$ 1 million) for the non-compliance of Rules 4(5a) and 4(6) of the Cenvat Credit Rules, in respect of non-return of job work challans for the period March 1, 2009 to September 30, 2009 within a stipulated time. In addition, it also alleged that we violated the advance license conditions from 2005 to 2009. In 2010, we filed four writ petitions (“WP”) no. 8123, 8135, 9744 and 9755 in the High Court of Madras against the Central Excise department. An associated contempt petition was also filed by us. All the above petitions were heard on July 29, 2010 and the High Court of Madras in relation to WP No. 8123 remanded the matter to be heard and determined afresh by a new set of officers of the Central Excise department. The High Court of Madras granted a stay in relation to WP No. 8135 in so far as relates to job work challan matter and until a fresh enquiry was made. Further, the High Court of Madras dismissed WP No. 9744 and 9755 and the contempt petition.

The Central Excise department deputed the Assistant Commissioner of Central Excise to conduct an enquiry for the alleged non-compliance of Rules 4 (5a) and 4(6) of the Cenvat Credit Rules in respect of non-return of job work challans. The Assistant Commissioner of Central Excise served a show cause notice on September 9, 2011. We filed a response before the Assistant Commissioner of Central Excise. After conducting a personal hearing, the Assistant Commissioner passed a favorable order on January 1, 2012 and dropped the entire demand for duty and interest. The department went into appeal before the Commissioner (Appeals) against this order, but the appeal was restricted only to the demand of interest. The Commissioner (Appeals) allowed the appeal on February 25, 2013 on the condition that interest would become applicable only in those cases where goods have not been sent back or cleared from the premises within 180 days from the date of dispatch from the Tuticorin unit. The verification whether any interest is payable or not has been completed and department raised the interest liability of ₹ 2 million (\$ 0.03 million) which we have challenged before Tribunal on April 7, 2015 and the case has yet to be listed for hearing.

We filed two writ appeals no. 704 and 705 of 2011 in the High Court of Madras challenging the orders passed with respect to the writ petitions no. 8135 and 9744 of 2010. The writ petitions were admitted on August 1, 2011 and the Court ordered other party to maintain the status quo. In the meanwhile, the Commissioner of Customs, Tuticorin issued a show cause notice in January 2015 based on alleged violation of advance license conditions from 2005 to 2009 expressly mentioning that this show cause notice shall be kept pending and not be adjudicated unless and until directions are obtained from the High Court enabling such adjudication. We filed writ petition no. 626 of 2015 against this show cause notice, which was tied up with writ appeals no. 704 and 705 of 2011 and heard together. Thereafter, regular hearings took place in the High Court, and on March 12, 2015 the High Court gave an interim order, allowing one of the prayers in writ in form of injunction to the Directorate General of Foreign Trade actions in pursuit of the show cause notice received from customs department. During the course of the hearings, writ appeal no. 704 was withdrawn as it has become infructuous as it relates to the job work challan matter which has already been concluded. Writ appeal no. 705 of 2011 and writ petition no. 626 of 2015 were heard on March 11, 2016 and both were dismissed by the final judgment of the High Court dated August 1, 2016, as the High Court held that it did not find any impediment to customs authorities issuing show cause notice on the basis of materials gathered and input received from excise authorities. The High Court also required the Company to respond to the show cause notice dated January 13, 2015 within two weeks from receipt of the order and directed the Commissioner of Customs to conduct proceedings as expeditiously as possible. We have filed a SLP against the High Court’s order before the Supreme Court on August 24, 2016. The stay hearing before the Supreme Court on the SLP, took place on April 21, 2017 wherein the Supreme Court held that the commissioner of customs, Tuticorin may pass a final order against the notice but that it had to be kept in sealed cover. During hearing before Commissioner of Customs on September 5, 2017, we requested for cross-examination of witnesses and make available certain relevant documents, which was denied. Thereafter, we have filed an appeal before the Customs, Excise and Service Tax Appellate Tribunal (CESTAT) against such rejection. On January 10, 2018, CESTAT allowed cross-examination of witnesses; however, our request to make available relevant documents was rejected. We filed CMA 649 and 650 of 2018 in the High Court of Madras, Madurai Division Bench challenging the order passed by CESTAT. We requested High Court to order Excise authorities to share the communication issued to Customs basis which SCN was issued by Customs. Hearing concluded on June 13, 2019 before High Court and judgement is reserved. Further, we have written a letter to Commissioner on June 14, 2019 requesting to keep adjudication proceedings in abeyance till receipt of High Court Order.



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VEDANTA 20-F - IFRS	None		SNG		HTM ESS	OC

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The High Court has pronounced the order wherein our request to share the communication issued to Customs by excise authority has been turned down. Meanwhile, cross examination of the witnesses has also been completed by Customs Commissioner, Tuticorin and final order has been passed but kept in sealed cover as per the directions of the Supreme Court. Matter will be listed before Supreme Court in due course.

– ***Petitions have been filed in the Rajasthan High Court relating to sales tax***

We have filed two writ petitions before the High Court of Rajasthan, seeking to quash the two letters issued by Finance (Tax) department, Jaipur and to set aside the show cause notice issued by the Rajasthan Sales Tax Department, demanding Rajasthan VAT on sales of crude oil alleging that the sales are intra-state sale (as opposed to an inter-state sale). The matter was last heard on May 17, 2016 and the judgement dated July 13, 2016 allowed our petition and held that sale of crude oil should be regarded as interstate sale subject to central states tax and that Rajasthan VAT should not be applicable. Subsequently, the Rajasthan Sales Tax Department filed an appeal before the division bench of the High Court of Rajasthan on September 9, 2016, challenging the previous order. On April 4, 2018, division bench dismissed the petition filed by the Rajasthan Sales Tax Department. Thereafter, the Rajasthan Sales Tax department has filed an SLP before Supreme Court of India against the judgment of the Division Bench of the Rajasthan High Court, the said SLP of the department was dismissed due to failure of the department to cure the defects in filing despite specific order from the Supreme Court. However, on the request of Rajasthan Sales Tax Department, the SLP has been restored vide order dated July 5, 2019 and on February 13, 2020 all the defects have been removed. The matter was admitted on February 28, 2020. For hearing on merit, matter will be listed in due course.

– ***Proceedings related to the imposition of entry tax***

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

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

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

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

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 August 22, 2016, exempted the entry tax levy on SEZ operations.

Hindustan Zinc Limited has opted for RJ Amnesty Scheme and settled its demand.

The total claims against Vedanta Limited and its subsidiaries are ₹ 13,664 million and ₹ 14,119 million (\$ 193 million) net of provisions made as at March 31, 2020 and March 31, 2021 respectively.

– ***Writ petition filed in the Delhi High Court by Cairn India Limited (now Vedanta Limited - oil and gas business) relating to extension of tenure of the PSC for the RJ block***

Vedanta Limited filed a writ petition before the High Court of Delhi against the MoPNG, the DGH and ONGC regarding the extension of the tenure for the Rajasthan Block PSC for the Rajasthan Block.

The Rajasthan Block PSC is valid until May 14, 2020. Consistent with the terms of the Rajasthan Block PSC, given that the Rajasthan Block is also producing natural gas, Vedanta Limited has been requesting an extension of the tenure of the Rajasthan Block PSC for a period of up to 10 years, i.e., until May 14, 2030. Vedanta Limited had been making regular requests to the MoPNG for extension of the tenure of the Rajasthan Block PSC since the past few years. However, apart from seeking further technical and financial details, the MoPNG has not yet made a final decision in the matter.

In view of MoPNG's delay, a writ petition was filed by Cairn India (now Vedanta Limited) on December 11, 2015, seeking relief from the High Court of Delhi.



The High Court of Delhi on May 31, 2018 allowed the writ petition, directing GoI to extend the Rajasthan Block PSC for a period of ten years beyond the current contract term in accordance with Article 2.1 of the Rajasthan Block PSC on the same terms and conditions. The GOI appealed the decision of the Single Bench before the Division Bench High Court of Delhi. The High Court of Delhi ordered that the application filed by Vedanta Limited in May 2018 for seeking extension of the Rajasthan Block PSC for ten years shall be decided/processed by the GOI under the Pre-NELP Extension Policy dated April 07, 2017 within a period of two months, notwithstanding the time prescribed in the Pre-NELP Extension Policy. The High Court of Delhi also stayed the order passed by the Single Judge and placed on record that the question of applicability of the Pre-NELP Extension Policy was presently left open.

Against this backdrop, the GOI granted its approval for a ten-year extension of the Rajasthan Block PSC pursuant to its letter dated October 26, 2018 under the Pre-NELP Extension Policy, subject to certain conditions.

Due to the extenuating circumstances surrounding the COVID-19 pandemic and pending the execution of the Rajasthan Block PSC addendum for extension of the tenure of the Rajasthan Block upon compliance with all stipulated conditions therein, the GOI has from time to time permitted Vedanta Limited to continue its operations in the Rajasthan Block with effect from May 15, 2020 and is currently valid till July 31, 2021.

The matter was heard on several hearings and orders were reserved on February 02, 2021. Vide order dated March 26, 2021, the High Court has allowed the appeal of GOI against the single judge order. While the Company has paid additional 10% Profit Petroleum to the GOI w.e.f. May 15, 2020, it has filed a SLP in the Hon'ble Supreme Court of India against the order dated March 26, 2021

– ***Writ petition filed in the High Court of Delhi by Cairn India Limited (now Vedanta Limited - oil and gas business) relating to export of crude oil from RJ Block***

Cairn India Limited (now Vedanta Limited - oil and gas business) has filed a writ petition before the High Court of Delhi against the Directorate General of Foreign Trade (“DGFT”), the MoPNG, and Indian Oil Corporation Limited (“IOCL”) for the export of crude oil from the RJ Block.

Due to its nature and composition, RJ Block crude has the potential to be valued higher by refineries in other markets, beyond the prices being received from the GoI nominated buyers, and other domestic, private refiners. Since 2009, Cairn India Limited (now Vedanta Limited - oil and gas business) has been receiving bids from international buyers and refiners offering prices that are an additional \$ 3-4 per bbl more than the domestic sale prices for RJ Block crude.

In accordance with the provisions of the RJ Block PSC and the applicable GoI policies for crude oil export, Cairn India Limited (now Vedanta Limited - oil and gas business) repeatedly requested IOCL and MoPNG to allow it to export RJ Block crude oil, to which there has been no firm response. Cairn India Limited (now Vedanta Limited - oil and gas business) also made written requests to the DGFT to intervene in the matter, which again proved unsuccessful.

In view of the aforesaid, Cairn India Limited (now Vedanta Limited - oil and gas business) filed a writ petition in the High Court of Delhi on December 11, 2015 to obtain relief in the form of orders to the DGFT, MoPNG and IOCL for approvals and authorizations to permit and facilitate the export of RJ Block crude oil, to the extent GoI nominated buyers are unable to cover the entire production. Through its order dated December 14, 2015, the High Court ordered the MoPNG, DGFT and IOCL to obtain necessary instructions on whether the GoI was willing to pick up the entire crude oil production from the RJ Block, or in the alternative was ready to grant permission to Cairn India Limited (now Vedanta Limited - oil and gas business) to directly export the crude oil not covered by the GoI nominees.

On October 18, 2016, the High Court set aside the writ petition. Cairn India Limited (now Vedanta Limited - oil and gas business) filed an appeal against the said order before the division bench of the High Court of Delhi which was also dismissed on November 28, 2018. Vedanta Limited has now filed a SLP before the Supreme Court of India against the dismissal of the writ petition by the Delhi High Court. The matter was heard on April 22, 2019 by the Supreme court and the court directed that notice be issued to GoI and has given four weeks’ time to GoI to revert with its response, post which the matter will be listed for hearing to decide upon the admission of the SLP. No reply has yet been filed by GoI.

Cairn DGH arbitration issue

The GOI granted its approval for a ten-year extension of the Rajasthan Block PSC vide letter dated October 26, 2018 under the Pre-NELP Extension Policy, subject to certain conditions. The conditions relate to the completion of certain technical activities in the Rajasthan Block before the expiry of the primary tenure of the Rajasthan Block PSC, prescribes mechanism and criteria for exploration cost recovery, submission of audited accounts/end of year statements and audit observations. The GOI has subsequently on December 3, 2019 removed the condition of the submission of audited accounts as imposed under the letter of extension dated October 26, 2018.

In connection with one of the conditions for the Rajasthan Block PSC extension, the DGH raised certain queries on May 12, 2020 relating to the notification of certain audit exceptions raised for fiscal year 2016 to 2017 relating to the share of Vedanta Limited and its subsidiary. Vedanta Limited has disputed these queries together with the other audit exceptions for fiscal years 2016 to 2018 on the basis that such audit findings and exceptions are not in accordance with the Rajasthan Block PSC nor are they sustainable and thereby do not prevail nor result in the creation of any liability on Vedanta Limited and its subsidiary. Vedanta Limited is of the belief that it has reasonable grounds to defend its proposition and which are further supported by independent legal opinions on the same. Vedanta Limited had proposed for the relevant issues pertaining to these audit findings and exceptions to be referred for expert determination in accordance with the provisions of the Rajasthan Block PSC. On May 14, 2020, Vedanta Limited invoked the dispute resolution process in accordance with the Rajasthan Block PSC process and issued notice for arbitration to which the GOI has responded on June 29, 2020. The arbitration tribunal stands constituted and Vedanta also filed its application for interim relief. The interim relief application was heard by the Tribunal on December 15, 2020 wherein it was directed that GOI should not take any coercive action to recover the disputed amount of audit exceptions which is presently in arbitration and that during the arbitration period, GOI should continue to extend the tenure of the Rajasthan Block PSC on terms of current extension. The GOI has challenged the said order before the Delhi High Court which is next listed for hearing on July 5, 2021. The GoI has also filed application before the Tribunal objecting to its jurisdiction to decide issues arising out of or relating to the PSC extension policy dated April 7, 2017, the Office Memorandum dated February 1, 2013, as amended and audit exceptions notified for FY 2016-18.



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Separately, on September 23, 2020, GOI filed an application for interim relief before Delhi High Court seeking payment of all disputed dues. The Delhi High Court has not passed any order against any of the parties and the matter is listed for hearing on August 4, 2021.

– ***Proceedings related to the steel operations CTO revocation by MoEF&CC***

The consent to operate for our steel plant at Bokaro was due to expire on December 31, 2017. ESL filed an application in August 2017, before the JSPCB for renewal of consent to operate, as per procedure established by law. ESL filed writ petition in High Court of Jharkhand for issuance of directions to JSPCB to consider the consent to operate application at the earliest. The High Court of Jharkhand observed that ESL cannot be made to suffer on account of non-action on the part of the JSPCB and directed JSPCB to take a final decision on the consent to operate. and vide its interim order dated July 16, 2018 allowed the operation of the steel plant under supervisory control of JSPCB. On August 25, 2018, High Court of Jharkhand granted a stay against order dated August 23, 2018 of JSPCB where they denied the extension of consent to operate. The court in the interim asked MoEF&CC to decide on the issue of show cause notice dated June 6, 2012 within 4 weeks. Pursuant to the order of the High Court of Jharkhand, on August 25, 2018, MoEF&CC vide order dated September 20, 2018, passed an order for revocation of the environmental clearance of ESL. ESL challenged the said order of MoEF&CC by way of writ petition before the High Court of Jharkhand. The High Court of Jharkhand vide its order dated September 27, 2018 stayed the operation, implementation and execution of the order of revocation of environmental clearance and further stated that the impugned order has serious repercussions on ESL which is a running unit and has caused prejudice on account of violations of principles of natural justice. High Court of Jharkhand 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 October 4, 2018 without prejudice to its rights and contentions.

The MoEF&CC vide its letter dated December 17, 2019 granted an ex-post facto in-principle approval for diversion under Forest Conservation Act, 1980 with certain penal and other conditions for compliance. ESL has also made an application for restoration/revision of environmental clearance, which has been considered by EAC committee of MoEF&CC. MoEF&CC, on August 25, 2020, has granted a Terms of Reference to ESL for 3 MTPA plant with conditions like fresh EIA/EMP reports and public hearing. The High Court of Jharkhand has extended the interim protection granted in the pending writ petitions till September 16, 2020. The High Court of Jharkhand on September 19, 2020 pronounced and revoked the interim stay for plant continuity with effect from September 24, 2020. ESL filed an SLP before the Supreme Court against the order dated September 16, 2020 for grant of interim status quo order and plant continuity. Vide order dated September 22, 2020, the Supreme Court issued notice and allowed plant operations to continue till further orders. Public hearing has been concluded on December 16, 2020, and ESL has applied for grant of Environment Clearance to MOEF&CC on January 01, 2021 and presented before EAC on February 11, 2021. The revised proposal has been submitted on March 14, 2021 post inputs from February 11, 2021 meeting and presented before EAC on March 30, 2021. A revised proposal will be submitted post adding the inputs of the March 30, 2021 meeting. The application is under perusal at the MoEF&CC.

– ***Proceedings in respect of claim of Operational Creditors***

The resolution plan submitted by Vedanta Limited for the acquisition of ESL under the IBC was approved by NCLT, Kolkata with nil payment to Operational Creditors. The Operational Creditors unsuccessfully challenged NCLT's approval of the plan before the NCLAT before approaching the Supreme Court in a further appeal.

The Supreme Court vide its order dated November 27, 2019, without staying the implementation of the resolution plan, remanded the matter back to NCLT, Kolkata for it to assess solely on the issue of whether the matter should be sent back to the Committee of Creditors to reconsider nil payment to all Operational Creditors. The Operational Creditors filed applications in this matter to which we have submitted our reply. The matter is currently pending before NCLT, Kolkata.

– ***Proceedings relating to the cost pass through for installation and operation costs of flue gas desulphurization ("FGD")***

MoEF&CC issued Environment (Protection) Amendment Rules 2015 vide notification dated December 7, 2015 to implement new emission norms including regulation of sulphur and nitrogen oxide emissions in all thermal power plants in India. The timeline for TSPL to implement these norms as notified by CPCB was December 31, 2019. TSPL approached PSPCL since additional costs under change in law are payable by PSPCL as per the PPA, but no positive response was received from PSPCL. Thereafter, TSPL filed a petition before PSERC regarding approval and consequent tariff adjustment due to change in law event. PSERC passed an adverse order in the matter considering that the said notification is not a change in law event. TSPL thereafter filed an appeal before APTEL. The amounts involved for the capital cost of installation and operation of the FGD units are estimated at ₹ 10,000 million (\$ 136.72 million) and a recurring ₹ 700 million (\$ 9.57 million) per year.

APTEL vide order dated August 28, 2020 has approved the said notification including installation and operation of FGD and associated system for Sulphur Dioxide ("SO₂") emissions as well as installation and operation of SNCR and/or any other appropriate technology for NO_x emissions as a change in law event as per the PPA. It has further stated that TSPL is entitled for additional expenditure for installation and operation of FGD and associated systems including all allied cost like taxes, duties etc. as a part of Additional Capital Cost to be incurred by TSPL and has directed the Commission to devise a mechanism for payment of above mentioned costs and other expenses in relation to procurement, installation, commissioning, operation and maintenance of FGD for SO₂ as approved by the concerned authority, after prudence check. Further, TSPL has filed a caveat before Supreme Court of India. PSPCL has now filed an appeal from the order of the APTEL before the Supreme Court.



In the meantime, TSPL has applied to the Central Pollution Control Board (“CPCB”), Ministry of Power and the Central Electricity Authority (“CEA”) to grant an extension of the deadline to implement new emission norms. Separately, the Punjab State Government has also written to the central government requesting for extension of deadline for power plants in Punjab including TSPL’s plant. Further, the Supreme Court in a related matter, has also recorded the submissions made by the central government as well as the affidavits filed by various power plants that a more feasible date for FGD installations would be December 2022.

The State Pollution Control Board (“SPCB”) had issued a show cause notice dated November 21, 2019 for non-compliance of directions issued by CPCB u/s 5 of the Environment (Protection) Act, 1986 and accorded a personal hearing to TSPL. Upon TSPL’s hearing submission the SPCB vide its letter dated November 27, 2019, disposed of the said show cause notice with recommendations to the CPCB to accept TSPL’s request for granting the extension for the installation of the FGD up to December 31, 2022.

Later, on January 31, 2020, the CPCB issued a show cause notice for non-compliance with its directions u/s 5 of Environment (Protection) Act, 1986. TSPL has replied to the notice and submitted that the timelines issued were not feasible in nature as technical specifications were issued only in June 2018. TSPL, in its reply, has also requested for an extension of timeline for installation of FGD till December 31, 2022. CPCB vide its letter dated May 08, 2020 (received on June 03, 2020) has levied an Environmental Compensation of ₹ 1.8 million per unit per month (\$ 0.02 million) for non-compliance to emission norms. On June 05, 2020, TSPL responded to the notice requesting CPCB to revoke the said notice and grant time extension. However, TSPL has deposited an environmental compensation of five months to the CPCB in protest.

Further, pursuant to a notice dated October 16, 2020 and a corrigendum dated November 04, 2020, CPCB has extended the timeline for installing the FGD to February 28, 2021 for Unit 1 and December 31, 2020 for Unit 2 and October 31, 2020 for Unit 3. TSPL has also requested CPCB to refund the compensation paid by TSPL and grant timeline extension of 30 months from the date of commencement of work of the FGD project.

TSPL has also filed an application for implementation in the case of M.C. Mehta v UOI & Ors. and an application for directions before the SC for providing ad interim stay on the compensation and grant timeline extension for installation of FGD which is yet to be listed.

TSPL is in the process of retendering for FGD Project. However, as per the notification issued by MoEF&CC dated March 31, 2021, the timeline for complying with the emission norms has been extended to December 31, 2024. TSPL has vide letter dated April 14, 2021 requested CPCB to refund us the compensation paid by TSPL for the months of May 2020 to September 2020.

– **Arbitration proceedings related to ONGC’s obligation to share contract costs in respect of the Rajasthan Block PSC.**

The dispute pertains to inter-party issues between ONGC, Vedanta Limited (“Operator”) and Cairn Energy Hydrocarbons Limited (“CEHL”) (ONGC, Vedanta Limited and CEHL collectively referred to as “Contractor Parties”) in relation to key components of the parties’ contractual relationships, including their respective right to recover Contractor’s Contract Costs incurred as a result of Petroleum Operations and ONGC’s contractual obligation to contribute its Participating Interest (“PI”) share of such costs in the RJ Block and the subsequent finalization of accounts for the RJ Block. GoI has taken the position, among other things, that the Operator’s annual accounts and statements are not final. The same is due to the Contractor Parties’ divergent views on the RJ Block accounts and non-adoption of the accounts by the Management Committee (“MC”) of the RJ Block. The GoI has directed the Contractor Parties to “finalize Cost Oil”, in the absence of which disputed profit petroleum (“PP”) payments should be payable to GoI.

These issues arise from the interpretation and application of the RJ Operating Agreement (“OA”), the Rajasthan Block PSC.

On March 01, 2019, Vedanta Limited served a notice of arbitration in accordance with the dispute resolution mechanism prescribed in the Rajasthan Block PSC and OA to ONGC and ONGC has responded to the same on April 12, 2019. The Arbitral Tribunal has been constituted in accordance with and pursuant to the Rajasthan Block PSC. A statement of claim was filed by Vedanta on January 31, 2020 whilst ONGC filed its statement of defence on August 30, 2020. In parallel, on May 10, 2019, ONGC filed an interim application under Section 9 of the (Indian) Arbitration Act seeking interim relief before the High Court of Delhi claiming royalty of approximately \$ 394 million. The matter has been listed several times since May 2019 and no interim relief sought by ONGC had been granted. The matter is pending for adjudication.

– **Baker Arbitration**

Vedanta Limited had entered into two development contracts in 2018 with Baker Hughes companies in relation to the MBA fields in Rajasthan block. On the notice of force majeure by Baker in respect of the services contract, Vedanta Limited as per its contractual right terminated the active call outs under the said contract. There is a dispute between the parties relating to the amount payable and whether only active call outs stand terminated or both contracts are terminated. Baker invoked arbitration under both the contracts in November 2020 claiming a total amount of \$ 127 million, which is disputed by Vedanta Limited. Both the parties have appointed their respective arbitrators. For appointment of the presiding arbitrator, the matter is before the Hon’ble Supreme Court of India.

GRIDCO Power purchase agreement amendment matter (Short supply issue)

Vedanta Limited has set up a 4x600MW Thermal Power Plant (TPP) at Jharsuguda, Odisha. In the year 2012, Vedanta Limited executed a power purchase agreement (“PPA”) with GRIDCO vide Consolidated PPA dated December 19, 2012 whereby it was obligated to supply certain quantum of power from its TPP to GRIDCO. Thereafter, in 2015, Vedanta Limited had filed a petition before Orissa Electricity Regulatory Commission (“OERC”) seeking conversion of its 4 IPP units to Captive Generating Plants (“CGP’s”). The said prayer was partly allowed by OERC by its order dated January 27, 2016 and the parties were directed to make necessary changes to the PPA incorporating the directions thereof and submit the revised PPA for approval of the Commission.

Meanwhile, a meeting was held between the parties on November 01, 2016 whereby it was agreed inter alia that in case there is a shortfall in supply of power by Vedanta Limited to GRIDCO, then GRIDCO shall be entitled to levy penalty on Vedanta Limited at such rate as agreed in the minutes. In furtherance to the said MoM, GRIDCO started raising debit notes on Vedanta Limited for such shortfall in supply of power and has as such raised the debit notes on Vedanta Limited till the month of December 2019 amounting to a total value of ₹ 27,780 million (\$ 368 million). Vedanta Limited has disputed these debit notes on various grounds.



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VEDANTA 20-F - IFRS	Donnelley Financial	VDI-W7-PF3-0491 21.7.8.0	HKR rathg0cb	15-Jul-2021 12:51 EST	165852 TX 195	6*
VEDANTA 20-F - IFRS	None		SNG		HTM ESS	OC

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GRIDCO filed a petition in the year 2018 seeking amendment to the PPA in compliance with the OERC order dated January 27, 2016. However, GRIDCO further prayed for incorporation of a penalty clause in line with the minutes dated November 1, 2016. Vedanta Limited filed its preliminary reply inter alia submitting that there are certain issues which need to be resolved between the parties mutually and accordingly, the Commission may direct the parties to convene a meeting to sort out the issues and submit the revised PPA to the Commission for its approval.

The Commission was pleased to allow the aforementioned prayer and in furtherance to the same, a meeting was held between Vedanta Limited and GRIDCO in the presence of Director (RA), OERC on June 7, 2019. In the said meeting, certain modalities for payment of compensation by Vedanta Limited for short supply of power on the principle of no profit and no loss were agreed between the parties and minutes were signed. Therefore, the minutes dated November 1, 2016 stood superseded by the minutes dated June 7, 2019. However, subsequently GRIDCO disputed the said minutes as being non-implementable and raised additional issues as well.

GRIDCO is not making payment of undisputed outstanding receivables of Vedanta Limited towards monthly energy bills on account of the fact that it has an alleged counter claim of ₹ 27,780 million (\$ 368 million) towards debit notes being raised by it in accordance with the earlier minutes dated November 1, 2016. However, Vedanta Limited has disputed the said minutes and has also maintained that these minutes stand superseded by minutes dated June 7, 2019 which were signed between both the parties in presence of Director (RA), OERC. In fact, Vedanta Limited in its preliminary reply had also sought a direction from OERC seeking payment of 100% payment of undisputed invoices and at least 75% of disputed invoices as per the provisions of the PPA. Post signing of minutes dated June 7, 2019, we have also submitted before the Commission that we are committed to comply with the modalities agreed in the said minutes. The total clean receivables of Vedanta Limited as on March 31, 2020 stands at ₹ 9,020 million (\$ 123.33 million).

The final hearings in the matter were concluded on October 15, 2019. The OERC passed its final order on June 22, 2020 wherein Vedanta Limited and GRIDCO have been directed to amend the PPA in line with the terms laid out by the OERC. Additionally, OERC has directed GRIDCO to reconcile the arrear amounts due to Vedanta Limited and settle the payments within two months from date of the judgement. The reconciliation is still going on.

On August 25, 2020, Vedanta Limited also filed an appeal before the APTEL in respect of certain limited issues arising out of the June 2020 OERC Order. The matter is at the stage of completion of pleadings. Next date of hearing of the matter is August 4, 2021.

Additionally, on September 18, 2020, GRIDCO filed an application for review of the June 2020 OERC Order before the OERC. Arguments in the matter have been concluded and the same is reserved for orders. The matter was last listed for order on May 21, 2021 and next date of listing is awaited.

Legal actions by Indian Income tax Authorities for additional income tax

Income tax returns submitted by companies are subject to a comprehensive review and challenge by the tax authorities. There are appellate procedures available to both the tax authorities and taxpayers and it is not uncommon for significant or complex matters in dispute to remain outstanding for several years before they are finally resolved by the High Court or the Supreme Court of India. There are certain income tax legal proceedings which are pending against us. Potential liabilities, if any have been adequately provided for and interest and penalty, if any would be additional. The Company and certain of its operating subsidiaries have been issued demands by the income tax authorities, principally in respect of tax holidays and disallowances of expenditures relating to exempt income, amounting to ₹ 19,093 million and ₹ 19,442 million (\$ 266 million) as at March 31, 2020 and March 31, 2021, respectively.

Legal actions by third parties, Indian sales tax, excise and related tax authorities for additional sales tax, excise and indirect duties

The Group is subject to various claims and exposures which arise in the ordinary course of conducting and financing its business from the excise, indirect tax authorities and other authorities. These claims and exposures mostly relate to the assessable values of sales and purchases or to incomplete documentation supporting the companies' returns or other claims. The approximate total value of claims against the Group is ₹ 39,960 million and ₹ 47,820 million (\$ 654 million) as at March 31, 2020 and March 31, 2021 respectively.

Dividend Distribution Policy

Under Indian law, a company declares dividends (including interim dividends) upon a recommendation by its board of directors and approval by a majority of the shareholders at the annual general meeting of shareholders held within six months of the end of each fiscal year. However, while final dividends can be paid out by a company only after such dividends have been recommended by the board of directors and approved by shareholders, interim dividends can be paid out with only a recommendation by the board of directors, though such action is subject to subsequent sanction by the shareholders at the annual general meeting held within six months from the end of fiscal year. The shareholders have the right to decrease but not to increase the dividend amount recommended by the board of directors.

The Board of Directors may declare interim dividend during any financial year or at any time during the period from closure of financial year till holding of the annual general meeting out of the surplus in the profit and loss account or out of profits of the financial year for which such interim dividend is sought to be declared or out of profits generated in the financial year till the quarter preceding the date of declaration of the interim dividend.



Under the Companies Act, 2013, dividends in respect of a fiscal year may be paid out of the profits of a company in that fiscal year or out of the undistributed profits of previous fiscal years or both, after providing for depreciation in the manner provided for in the Companies Act, 2013. The Companies Act, 2013 and the Companies (Declaration and Payment of Dividend) Rules, 2014 provide that in the event of inadequacy or absence of profits in any year, a company may declare dividends out of its free reserves subject to the following conditions:

- The rate of dividend declared shall not exceed the average of the rates at which dividend was declared by it in the three years immediately preceding that year;
- The total amount to be drawn from such accumulated profits shall not exceed one-tenth of the sum of its paid-up share capital and free reserves as appearing in the latest audited financial statement;
- The amount so drawn shall first be utilized to set off the losses incurred in the financial year in which dividend is declared before any dividend in respect of equity shares is declared;
- The balance of reserves after such withdrawal shall not fall below 15.0% of its paid up share capital as appearing in the latest audited financial statement.

The Company may, before the declaration of any dividend in any financial year, transfer such percentage of its profits for that financial year as it may consider appropriate to the reserves of the Company.

Dividends (including interim dividends) must be paid within 30 days from the date of the declaration and any dividend which remains unpaid or unclaimed after that period must be transferred within seven days from the date of expiry of the said period of thirty (30) days to a special unpaid dividend account held at a scheduled bank. We must transfer any money which remains unpaid or unclaimed for seven years from the date of such transfer to the Investor Education and Protection Fund established by the GoI.

As per Regulation 43A of the SEBI LODR, the top 500 listed companies shall formulate a dividend distribution policy. Accordingly, the policy was adopted to set out the parameters and circumstances that will be taken into account by the Board in determining the distribution of dividend to its shareholders and / or retaining profits earned by the Company. The policy is available on the website of the Company www.vedantalimited.com.

Dividends paid to non-resident holders of ADSs are not subject to tax till March 31, 2020 in the hands of the recipient. However, the company that is distributing the dividend is liable to pay a "DDT" at the rate of 15.0% (on a gross basis) plus a surcharge of 10.0% and an education cess at the rate of 3.0%. According to the Finance (No. 2) Act, 2014, DDT is to be levied on gross distributable surplus amount instead of amount paid net of taxes. This resulted in an increase in the DDT to more than 20.0%, from 16.995% in the earlier years which was applicable to the dividends declared, distributed or paid on or after October 1, 2014. The Finance Act, 2018 increased the rate of cess from 3.0% to 4.0% which will result in an effective DDT rate of 20.6% from April 1, 2018. Under Section 115O(1A) of the Income Tax Act 1961, an Indian company, subject to certain conditions, can set off the dividend income received from its subsidiaries against the amount of dividend declared and distributed by it to its shareholders, therefore reducing the DDT to the extent of such set-off.

Any distribution of additional ADSs or equity shares to resident or non-resident shareholders will not be subject to any Indian tax.

Further the Finance Act 2016 has provided that any income earned by an individual, Hindu Undivided Family ("HUF") or a firm, who is a resident in India, by way of dividend declared, distributed or paid by any domestic company in excess of ₹ 1 million in aggregate shall be chargeable to tax at the rate of 10.0% on gross basis on such amount exceeding ₹ 1,000,000. With the introduction of Finance Act 2017, this provision will be applicable only to specified assessee (specified assessee means a person other than domestic company, charitable trusts registered under section 12 A or 10 (23C) of the Finance Act 2017).

The Finance Act 2020 has repealed the DDT. Dividend received will be taxable in the hands of recipient. The remittance of dividends outside India is governed by Indian law on foreign exchange and is also subject to withholding tax at applicable rates effective from April 1, 2020.

Future dividends will depend on our revenue, cash flows, financial condition (including capital position) and other factors. ADSs holders will be entitled to receive dividends payable in respect of the equity shares represented by the ADSs. Cash dividends in respect of the equity shares represented by the ADSs will be paid to the depositary in Indian Rupees and, except as otherwise described under the deposit agreement governing the issuance of our ADSs, will be converted by the depositary into US Dollars. The depositary will distribute these proceeds to ADSs holders. The equity shares represented by the ADSs will rank equally with all other equity shares in respect of dividends. ADSs holders will bear all of the currency exchange rate risk of the conversion of any dividends from Indian Rupees to US Dollars, and a decline in the value of the Indian Rupees as compared to the US Dollar would reduce the US Dollar value of any dividends we pay that are received by ADSs holders.

The Company's Board of Directors approved the Dividend Distribution Policy for the Company at its meeting held on May 15, 2017. The Board of Directors shall recommend dividends in compliance with this policy, the provisions of the Companies Act, 2013 and Rules made thereunder and other applicable legal provisions.

1. Dividend Payout

In every financial year, the Company aims to distribute to its equity shareholders:

- The entire dividend income (net of taxes) it receives from its subsidiary, Hindustan Zinc Limited (this does not apply to any one-time special dividends received from Hindustan Zinc Limited which will be at the discretion of the Board); and
- Minimum 30.0% (including taxes, cess, and levies, if any relating to the dividend) of attributable profit after tax (before exceptional items) of the Company excluding its share of profits in Hindustan Zinc Limited for the year. Such profits will be net of dividend payout to preference shareholders, if any.



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2. While considering a dividend, the following financial parameters, and internal and external factors shall also be evaluated by the Board:

While considering dividend, the following financial parameters, and internal and external factors shall also be evaluated by the Board:

- Current financial year's profits and retained earnings;
- Availability of cash and liquid investments to pay dividends;
- Deleveraging plans of the Company;
- Capital expenditures and organic/ inorganic plans of the Company;
- Contingency plans;
- Company's future prospects including its continued ability to sustain its profits; and
- External factors such as uncertain or recessionary economic and business conditions, regulatory environment, prevailing and expected commodity prices in the market.

3. Circumstances under which the shareholders of the Company may or may not expect dividends:

Generally, it would be the Company's policy to pay dividends in the manner specified above. However, the Board may not approve a dividend in certain situations such as:

- When the Company does not have any profits;
- When there are prolonged strikes or lockouts, natural calamities, regulatory actions, major accidents or other events significantly impacting production volumes;
- When prices of the Company's products have fallen suddenly, impacting future profits in substantial manner, or
- When the Company's liquidity is jeopardized for any reason, impairing its ability to pay the dividend.

4. How retained earnings shall be utilized:

The retained earnings may be utilized either for business purposes mentioned in its Memorandum and Articles of Association or shall be distributed to the equity shareholders.

5. Adoption of parameters for dividend payouts with respect to various classes of shares:

- Presently, the authorized share capital of the Company is divided into equity shares of ₹ 1 each and preference shares of ₹ 10 each.
- As and when the Company issues other kinds of shares, the Board may suitably amend this Policy.

6. Review of Policy

This policy will be reviewed periodically by the Board and if revised, the Company will announce such changes. This Policy is effective from fiscal year 2018.

B. Significant Changes

Voluntary open offer

Vedanta Resources Limited ("the Acquirer") together with Twin Star Holdings Limited ("PAC 1"), Vedanta Holdings Mauritius Limited ("PAC 2") and Vedanta Holdings Mauritius II Limited ("PAC 3" together with PAC 1 and PAC 2 to be referred as "PACs") in their capacity as the persons acting in concert with the Acquirer had:

- made a Public Announcement for the Voluntary Open Offer dated January 9, 2021 ("Public Announcement") for acquisition of up to 371,750,500 Equity Shares representing 10% of the fully diluted voting share capital of Vedanta Limited ("Target Company") from the Public Shareholders of Target Company;
- made a Corrigendum to the Public Announcement dated January 14, 2021;
- made a Detailed Public Statement for the Voluntary Open Offer dated January 14, 2021 ("DPS"), published on January 15, 2021;
- filed the Draft Letter of Offer dated January 19, 2021 ("DLOF") with SEBI; and
- made a Corrigendum to Detailed Public Statement and the Draft Letter of Offer dated February 17, 2021, published on February 18, 2021.

The Acquirer and PACs had further made an Announcement cum Corrigendum to Public Announcement, Detailed Public Statement and the Draft Letter of Offer dated March 16, 2021, published on March 17, 2021, specifying the various developments/ amendments w.r.t the Offer including the upward revision of Offer price from ₹ 160 per share to ₹ 235 per share and upward revision of Offer size from 371,750,500 equity shares representing 10% of the Voting Share Capital to 651,000,000 equity shares representing 17.51% of the Voting Share Capital.

Further, the Acquirer and the PACs had made the Letter of Offer, along with the Form of Acceptance cum Acknowledgement ("LOF") dated March 16, 2021, published on March 17, 2021 and the opening offer public advertisement dated March 20, 2021 ("Offer Opening Advertisement") was published on March 22, 2021.



The above announcements were duly intimated to the Stock Exchanges, filed and submitted with SEBI and the Target Company within the prescribed timelines under Takeover Regulations.

Further, the recommendations of the Committee of Independent Directors (“IDC”) of Vedanta Limited pertaining to the said open offer was published on March 18, 2021 in accordance with the Takeover Regulations.

The tendering period for the said offer commenced from March 23, 2021 and closed on April 7, 2021.

The post offer advertisement dated April 20, 2021 was published on April 21, 2021 pursuant to and in compliance with the Takeover Regulations detailing the pre and post offer shareholding of the Acquirers, PACs and the Public.

Pursuant to the above offer, the Acquirer and PACs have acquired 374,231,161 equity shares of the Company representing 10.07% of fully diluted voting share capital, thereby increasing acquirer’s indirect shareholding in the Company from the current 55.1% to 65.2%.

The Complete details in this regard can be accessed at www.vedantalimited.com.

ITEM 9. THE OFFER AND LISTING

A. Offer and Listing Details

The ADSs of SIIL evidenced by American Depositary Receipts, or ADRs, commenced trading on the NYSE on June 20, 2007 at an initial offering price of \$ 13.44 per ADS. The ADRs evidencing ADSs were issued by our Depository, Citibank, N.A., pursuant to a deposit agreement. Our ADSs evidenced by ADRs, commenced trading on the NYSE, on September 9, 2013 at a price of \$ 10.25 per ADS, after the Re-organization Transactions became effective on August 17, 2013.

In July 2009, in connection with the offering of ADSs, each representing one equity share of par value ₹ 2, SIIL issued 131,906,011 new equity shares in the form of ADSs, at a price of \$ 12.15 per ADS, aggregating approximately \$ 1,603 million. Out of 131,906,011 equity shares, 41,152,263 equity shares were issued to Twin Star, which is a wholly-owned subsidiary of Vedanta.

As of June 25, 2021, our issued and paid up capital was 3,717,504,871 out of which 3,717,196,639 is listed with the exchanges. Out of our equity shares that were outstanding (including the 161,104,800 equity shares underlying our 40,276,200 ADSs outstanding as of such date) after giving effect to the bonus issue and share split which includes 308,232 equity shares pending allotment as they are under dispute. All our equity shares are registered shares.

We have executed a Uniform Listing Agreement with the NSE and the BSE pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Subsequent to this, we are required to comply with certain regulations in addition to the requirements under the Companies Act, 2013. Our outstanding equity shares are currently listed and traded on the NSE and BSE in India. For information regarding conditions in the Indian securities markets, see “Item 3. Key Information – D. Risk Factors – Risks Relating to Investments in Indian Companies, Global Economic Conditions and International Operations.”

The following table shows:

- the reported high and low trading prices for our ADSs in US dollars on the NYSE; and



- the imputed high and low trading prices for our equity shares, translated into US dollars, based on the Indian Rupee prices for such equity shares as quoted in the official list of each of the NSE and BSE and the noon buying rate of the Federal Reserve Bank of New York on the last business day of each period presented:

Fiscal year	NYSE Price for ADS		Average NYSE daily ADSs share trading	NSE Price per Equity Shares		Average NSE daily Equity share trading	BSE Price per Equity Shares		Average BSE daily Equity share trading
	High (\$)	Low (\$)	Volume	High (\$)	Low (\$)	Volume	High (\$)	Low (\$)	Volume
2014(1)	13.59	4.76	537,824	3.56	1.17	6,757,850	3.55	1.17	947,611
2015	21.36	11.43	197,421	5.11	2.86	6,112,054	5.11	2.86	778,407
2016	14.43	3.52	226,508	3.52	0.88	12,085,613	3.52	0.88	1,483,779
2017	17.34	5.00	255,136	4.29	1.31	13,400,496	4.29	1.31	1,289,988
2018	21.99	13.78	481,231	5.46	3.34	10,521,105	5.46	3.35	882,330
2019	19.05	8.34	627,981	4.53	2.11	13,824,166	4.53	2.11	964,153
2020	11.18	3.24	675,972	2.59	0.80	13,907,340	2.59	0.80	806,054
2021	12.91	3.24	950,631	3.17	0.85	29,049,720	3.16	0.85	2,021,830
2020									
1 st Quarter	11.18	8.68	486,575	2.83	2.22	10,245,483	2.83	2.21	558,415
2 nd Quarter	10.22	7.04	577,980	2.51	1.77	11,463,948	2.52	1.78	789,605
3 rd Quarter	9.10	7.66	666,532	2.28	1.91	13,568,672	2.28	1.91	829,925
4 th Quarter	9.41	3.24	979,322	2.20	0.80	20,030,160	2.20	0.80	1,031,398
2021									
1 st Quarter	6.00	3.24	1,152,072	1.50	0.82	35,222,049	1.50	0.83	18,33,089
2 nd Quarter	7.52	5.62	595,558	1.92	1.41	19,025,080	1.92	1.41	8,48,146
3 rd Quarter	8.90	4.92	1,090,116	2.34	1.25	43,838,364	2.34	1.25	4,387,077
4 th Quarter	12.91	8.65	968,775	3.17	2.19	18,652,576	3.16	2.19	1,028,380
2021									
January 2021	10.28	8.65	831,176	2.61	2.20	18,436,834	2.60	2.20	1,310,735
February 2021	11.77	9.16	974,493	2.90	2.18	17,880,486	2.90	2.18	1,130,931
March 2021	12.91	11.36	1,077,720	3.17	2.80	19,593,368	3.16	2.81	661,802
April 2021	14.13	11.23	1,023,210	3.60	2.83	15,429,694	3.60	2.84	785,166
May 2021	16.32	13.85	1,074,195	4.09	3.47	22,703,868	4.09	3.47	953,623
June 2021 (through June 25, 2021)	15.58	13.30	889,570	3.81	3.27	10,419,976	3.81	3.27	630,345

- (1) The first trading day on the NYSE was September 9, 2013 and on the BSE and the NSE was August 27, 2013 since the Re-organization Transactions became effective. Since this date, the information relating to the high and low market prices and the average daily trading volumes of the ADSs and the shares are of Vedanta Limited.

B. Plan of Distribution

Not applicable

C. Markets

Our ADSs are listed on the NYSE under the symbol VEDL. Our equity shares are listed on the NSE with stock code VEDL and on the BSE with stock code 500295. Prior to the change of name to Vedanta Limited, the ADSs were listed on the NYSE under the symbol "SSLT" and equity shares were listed on the NSE with stock code SSLT/EQ and on the BSE with stock code 500295.

D. Selling Shareholders

Not applicable

E. Dilution

Not applicable

F. Expenses of the Issue

Not applicable

ITEM 10. ADDITIONAL INFORMATION

A. Share Capital

Not applicable

B. Memorandum and Articles of Association

General

Our Company Identification Number is L13209MH1965PLC291394. Our registered office is presently situated at 1st Floor, 'C' Wing, Unit 103, Corporate Avenue, Atul Projects, Chakala, Andheri (East), Mumbai—400093, Maharashtra, India. The register of members is maintained at the registered office of the Company, office of the Registrar and Share Transfer Agent KFin Technologies Private Limited in Hyderabad.

The corporate legal framework governing companies in India has undergone a change with the enactment of the Companies Act, 2013 (including any statutory modification/ amendments made thereto). The Companies Act, 2013 has replaced the Companies Act, 1956. Majority of the provisions of the Companies Act, 2013 have been notified.

Accordingly, the legal framework governing us is the Companies Act, 2013, and rules made thereunder and the SEBI Regulations including any statutory modification/amendments. Various statutory authorities and departments of the GoI have also extended and granted several temporary relaxations on compliances requirements on account of the COVID – 19 pandemic. The summary below does not include details of such temporary relaxations.



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Our activities are regulated by our Memorandum and Articles of Association. In addition to our Memorandum and Articles of Association, our activities are regulated by certain legislation, including the Companies Act, the Securities Contract Regulation Act and the Securities Contracts (Regulation) Rules, 1957, as amended.

Our Memorandum of Association permits us to engage in a wide variety of activities, including all of the activities that we are currently engaged in or intend to be engaged in, as well as other activities. Our objects are set out at clause 3 of our Memorandum of Association. Our Memorandum and Articles of Association were amended following the enactment of Companies Act, 2013.

Share Capital

Our authorized share capital is ₹ 74,120,100,000 divided into 44,020,100,000 Equity Shares of ₹ 1 (Indian Rupees One only) each and 3,010,000,000 preference shares of ₹ 10/- (Indian Rupees Ten only) each.



As of March 31, 2021, 3,717,504,871 equity shares, par value ₹ 1 per equity share, were issued and outstanding (including 308,232 equity shares which have been issued but pending allotment), of which 160,903,244 equity shares were held in the form of 40,225,811 ADSs. Each ADSs represents four equity shares.

Changes in Capital or our Memorandum of Association and Articles of Association

Subject to the Companies Act, 2013, an ordinary resolution may be passed at any general meeting for which notice for the meeting is served within the required period. A special resolution requires that the votes cast in favour of the resolution, whether on a show of hands, or electronically or on a poll, as the case may be, by members who, being entitled so to do, vote in person or by proxy or by postal ballot, are required to be not less than three times the number of the votes, if any, cast against the resolution by members so entitled and voting. Some of the matters to be considered for special resolution includes alteration in articles of association, reduction in share capital, to approve variation of rights of special classes of shares, to issue further shares without pre-emptive rights to non-members or to convert loans or debentures into shares.

The amendments in Companies Act 2013 provides that the items of business that were earlier required to be transacted by means of postal ballot, may be transacted at a general meeting by a company which is required to provide the facility to members to vote by electronic means under section 108, in the manner provided in that section.

The Company may at its discretion transact by means of a postal ballot in respect of any item of business, other than ordinary business and any business in respect of which directors or auditors have a right to be heard at any meeting.

Under our Articles of Association and pursuant to the applicable provisions of the Companies Act, 2013, the shares (including any shares forming part of any increased share capital of the company) shall be under the control of the Board of directors of the company, who may allot or otherwise dispose of the same to such persons in such proportion, on such terms and conditions and at such times as the directors think fit and subject to the sanctions of the shareholder in general meeting with full power, to give any person the option to call for or be allotted shares of any class of the company either (subject to the provisions of Section 52 and 53 of the Companies Act, 2013) at a premium or at a par such option being exercisable for such time and for such consideration as the directors thinks fit.

Directors

Under our Articles of Association there is no provision for a director to hold any qualification shares. According to the Companies Act, 2013, the age limit for retirement of whole time directors is 70 years, provided that appointment of a person who has attained the age of 70 years may be made by passing a special resolution in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such person. In case where no such special resolution is passed but votes cast in favour of the motion exceed the votes, if any, cast against the motion and the Central Government is satisfied, on an application made by the Board, that such appointment is most beneficial to the company, the appointment of the person who has attained the age of seventy years may be made. In addition, under the Companies Act, 2013 every listed entity is required to appoint at least one women director. Further, the amended SEBI LODR Regulations requires that the Board of top 500 listed entities shall have at least one independent woman director by April 1, 2019 and top 1000 listed entities by April 1, 2020. Subsequent to the amendment in SEBI LODR Regulations, no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect and the explanatory to the notice to justify the appointment with effect from April 1, 2019.

Any director who is directly or indirectly interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into by us or on our behalf is required to disclose the nature of his interest at a meeting of the Board and such interested director shall not participate in any discussion of, or vote on, any contract, arrangement or proposal in which he is interested. In addition, the company may advance any loan directly or indirectly, or provide any guarantee or security, directly or indirectly, in connection with any loans made by a third party, to our directors or any other concern where directors are interested subject to compliance with the applicable provisions. A director is required to disclose his personal interest to the board of directors on an annual basis and at the first meeting of the board of directors after the interest arises.

Alteration of Shareholder Rights

Pursuant to Section 48 of the Companies Act, 2013, and subject to the provisions of the articles of association of a company and the relevant rules as issued by the Ministry of Corporate Affairs, where the share capital of a company is divided into different classes of shares, the rights of any class of shareholders can only be altered or varied with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or by a special resolution passed at a separate meeting of the holders of the issued shares of that class, or pursuant to a judicial order sanctioning a compromise or arrangement between the company and such class of shareholders.

General Meetings of Shareholders

There are two types of general meetings of shareholders, annual general meeting and extraordinary general meeting. We must convene our annual general meeting within 9 months from the date of closing of the first financial year of the Company and in any other case within a period of 6 months from the date of closing of the financial year and must ensure that the intervening period between two annual general meetings does not exceed 15 months. The Registrar of Companies may extend this period in special circumstances at our request. As per the amendments in SEBI LODR Regulations, the top 100 listed entity as per market capitalization shall hold AGM within a period of 5 months from the date of closing of financial year. Further one-way live webcast of the proceedings of the AGM is also required to be provided with effect from April 1, 2019. Extraordinary general meetings may be convened at any time by our directors at their discretion or at the request of our shareholders holding in the aggregate not less than 10.0% of our paid-up capital as on that date which carries voting rights. A notice in writing or through electronic mode to convene a general meeting must set out the date, time, place and agenda of the meeting and must be provided to shareholders at least 21 days prior to the date of the proposed meeting. The requirement of the 21 days' notice in writing may be waived if consent to shorter notice in writing or electronic mode is received provided that a general meeting may be called after giving shorter notice than that specified in this sub-section if consent, in writing or by electronic mode, is accorded thereto-



(i) in the case of an annual general meeting, by not less than ninety-five per cent of the members entitled to vote thereat; and

(ii) in the case of any other general meeting, by members of the company -

(a) Holding, if the company has a share capital, majority in number of members entitled to vote and who represent not less than ninety-five percent of such part of the paid-up share capital of the company as gives a right to vote at the meeting; or (b) having, if the company has no share capital, not less than ninety-five percent of the total voting power exercisable at that meeting: Provided further that where any member of a company is entitled to vote only on some resolution or resolutions to be moved at a meeting and not on the others, those members shall be taken into account for the purposes of this sub section in respect of the former resolution or resolutions and not in respect of the latter.

Under the Companies Act, 2013, general meetings are to be held either at the registered office or at another place within the city, town or village in which the registered office is situated. Business may be transacted at a general meeting only when a quorum of shareholders is present. Thirty members personally present, entitled to attend and to vote on the business to be transacted, will constitute a quorum, if the number of members as on the date of the meeting is exceeding five thousand

The annual general meetings deal with and dispose of all matters prescribed by our Articles of Association and by the Companies Act, 2013, including the following ordinary business matters:

- The consideration of our annual financial statements and report of our directors and auditors;
- Appointment of directors in place of those retiring;
- The appointment of auditors and the fixing of their remuneration; and
- The approval of dividends;

Division of Shares

The Companies Act, 2013 provides that a company may sub-divide its share capital if its Articles of Association authorize the company to do so by adopting an ordinary resolution in its general meeting.

Our Articles of Association allow us in a general meeting to alter our Memorandum of Association and subdivide all or any of our equity shares into a larger number of shares with a smaller par value than originally fixed by the Memorandum of Association.

Dividends

Under the Companies Act, 2013, unless the board of directors recommends the payment of a dividend, the shareholders at a general meeting have no power to declare any dividend. The Board of Directors of a company may declare interim dividend during any financial year or at any time during the period from closure of financial year till holding of the annual general meeting out of the surplus in the profit and loss account or out of profits of the financial year for which such interim dividend is sought to be declared or out of profits generated in the financial year till the quarter preceding the date of declaration of the interim dividend. Provided that in case the company has incurred loss during the current financial year up to the end of the quarter immediately preceding the date of declaration of interim dividend, such interim dividend shall not be declared at a rate higher than the average dividends declared by the company during the immediately preceding three financial years. A company pays dividends recommended by the board of directors and approved by a majority of the shareholders at the annual general meeting of shareholders for the financial year. The shareholders have the right to decrease but not increase the final dividend amount. Listed companies are required to declare and disclose the dividends paid on a per share basis only. Dividend are generally declared per equity share and are to be paid and distributed in cash in proportion of the paid-up value of their shares. The Companies Act provides that shares of a company of the same class must receive equal dividend treatment. Dividends can be paid in cash or by cheque or in any electronic mode to the registered shareholder at a record date or book closure fixed on or prior to the annual general meeting or to his order or his banker's order. No shareholder is entitled to a dividend while any lien in respect of unpaid calls on any of such shareholder's shares is outstanding.

These distributions and payments are required to be paid to shareholders within 30 days of the annual general meeting where the resolution for declaration of dividends is approved. The dividend so declared is required to be deposited in a separate bank account within a period of 5 days from the date of declaration of such dividend. All dividends unpaid or unclaimed within a period of 30 days from the date of declaration of such dividend must be transferred within 7 days of the end of such period to a special unpaid dividend account held at a scheduled bank. The company shall, within a period of 90 days of making any transfer of an amount to the unpaid dividend account, prepare a statement containing the names, their last known addresses and the unpaid dividend to be paid to each person and place it on the website of the company and also on any other website approved by the Central Government for this purpose. Any dividend which remains unpaid or unclaimed for a period of seven years from the date of the transfer to an unpaid dividend account must be transferred along with interest accrued to the Investor Education and Protection Fund along with a statement containing such details. Also, all shares in respect of which unpaid or unclaimed dividends have been transferred shall also be transferred by the company in the name of this fund along with a statement containing such details as may be prescribed.



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Under the Companies Act, 2013, dividends in respect of a fiscal year may be paid out of the profits of a company in that fiscal year or out of the undistributed profits of previous fiscal years or both, after providing for depreciation in a manner provided for in the Companies Act, 2013.

No dividend shall be declared or paid by a company for any financial year except out of the profits of the company for that year arrived at after providing for depreciation in accordance with the provisions of sub-section (2), or out of the profits of the company for any previous financial year or years arrived at after providing for depreciation in accordance with the provisions of that sub-section and remaining undistributed, or out of both provided that in computing profits any amount representing unrealized gains, notional gains or revaluation of assets and any change in carrying amount of an asset or of a liability on measurement of the asset or the liability at fair value shall be excluded.

The Companies Act, 2013 and the Companies (Declaration and Payment of Dividend) Rules, 2015 provide that in an event of adequacy or absence of profits in any year, a company may declare dividend out of its reserves subject to the fulfillment of the following conditions, such as:

- (i) If profits for that year are insufficient to declare dividends (including interim dividends), the dividends for that year may be declared and paid out from reserves on the following conditions:
- The rate of dividend declared shall not exceed the average of the rates at which dividend was declared by it in the three years immediately preceding that year;
 - The total amount to be drawn from free reserves shall not exceed one-tenth of the sum of its paid-up share capital and free reserves as appearing in the latest audited financial statement;
 - The amount so drawn shall first be utilized to set off the losses incurred in the financial year in which dividend is declared before any dividend in respect of equity shares is declared;
 - The balance of reserves after such withdrawal shall not fall below 15.0% of its paid up share capital as appearing in the latest audited financial statement; and
- (ii) No company shall declare dividend unless carried over previous losses and depreciation not provided in previous year or years are set off against profit of the company for the current year.

The Company may, before the declaration of any dividend in any financial year, transfer such percentage of its profits for that financial year as it may consider appropriate to the reserves of the Company.

Voting Rights

Subject to any special terms as to voting on which any shares may have been issued, on voting by show of hands, every shareholder entitled to vote who is present in person (including any corporation present by its duly authorized representative) shall have one vote and in case of voting through poll, every shareholder present in person or by proxy shall have one vote for each share of which he is the holder. In the case of joint holders, the vote of the senior of the joint holders who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. Seniority is determined by the order in which the names appear in the register of members.

According to the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) Regulations, 2015") effective December 1, 2015, for listed companies, voting at general meetings has to be done by remote electronic voting. For those shareholders who are unable to vote through this facility, the facility of physical voting through ballot papers/ electronic voting is provided at the meeting. Upon a poll, the voting rights of each shareholder entitled to vote and present in person or by proxy shall be proportionate to the capital paid-up on each share against our total paid-up capital. In the case of a tie vote, the chairman of the meeting, who is generally the chairman of our Board of directors, has the right to cast a tie-breaking vote.

A shareholder may appoint any person (whether or not a shareholder) to act as his proxy to vote on polls conducted at any meeting of shareholders (or of any class of shareholders) in respect of all or a particular number of the shares held by him. A shareholder may appoint more than one person to act as his proxy and each such person shall act as proxy for the shareholder for the number of shares specified in the instrument appointing the person a proxy. Any person appointed as proxy shall act on behalf of a shareholder not exceeding fifty members and holding in the aggregate not more than 10.0% of the total share capital carrying voting rights. The shareholder holding more than 10.0% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and in that case, the person appointed as proxy for such shareholder cannot act as proxy for any other person or shareholder. The instrument appointing a proxy must be delivered to our registered office at least 48 hours prior to the meeting or in case of a poll, not less than 24 hours before the time appointed for taking the poll. If a shareholder appoints more than one person to act as his proxy, each instrument appointing a proxy shall specify the number of shares held by the shareholder for which the relevant person is appointed as his proxy. A proxy does not have a right to speak at meetings and not entitled to vote except on poll. A corporate shareholder is also entitled to nominate a representative to attend and vote on its behalf at general meetings. Such a representative is not considered a proxy and he has the same rights as the shareholder by whom he was appointed to speak at a meeting and vote at a meeting in respect of the number of shares held by the shareholder, including on a show of hands and a poll.

Subject to compliance with provisions of the Articles of Association, the Companies (Share Capital and Debentures) Rules, 2014, and the Companies Act, 2013, the Company is allowed to issue equity shares with different rights.



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Quorum

Our Articles of Association provide that a quorum for a general meeting is at least thirty shareholders personally present, if the number of members as on the date of the meeting is exceeding five thousand, in accordance with the Companies Act, 2013.

Shareholder Resolutions

An ordinary resolution requires the affirmative vote of a majority of our shareholders entitled to vote in person or electronically or by proxy or by a poll at a general meeting.

A resolution shall be a special resolution when, the intention to propose the resolution as a special resolution has been duly specified in the notice calling the general meeting or other intimation given to the members of the resolution. A special resolution requires the affirmative vote of not less than three times the number of the votes, if any cast against the resolution by members so entitled and voting in person or electronically or by proxy at a general meeting and casting a vote. The Companies Act, 2013 provides that to amend the Articles of Association, a special resolution approving such an amendment must be passed in a general meeting. Certain amendments, including a change in the name of the company, to approve reduction of share capital, to approve variation of rights of special classes of shares, to issue further shares without pre-emptive rights to non-members or to convert loans or debentures into shares, to commence any new line of business and dissolution of the company require a special resolution.

The amendments in Companies Act, 2013 provides that the items of business that were earlier required to be transacted by means of postal ballot, may be transacted at a general meeting by a company which is required to provide the facility to members to vote by electronic means under section 108, in the manner provided in that section.

The Company may at its discretion transact by means of a postal ballot in respect of any item of business, other than ordinary business and any business in respect of which directors or auditors have a right to be heard at any meeting.

Distribution of Assets on a Winding-up

In accordance with the Companies Act, 2013, all surplus assets remaining after payments are made to employees, statutory creditors, tax and revenue authorities, secured and unsecured creditors and the holders of any preference shares (though not in that order), shall be distributed among our equity shareholders in proportion to the amount paid up or credited as paid-up on such shares at the commencement of the winding-up.

Transfer of Shares

Under the Companies Act, 2013, the shares of a public company are freely transferable, unless such a transfer contravenes applicable law. The transferor is deemed to remain the holder until the transferee's name is entered in the register of members.

In respect of electronic transfers, the depository transfers shares by entering the name of the purchaser in its register as the beneficial owner of the shares. The beneficial owner is entitled to all the rights and benefits and is subject to the liabilities attached to the shares held by the depository on his or her or its behalf.

Equity shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by SEBI. These regulations provide the regime for the functioning of the depositories and the participants and set out the manner in which the records are to be kept and maintained and the safeguards to be followed in this system.

SEBI requires that trading and settlement of our equity shares to be in book-entry form for all investors, except for transactions that are not made on a stock exchange and transactions that are not required to be reported to the stock exchange. Transfers of equity shares in book-entry form require both the seller and the purchaser of the equity shares to establish accounts with depository participants appointed by depositories established under the Depositories Act, 1996. Charges for opening an account with a depository participant, transaction charges for each trade and custodian charges for securities held in each account vary depending upon the practice of each depository participant.

The depository transfers equity shares by entering the name of the purchaser in its books as the beneficial owner of the equity shares. In turn, we will enter the name of the depository in our records as the registered owner of the equity shares. The beneficial owner is entitled to all the rights and benefits as well as the liabilities with respect to the equity shares that are held by the depository. The register and index of beneficial owners maintained by our depository is deemed to be a register and index of our members and debenture holders under the Depositories Act, 1996. For this purpose, we have entered into an agreement for depository services with the National Securities Depository Limited and the Central Depository Services (India) Limited through which the electronic form of Register of Member is maintained. The Finance Act, 2019 enumerates certain amendments to the Indian Stamp Act, 1899 which was effective from January 9, 2020, later deferred the implementation to July 1, 2020 on levying stamp duty related to issue and transfer of securities.

The requirement to hold the equity shares in book-entry form will apply to the ADSs holders when the equity shares are withdrawn from the depository facility upon surrender of the ADSs. In order to trade the equity shares in the Indian market, the withdrawing ADSs holder will be required to comply with the procedures described above.

Our Articles of Association provide for certain restrictions on the transfer of equity shares, including granting power to the board in certain circumstances, to refuse to register or acknowledge a transfer of equity shares or other securities issued by us. Under the SEBI (LODR) Regulations, 2015, in the event we have not effected the transfer of shares within 15 days or where we have failed to communicate to the transferee any valid objection to the transfer within the stipulated time period of 15 days, we are required to compensate the aggrieved party for the opportunity loss caused during the period of delay.

Further as per the provisions of the Companies Act, 2013 if a company without sufficient cause refuses to register a transfer of equity shares within a period of 30 days from the date on which the instrument of transfer or the intimation of transmission, as the case may be, is delivered to the Company, the transferee may within a period of 60 days of such refusal or where no intimation has been received from the Company, within 90 days of the delivery of the instrument of transfer or intimation of transmission, may appeal to NCLT.



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VEDANTA 20-F - IFRS	None		SNG		HTM ESS	0C

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The NCLT may, in its discretion, issue an interim order suspending the voting rights attached to the relevant equity shares before completing its investigation of the alleged contravention. If a person contravene the order of the NCLT under Section 58 of the Companies Act, 2013, he shall be punishable with imprisonment for a term which shall not be less than one year but which may extend to three years and with fine which shall not be less than ₹ 100,000 but which may extend to ₹ 500,000.

In addition, the Companies Act, 2013 provides that the NCLT may direct a rectification of the register of members for a transfer of equity shares which is in contravention of Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, upon an application by the company, a participant, a depository incorporated in India, an investor or SEBI.

Further, with effect from April 1, 2019 SEBI Regulations mandate that except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository

Disclosure of Ownership Interest

Section 89 of the Companies Act, 2013 (the Companies Act) requires that beneficial owners of shares of companies who are not registered as holders of those shares must make a declaration to the company specifying the nature of his or her or its interest, particulars of the registered holder of such shares and such other particulars as may be prescribed. Failure by a person to comply with Section 89 will not affect the company's obligation to pay any dividends to the registered holder of any shares in respect of which the declaration has not been made. For the purpose of this section beneficial interest in a share includes, directly or indirectly, through any contract, arrangement or otherwise, the right or entitlement of a person alone or together with any other person to (i) exercise or cause to be exercised any or all of the rights attached to such share; or (ii) receive or participate in any dividend or other distribution in respect of such share.

Any person, who fails to make a declaration without any reasonable cause, shall be punishable with fine which may extend to ₹ 50,000 and where such failure continues, a further fine be extended up to ₹ 1,000 may be levied for each day after the first day during which the failure continues. While it is unclear whether Section 89 applies to holders of ADSs of the Company, investors who exchange ADSs for the underlying equity shares of the Company will be subject to the restrictions under Section 89. The ADSs holders in addition are required to comply with the notifications and disclosures as per the deposit agreement between ADSs holders, the Company and the depository.

A significant beneficial owner in relation to a reporting company means an individual who acting alone or together, or through one or more persons or trust, possesses one or more of the following rights or entitlements in such company, namely:-

- (i) holds indirectly, or together with any direct holdings, not less than ten percent of the shares;
- (ii) holds indirectly, or together with any direct holdings, not less than ten percent of the voting rights in the shares;
- (iii) has right to receive or participate in not less than ten per cent. of the total distributable dividend, or any other distribution, in a financial year through indirect holdings alone, or together with any direct holdings;
- (iv) has right to exercise, or actually exercises, significant influence or control, in any manner other than through direct-holdings alone

Every Company is required to take necessary steps to identify an individual who is a significant beneficial owner in relation to the Company and such individual is required to comply with the applicable provisions. Under the Companies (Significant Beneficial Owners) Rules 2018, amended time to time, requirements of declaring and filing the significant beneficial ownership details has been provided.

Share Register and Record Dates

We maintain our register of members in both electronic and physical modes at our registered office and all transfers of shares should be notified to us at such address. Our register of members is open for inspection during business hours by shareholders without charge and by other persons upon payment of a fee as prescribed under the applicable law.

The register and index of beneficial owners maintained by a depository under the Depositories Act, 1996 is deemed to be an index of members and register and index of debenture holders. We recognize as shareholders only those persons whose names appear on our register of members and we do not recognize any person holding any equity share or part thereof on trust, whether express, implied or constructive.

To determine which shareholders are entitled to specified shareholder rights, we may close the register of members. For the purpose of determining our shareholders, our register of members may be closed for periods not exceeding in aggregate 45 days in each year but not exceeding 30 days at any one time and we are required to ensure that there is a gap of at least 30 days between the two record dates. In order to determine our shareholders' entitlement to dividends, it is our general practice to close the register of members for approximately 10 to 20 days before the annual general meeting. The date on which this period begins is the record date. Under the SEBI (LODR) Regulations, 2015 pertaining to NSE and BSE on which our equity shares are listed, we are required to give at least 7 working days' advance notice to the stock exchange, set a record date and/or close the register of members. The trading of our equity shares and the delivery of shares certificates may continue while the register of members is closed.

Annual Report

At least 21 clear days before an annual general meeting, we must circulate our annual report, which comprises of either a detailed or abridged version of our audited financial accounts, our directors' report, our corporate governance report, and our auditor's report, to the shareholders along with a notice convening the annual general meeting. In addition, we must furnish to the exchanges quarterly unaudited or audited results within 45 days after the end of each accounting quarter. We are required to furnish to the exchanges audited financial results for the entire financial year within 60 days of the end of the financial year and to publish our financial results in at least one English language daily newspaper circulating in the whole or substantially the whole of India and also in a daily newspaper published in the language of the region where our registered office is situated. Further as per the amendments in SEBI Regulations with respect to the annual reports for the financial year ending March 31, 2019 onwards, we will be required to send the Annual Report to the stock exchanges along with the notice of AGM not later than the day of commencement of dispatch to the shareholders. We are also required under the Companies Act, 2013 to make available upon the request of any shareholder our complete balance sheet and statement of profit and loss along with all the subsidiaries.



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VEDANTA 20-F - IFRS	None		SNG		HTM ESS	0C

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Under the Companies Act, 2013, we must file with the Registrar of Companies our Annual report within 30 days of the date on which the balance sheet and statement of profit and loss were adopted at the annual general meeting and our annual return within 60 days of the conclusion of that meeting.

Related Party Transactions

As per the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, all related party transactions shall require prior approval of the audit committee. The audit committee may grant omnibus approval for related party transactions proposed to be entered into by the Company subject to certain conditions. The audit committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals accorded by the audit committee. The audit committee shall lay down the criteria for granting omnibus approvals in line with the policy on materiality of related party transactions of the Company and such approval shall be applicable to transactions which are similar in nature. The SEBI (LODR) Regulations, 2015 provide that all material related party transactions shall require approval of the shareholders through resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

As per Companies Act, 2013, the related party transactions require approval of the Board of Directors in case the transaction is not at arm's length or ordinary course of business. Further approval of the shareholders would be required whenever the transactions exceeds the prescribed threshold limits. The member of the company shall not vote on such resolution to approve any contract or arrangement which may be entered into by the company, if such member is a related party. However, the approval of the Board / Shareholders will not apply if the related party transactions are in the ordinary course of business and at arm's length.

Further, as per Companies Act, 2013, all related party transactions shall require approval of the Audit Committee and the Audit Committee may make omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as provided under Rule 6A of Companies (Meetings of Board and its Powers), Rules, 2014. Omnibus approval can be provided for the transactions of repetitive nature and where the need for related party transaction cannot be foreseen and details are not available, audit committee may make omnibus approval for such transactions subject to their value not exceeding rupees one crore (equivalent to ₹ 10 Million) per transaction. Such approval shall be valid for a period of one financial year. In case any transaction involving any amount not exceeding rupees one crore (equivalent to ₹ 10 Million) is entered into by a director or officer of the company without obtaining the approval of the Audit Committee and is not ratified by the Audit Committee within three months from the date of the transaction, such transaction shall be voidable at the option of the Audit Committee.

As per the transaction is provisions under the SEBI Listing Regulations, the listed entity shall formulate a policy on the materiality of related party transactions and dealing with a related party to any director or is authorized by any other director, the director concerned shall indemnify the company against any loss incurred due to such transactions. Further, such prior approvals do not apply to transactions between a holding company and its wholly owned subsidiary whose accounts are consolidated with related party transactions, including clear threshold limits duly approved by the Board of Directors, and that such holding company and placed before the shareholders at the general meeting. Policy shall be reviewed by the Board of Directors at least once every three years and amended accordingly.

Disclosure of materially significant related party transactions that may have potential conflict with interests of listed entity at large are required to be included in the annual report.

Further, as per the amendments in SEBI (LODR) Regulations, 2015, all listed entities shall submit within 30 days from the date of publication of its standalone and consolidated financial results for the half year, disclosures of related party transactions on a consolidated basis, in the format specified in the relevant accounting standards for annual results to the stock exchanges where the company is listed and publish the same on its website.

Borrowing Powers

Our directors may raise, borrow, or secure the payment of any sums of money for our purposes as they deem appropriate without the consent of shareholders in a general meeting by special resolution, provided that, the aggregate of the money to be borrowed and the principal amount outstanding in respect of money raised, borrowed, or secured by us does not exceed 100% of the aggregate of our paid up share capital plus free reserves and securities premium. Under the Companies Act, the payment and repayment of money borrowed may be secured in such manner and upon such terms and conditions in all respect as the Board may think fit, by resolution passed at a meeting of the Board and in particular, by the issue of bonds, debentures, debenture stock of the company either unsecured or secured by a mortgage or charge over all or any part of the property of the company (both present and future) including its uncalled capital for the time being, and debentures, debenture stock, bonds and other securities may be made assignable free from any equities between the company and the person to whom the same may be issued.

Corporate Social Responsibility

The Companies Act, 2013, read with the Rules made thereunder, requires companies which meet the requirements of certain thresholds of net worth, turnover or net profits during the immediately preceding financial year to constitute a Corporate Social Responsibility ("CSR") Committee and to spend at least 2.0% of average net profits ("net profit" shall not include such sums as may be prescribed, and shall be calculated in accordance with the provisions of section 198) for the three immediately preceding fiscal years on areas of CSR. In the event we are unable to spend the required amount, we will be required to disclose details of amounts spent and, in case of any shortfall in such spending, also state the reasons for the shortfall.



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Issue of equity shares and Pre-emptive Rights

Subject to the provisions of the Companies Act, 2013 and the Articles of Association of the Company with respect to any special rights attaching to any of our equity shares, we may increase our share capital by the allotment or issue of new equity shares with preferred, deferred or other special rights or restrictions regarding dividends, voting, return of capital or other matters as we may from time to time determine by special resolution. We may issue preference shares that are redeemable or are liable to be redeemed at our option or the option of the holder in accordance with our Articles of Association.

Under the Companies Act, 2013, new equity shares shall first be offered to existing shareholders in proportion to the amount they have paid up on their equity shares on the date of the offer. The offer shall be made by written notice specifying:

- the right, exercisable by the shareholders of record, to renounce the equity shares offered in favor of any other person;
- the number of equity shares offered; and
- the period of the offer, which may not be less than 15 days and not exceeding 30 days from the date of the offer.

If the offer is not accepted, it is deemed to be declined, and thereafter, the Board is permitted to distribute equity shares not accepted by existing shareholders in the manner it deems beneficial in accordance with the Articles of Association of the Company. Holders of ADSs may not be able to participate in any such offer.

However, under the provisions of the Companies Act, 2013, new equity shares may be offered to non-shareholders, if this has been approved by a special resolution and has complied with the applicable rules.

Capitalization of Profits and Reserves

The Articles of Association of the Company allow the directors, with the approval of our shareholders by an ordinary resolution, to capitalize any part of the amount standing to the credit of our reserve accounts or to the credit of our statement of profit and loss or otherwise available for distribution. Any sum which is capitalized shall be appropriated among the shareholders in the same proportion as if such sum had been distributed by way of dividend. This sum shall not be paid out in cash and shall be applied in the following manner:

- paying up any amount remaining unpaid on the shares held by our shareholders; or
- Issuing to our shareholders, fully paid bonus equity shares (issued either at par or a premium).

Any issue of bonus equity shares would be subject to section 63 of the Companies Act, 2013, and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“ICDR Regulations”), as amended from time to time, which provides that:

- The company is authorized by its articles of association for issue of bonus shares, capitalization of reserves, etc.;
- The company has not defaulted in payment of interest or principal in respect of fixed deposits or debt securities issued by it;
- The company has not defaulted in respect of the payment of statutory dues of the employees such as contribution to provident fund, gratuity and bonus;
- The outstanding partly paid shares on the date of the allotment of the bonus shares, are made fully paid-up;
- None of its promoters or directors is a fugitive economic offender;
- No company shall, pending the conversion of convertible securities, issue any bonus equity shares unless a similar benefit is extended to the holders of such convertible securities through a reservation of equity shares in proportion to such conversion;
- The bonus issue shall be made only out of free reserves, securities premium account or capital redemption reserve account and built out of the genuine profits or securities premium collected in cash and reserves created by revaluation of fixed assets shall not be capitalized for this purpose;
- A declaration of bonus equity shares in lieu of dividend cannot be made; and
- The bonus issue must be implemented within fifteen days from the date of approval of the issue by its board of directors, if shareholder’s approval for capitalization of profits or reserves for making the bonus issue is not required. In case shareholder’s approval for capitalization of profits or reserves for making the bonus issue is required, then the bonus issue must be implemented within two months from the date of the meeting of board of directors wherein the decision to announce the bonus issue was taken subject to shareholders’ approval.

Purchase of own equity shares

A company may, in accordance with provisions of the Companies Act, 2013, the Rules made thereunder and the regulations issued by SEBI in relation to buyback of shares by listed companies [SEBI (Buy-Back of Securities) Regulations, 2018 (referred to as ‘SEBI Buyback Regulations’)] buy-back its own shares out of its free reserves or securities premium account or the proceeds of any shares or other specified securities (other than proceeds of an earlier issue of the same kind of shares or same kind of other specified securities) subject to certain conditions, including:

- The buy-back must be authorized by the company’s Articles of Association;
- A special resolution authorizing the buy-back must be passed in a general meeting;
- Each buy-back is limited to 25.0% or less of the company’s total paid up capital and free reserves;



- The ratio of aggregate of secured and unsecured debts owed by the company after such buy-back is not more than twice the paid up capital and its free reserves;
- All shares or other specified securities for buy-back are fully paid-up;
- The buy-back of shares or other specified securities listed on any recognized stock exchange is in accordance with the SEBI (Buy-Back) Regulations, 2018,
- The buy-back in respect of shares or other specified securities other than listed shares or specified securities is in accordance with such rules as may be prescribed; and
- No offer of buy-back shall be made within a period of one year from the date of the closure of the preceding offer to buy back, if any.

The second condition mentioned above would not be applicable if the buy-back is, ten per cent or less of the total paid-up equity capital and free reserves of the company and if such buy-back is authorized by the board of directors by means of resolution passed at its meeting.

No company shall directly or indirectly purchase its own shares or other specified securities— (a) through any subsidiary company including its own subsidiary companies; (b) through any investment company or group of investment companies; or (c) if a default, is made by the company, in the repayment of deposits accepted either before or after the commencement of this Act, interest payment thereon, redemption of debentures or preference shares or payment of dividend to any shareholder, or repayment of any term loan or interest payable thereon to any financial institution or banking company. Provided that the buy-back is not prohibited, if the default is remedied and a period of three years has lapsed after such default ceased to subsist.

Any equity shares which have been bought back by a Company must be extinguished within 7 days of the last date of completion of buy back. Further, a Company cannot not make a further issue of the same kind of shares or other specified securities including an allotment of new shares within a period of 6 months except by way of a bonus issue or in discharge of our existing obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into equity. The SEBI Buyback Regulations provides additional restriction that a company is prohibited from purchasing its own shares or specified securities through any subsidiary company including its own subsidiary companies or through any investment company or group of investment companies or in the event of non-compliance with certain specified conditions.

SEBI Buyback Regulations permit a company to buy-back through the following methods:

- 1) **Tender offer:** Tender offer means offer by a company to buy-back its shares or other specified securities through a letter of offer from the holders of the shares or other specified securities of the company. A company may buy-back its shares or other specified securities from its existing security-holders on a proportionate basis in accordance with the provisions of Chapter III of the SEBI Buyback Regulations. However, 15.0% of the number of securities which the company proposes to buy back or number of securities entitled as per their shareholding, whichever is higher, shall be reserved for small shareholders. The promoter intending to offer their shares or other specified securities for buy-back shall be required to make specific disclosures such as quantum of shares proposed to be tendered, details of specified transactions as provided in the regulations etc. Other conditions in relation to filing of the offer document, adhering to the offer procedure, maintaining an escrow account, etc. shall also have to be complied with as per Chapter III of the SEBI Buyback Regulations.
- 2) **Open market:** The buyback of shares or other specified securities from the open market may be in one of the following methods:
 - Through stock exchange or
 - Book building process.

Specific conditions to be complied with, in relation to buyback through each of the above modes have been prescribed under the Chapter IV of the SEBI Buyback Regulations. The buy-back of the shares or other specified securities shall not be made from the promoters or persons in control of the company.

Schedule V of the SEBI Buyback Regulations provides the fee structure and the mode of payment in the event of submitting the offer document or copy of public announcement to SEBI.

ADSs holders will be eligible to participate in a share buy-back in certain cases. An ADSs holder may acquire equity shares by withdrawing them from the depository facility and then selling those equity shares back to us in accordance with the provisions of applicable law as discussed above. ADSs holders should note that equity shares withdrawn from the depository facility may only be re-deposited into the depository facility under certain limited circumstances as specified under the guidelines issued by the GoI and the RBI relating to a sponsored ADSs facility and fungibility of ADSs. See “*Item 10: Additional Information – D. Exchange Controls*”.

There can be no assurance that the equity shares offered by an ADSs investor in any buy-back of equity shares by us will be accepted by us. The position regarding regulatory approvals required for ADSs holders to participate in a buy-back is not clear. ADSs investors are advised to consult their Indian legal advisers prior to participating in any buy-back by us, including in relation to any regulatory approvals and tax issues relating to the share buy-back.

Rights of Minority Shareholders

The Companies Act, 2013, provides mechanisms for the protection of the rights of the minority shareholder. Where the share capital of a company is divided into different classes of shares and there has been variation in the rights attached to the shares of any class, the holders of not less than 10% of the issued shares of that class, who did not vote in favor of a resolution for the variation, have the right to apply to the NCLT within 21 days after the date on which the consent was given or the resolution was passed, to have the variation cancelled and such variation shall not have any effect unless confirmed by the NCLT.



Further, under the Companies Act, 2013, shareholders representing not less than 10% of the total number of members or 100 members, whichever is less or shareholders holding not less than 10.0% of the issued share capital, subject to the condition that they have paid all calls and other sums due on their shares, have the right to apply to the NCLT for an order to bring an end to the matter complained of, on the following grounds of oppression or mismanagement:

- that the company's affairs have been or are being conducted in a manner prejudicial to public interest or in a manner prejudicial or oppressive to any member or members or in a manner prejudicial to the interests of the company; or
- that a material change, not being a change brought about by, or in the interests of, any creditors, including debenture holders or any class of shareholders of the company, has taken place in the management or control of the company, whether by an alteration in its board of directors or management or in the ownership of the company's shares and by reason of such change, it is likely that the affairs of the company will be conducted in a manner prejudicial to public interest or in a manner prejudicial to its interests or its members or any class of members

Provisions on Purchase of Minority Shareholding

Section 236 of the Companies Act, 2013 provide for mechanism for purchase of minority shareholding. In the event of an acquirer, or a person acting in concert with such acquirer, becoming registered holder of 90.0% or more of the issued equity share capital of a company, or in the event of any person or group of persons becoming 90.0% majority or holding 90.0% of the issued equity share capital of a company by virtue of an amalgamation, share exchange, conversion of securities or for any other reason, such acquirer, person or group of persons, as the case may be, shall notify the Company of their intention to buy the remaining equity shares.

The acquirer, person or group of persons as mentioned above shall offer to the minority shareholders of the company for buying the equity shares held by such shareholders at a price determined on the basis of valuation by a registered valuer in accordance with such rules as may be prescribed.

Without prejudice to the aforesaid provisions, the minority shareholders of the company may offer to the majority shareholders to purchase the minority equity shareholding of the company at the price determined in accordance with such rules as may be prescribed.

Book-Entry Shares and Liquidity

Our equity shares are compulsorily traded in book-entry form and are available for trading under both depository systems in India, namely, the National Securities Depository Limited and Central Depository Services (India) Limited. The International Securities Identification Number ("ISIN") for our equity shares is INE205A01025.

Liquidation Rights

According to the Companies Act, 2013 and the IBC, certain payments have preference over payments to be made to equity shareholders. These payments having preference include payments to be made by the company to its employees, taxes, payments to secured and unsecured lenders and payments to holders of any shares entitled by their terms to preferential repayment over the equity shares. In the event of our winding-up, the holders of the equity shares are entitled to be repaid the amounts of paid up capital or credited as paid upon those equity shares after payments have been made by the company as set out above. Subject to such payments having been made by the company, any surplus assets are paid to holders of equity shares in proportion to their shareholdings.

Takeover Code and SEBI Regulations

Under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("Takeover Code"), the acquisition of shares or voting rights or control which entitles the acquirer to exercise 25.0% or more of the voting rights in or control over the target company triggers a requirement for the acquirer to make an open offer at an offer price determined as per the provisions of the Takeover Code. The acquirer is required to make a public announcement for an open offer on the date on which it has agreed to acquire such shares or voting rights or control. Such open offer shall only be for such number of shares as is required to adhere to the maximum permitted non-public shareholding.

Upon acquisition of shares or voting rights or control in the target company such that the aggregate share-holding of the acquirer (meaning a person who directly or indirectly, acquires or agrees to acquire shares or voting rights or control in a target company either by himself or together with persons acting in concert) is 5.0% or more of the shares or voting rights or control of the target company, the acquirer is required to, within 2 working days of such acquisition of shares or voting rights or receipt of intimation of allotment of shares, disclose their aggregate shareholding and voting rights in the target company to the target company and to the stock exchanges in which the shares of the target company are listed.

Further, an acquirer, who, together with persons acting in concert with him, holds shares or voting rights entitling them to 5.0% or more of the shares or voting rights in a target company must disclose every sale or acquisition of shares representing 2.0% or more of the shares or voting rights of the target company to the target company and to the stock exchanges in which the shares of the target company are listed within 2 working days of such acquisition or sale or receipt of intimation of allotment of such shares. This disclosure is required, in case of a sale, even if such sale results in the shareholding of the acquirer falling below 5.0%. Every person, who together with persons acting in concert with him, holds shares or voting rights entitling him to exercise 25.0% or more of the voting rights in a target company, has to disclose to the company and to stock exchanges, their aggregate shareholding, and voting rights as of March 31, in such target company within 7 working days from the end of the financial year of that target company.

Where the public shareholding in the target company is reduced to a level below the limit specified in rule 19(2)(b) and / or rule 19A of the Securities Contract (Regulation) Rules, 1957, the target company is required to adopt any of the methods prescribed in the SEBI circular CIR/CFD/CMD/14/2015 dated November 30, 2015 and SEBI/HO/CFD/CMD/CIR/P/43/2018 dated February 22, 2018, so as to comply with the minimum public shareholding requirements in the manner specified by SEBI.



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Further, the Takeover Code also provides that an acquirer can make an offer for delisting the Company if such acquirer declares his intention to do so at the time of making the public announcement of an open offer. The acquirer whose shareholding exceeds the maximum permissible non-public shareholding, pursuant to an open offer under these regulations, shall not be eligible to make a voluntary delisting offer under the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, unless a period of twelve months has elapsed from the date of the completion of the offer period.

Since the Company is in India, the provisions of the Takeover Code will apply to the Company and to any person acquiring equity shares or voting rights in the Company. The ADSs entitle ADSs holders to exercise voting rights in respect of the Deposited Equity Shares (as described in the section titled "Voting Rights of Deposited Equity Shares Represented by ADSs"). Accordingly, the requirement to make an open offer of at least 26.0% of the shares of a company to the existing shareholders of the company would be triggered by an ADSs holder where the shares that underlie the holder's ADSs represent 25.0% or more of the shares or voting rights of the company. We entered into uniform listing agreements with BSE and NSE which were superseded by SEBI (LODR) Regulation 2015, pursuant to which we must report to the stock exchanges any disclosures made to the company pursuant to the Takeover Code.

The Takeover Code contains the fee structure and the mode of payment in the event of filing the necessary disclosure by the acquirer under the Regulation 10 sub-regulation 7.

SEBI has amended various regulations such as the SEBI (LODR) Regulations, 2015, the Takeover Code, the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and the SEBI (Delisting of Equity Shares) Regulations, 2018 to grant relaxation or exemptions to listed companies whose resolution plan is approved under section 31 of the Insolvency and Bankruptcy Code, 2016.

Voting Rights of Deposited Equity Shares Represented by ADSs

Under Indian law, voting in relation to the equity shares is by show of hands unless a poll is demanded by a member or members present in person or by proxy holding at least 10.0% of the total shares entitled to vote on the resolution or by those holding shares with an aggregate paid up capital of at least ₹ 500,000. A proxy (other than a body corporate represented by an authorized representative) may not vote except on a poll. As soon as practicable after receipt of notice of any general meetings at which the holders of deposited securities are entitled to vote, or of solicitation of consents or proxies from of holders of deposited securities shares or other deposited securities, our Depository shall fix a record date in respect of such meeting or solicitation of consent or proxy in accordance with Section 4.9 of Deposit Agreement dated September 6, 2013. for determining the holders entitled to give instructions for the exercise of voting rights. The Depository shall, if requested by the Company in writing in a timely manner, at the Company's expense and provided no U.S. legal prohibitions exist, distribute to holders as of the ADS Record Date: (a) such notice of meeting or solicitation of consent or proxy, (b) a statement that the holders at the close of business on the ADS Record Date will be entitled, subject to any applicable law, the provisions of the Deposit Agreement, the Articles of Association of the Company and the provisions of or governing the Deposited Securities (which provisions, if any, shall be summarized in pertinent part by the Company), to instruct the Depository as to the exercise of the voting rights, if any, pertaining to the deposited securities represented by such holder's ADSs, and (c) a brief statement as to the manner in which such voting instructions may be given.

On receipt of the aforesaid notice from the Depository, our ADSs holders may instruct the Depository on how to exercise the voting rights for the shares that underlie their ADSs. For such instructions to be valid, the Depository must receive them on or before a specified date. The Depository will try, as far as is practical, and subject to the provisions of Indian law and our Memorandum of Association and our Articles of Association, to vote or to have its agents vote in relation to the shares or other deposited securities as per our ADSs holders' instructions. The Depository will only vote or attempt to vote as per an ADSs holder's instructions. The Depository will not itself exercise any voting discretion. Neither the Depository nor its agents are responsible for any failure to carry out any voting instructions, for the manner in which any vote is cast, or for the effect of any vote. There is no guarantee that our shareholders will receive voting materials in time to instruct the Depository to vote and it is possible that ADSs holders, or persons who hold their ADSs through brokers, dealers or other third parties, will not have the opportunity to exercise a right to vote.

Insider Trading Regulations

SEBI through its notification dated December 31, 2018 has rationalized the Insider Trading Regulations. The amendment mainly focuses in providing mechanism for better implementation of the Insider Training Regulations. These changes, made to give effect to the accepted recommendations of the Committee on Fair Market Conduct, make broad-based changes to the regulations, on matters such as specifying the legitimate purposes for sharing unpublished price sensitive information, tracing the flow of such information, inclusive list of designated persons, establishing of process for how and when people are brought 'inside' on sensitive transactions etc. The changes in the Regulations were effective from April 1, 2019 which includes the Code of Conduct to Regulate, Monitor and Report Trading of Securities, Policy and Procedures for Inquiry in case of leak of Unpublished Price Sensitive Information and the Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information and Policy for Determination of Legitimate Purpose. The SEBI (Prohibition of Insider Trading) (3rd Amendment) Regulations, 2019 dated September 17, 2019, notified that the Code of Conduct of the Company shall provide for suitable protection against any discharge, termination, demotion, suspension, threats, harassment, directly or indirectly or discrimination against any employee who files a Voluntary Information Disclosure Form, irrespective of whether the information is considered or rejected by SEBI or he or she is eligible for a Reward under the regulations, by reasons as mentioned in the said regulations. Accordingly, we updated our Insider Trading Prohibition Policy which was approved by the members of the Board on November 14, 2019. We further updated our Insider Trading Prohibition Code to amend the definition of insider for effecting change in identification of Designated Employees/categories. The amended Code was effective from November 06, 2020 which was approved by the Board of Directors in its meeting held on November 06, 2020 and the same is available on the website of the Company www.vedantalimited.com.

Further, SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2020 dated July 17, 2020, notified that the board of directors or heads of the Organization required to handle unpublished price sensitive information ("UPSI") have to ensure that a structured digital database is maintained containing the nature of UPSI and the names of such persons who have shared the information and also the names of such persons with whom information is shared along with the PAN or any other identifier authorized by law where PAN is not available.



Comparison of Shareholders' Rights

We are incorporated under the laws of India. The following discussion summarizes certain material differences between the rights of holders of our equity shares and the rights of holders of the common stock of a typical corporation incorporated under the laws of the State of Delaware which result from differences in governing documents and the laws of India and Delaware. The rights of holders of our ADSs differ in certain respects from those of holders of our equity shares.

This discussion does not purport to be a complete statement of the rights of holders of our equity shares under applicable law in India and our amended and restated Memorandum and Articles of Association or the rights of holders of the common stock of a typical corporation under applicable Delaware law and a typical certificate of incorporation and bylaws.

Delaware Law

Indian Law

Annual and Special Meetings of Shareholders

Shareholders of a Delaware corporation generally do not have the right to call meetings of shareholders unless that right is granted in the certificate of incorporation or by-laws. However, if a corporation fails to hold its annual meeting within a period of 30 days after the date designated for the annual meeting, or if no date has been designated for the annual meeting, or if no date has been designated for a period of 13 months after its last annual meeting, the Delaware Court of Chancery may order a meeting to be held upon the application of a shareholder.

While shareholders of a company do not have any right to call for an annual general meeting, shareholders holding one-tenth of the paid-up share capital of the company have a right to request an extraordinary general meeting. However, in the event the company defaults in holding an annual general meeting within 15 months from the date of its last annual general meeting or within 6 months from the end of financial year, whichever is higher, the GoI may order a meeting to be held upon the application of any shareholder.

Quorum Requirements for Meetings of Shareholders

A Delaware corporation's certificate of incorporation or bylaws can specify the number of shares which constitute the quorum required to conduct business at a meeting, provided that in no event shall a quorum consist of less than one-third of the shares entitled to vote at a meeting, except that, where a separate vote by a class or series or classes or series is required, a quorum shall consist of no less than one-third of the shares of such class or series or classes or series.

Our Articles of Association specify that the quorum for the general meeting shall be as provided in the Companies Act, 2013. According to the Companies Act, 2013, quorum for a general meeting is at least 30 shareholders personally present if number of members as on date of meeting is exceeding 5,000 to vote and, in such instances the Indian Companies Act supersedes the Articles of Association.

Board of Directors

A typical certificate of incorporation and bylaws would provide that the number of directors on the board of directors will be fixed from time to time by a vote of the majority of the authorized directors. Under Delaware law, a board of directors can be divided into classes and cumulative voting in the election of directors is only permitted if expressly authorized in a corporation's certificate of incorporation.

Our Articles of Association provide that unless otherwise determined by the shareholders at a general meeting, the number of directors shall not be less than three or more than 15. The Company may appoint more than 15 directors by seeking the approval of its members by way of a special resolution. Under Indian law, the appointment and removal of directors (other than additional directors) is required to be approved by the shareholders. There is no concept under Indian law as to division of the board of directors into different classes or cumulative voting.

Removal of Directors

Under the Delaware General Corporation Law, a director of a corporation may be removed with the approval of a majority of the outstanding shares then entitled to vote at an election of directors, unless the certificate of incorporation provides otherwise.

Under Indian law, a director of a company, other than a director appointed by the GoI, may be removed by an approval of the members by way of an ordinary resolution, provided that a special notice of the resolution to remove the director is given in accordance with the provisions of the Indian Companies Act, 2013. Under our Articles of Association, any director who has been appointed by any persons pursuant to the provisions of an agreement with us may be removed at any time by such person.



Delaware Law

Indian Law

Filling Vacancies on the Board of Directors

A typical certificate of incorporation and bylaws provide that, subject to the rights of the holders of any preferred stock, any vacancy, whether arising through death, resignation, retirement, disqualification, removal, an increase in the number of directors or any other reason, may be filled by a majority vote of the remaining directors, even if such directors remaining in office constitute less than a quorum, or by the sole remaining director. Any newly elected director usually holds office for the remainder of the full term expiring at the annual meeting of stockholders at which the term of the class of directors to which the newly elected director has been elected expires.

The board of directors has the power to fill a vacancy on the board and any director so appointed shall hold office only so long as the vacating director would have held such office if no vacancy had occurred.

The board has also the power to appoint additional director, however, such appointment shall be subject to approval by the shareholders in the immediate next annual general meeting



Delaware Law

Indian Law

Interested Director Transactions

Interested director transactions are not voidable if (i) the material facts as to the interested director's relationship or interests are disclosed or are known to the board of directors and the board in good faith authorizes the transaction by the affirmative vote of a majority of the disinterested directors, (ii) the material facts are disclosed or are known to the shareholders entitled to vote on such transaction and the transaction is specifically approved in good faith by vote of the majority of shares entitled to vote on the matter or (iii) the transaction is fair as to the corporation as of the time it is authorized, approved or ratified by the board of directors, a committee or the shareholders.

Under Indian law, contracts or arrangements in which one or more directors of an Indian company has an interest are not void or voidable because of such interest, provided that certain conditions, such as obtaining the required approval of the board of directors and disclosing the nature of the interest to the board of directors, are satisfied. Subject to a few exceptions, for an interested director transaction not to be voided, (a) the interested director is required to disclose the nature of his concern or interest at a meeting of the board of directors, whether directly or indirectly, is concerned or interested including the Director who is a Promoter, Manager, Chief Executive Officer of anybody corporate; (b) the board of directors is required to grant its consent to the contract or arrangement; (c) the interested director is not permitted to take part in the discussion of, or vote on, the contract or arrangement; and (d) the approval of the members is required by way of resolution. An interested director is not to be counted for the purposes of quorum at the time of any such discussion or vote and if the interested director does vote, the vote shall be void. The contravention of relevant provisions is punishable with fine. Nothing in this section shall apply to any contract or arrangement entered into or to be entered into between two companies or between one or more companies and one or more bodies corporate where any of the directors of the one company or body corporate or two or more of them together holds or hold not more than two percent of the paid-up share capital in the other company or the body corporate.

Cumulative Voting

Delaware law does not require that a Delaware corporation provide for cumulative voting. However, the certificate of incorporation of a Delaware corporation may provide that shareholders of any class or classes or of any series may vote cumulatively either at all elections or at elections under specified circumstances.

There is no concept of cumulative voting under Indian law.

Shareholder Action Without a Meeting

Unless otherwise specified in a Delaware corporation's certificate of incorporation, any action required or permitted to be taken by shareholders at an annual or special meeting may be taken by shareholders without a meeting, without prior notice and without a vote, if consents, in writing, setting forth the action, are signed by shareholders with not less than the minimum number of votes that would be necessary to authorize the action at a meeting. All consents must be dated. No consent is effective unless, within 60 days of the earliest dated consent delivered to the corporation, written consents signed by a sufficient number of holders to take the action are delivered to the corporation.

There is no concept of shareholder action without a meeting under Indian law.



Delaware Law

Indian Law

Business Combinations

With certain exceptions, a merger, consolidation or sale of all or substantially all the assets of a Delaware corporation must be approved by the board of directors and a majority of the outstanding shares entitled to vote thereon.

The sale, lease, or disposal of all or substantially all of the assets of an Indian company must be approved by the board of directors and shareholders holding a majority of the voting share capital of the company.

Under the Indian Companies Act, the merger of two companies is required to be approved by a Court of competent jurisdiction or NCLT and by a three-fourths majority of each class of shareholders and creditors of the company present and voting at the meetings held to approve the merger.

Interested Stockholders

The Delaware General Corporation Law contains a business combination statute applicable to Delaware public corporations whereby, unless the corporation has specifically elected not to be governed by such statute by amendment to its certificate of incorporation, it is prohibited from engaging in certain business combinations with an "interested shareholder" for three years following the date on which such person becomes an interested shareholder. An interested shareholder generally is one which owns or owned 15.0% or more of the target's outstanding voting shares within the past three years. This has the effect of limiting the ability of a potential acquirer to make a two-tiered bid for the target in which all shareholders would not be treated equally. The statute does not apply if, among other things, prior to the date on which such shareholder becomes an interested shareholder, the board of directors approves either the business combination or the transaction that resulted in the person becoming an interested shareholder. This encourages any potential acquirer of a Delaware public corporation to negotiate the terms of any acquisition transaction with the target's board of directors.

Indian law does not prohibit corporate transactions but does require disclosure of related party transactions in the financial statements of the company. Under applicable accounting standards in India, during the time that a related party transaction exists, a company is required to disclose the name of the related parties, describe the relationship between the parties, nature of the transactions and volume of the transactions either as an amount or as an appropriate proportion, the amounts or appropriate proportions of outstanding items pertaining to related parties at the balance sheet date and provisions for doubtful debts due from such parties at that date and the amounts written off or written back in the period in respect of debts due from or to related parties.

Transactions undertaken between a company and a person having a substantial interest in the company would qualify as a related party transaction and would be required to be disclosed under applicable accounting standards in India. Under such accounting standards, a party is considered to have a substantial interest in a company if that party owns, directly or indirectly, 20.0% or more of the voting power in the company.



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Delaware Law***Limitations on Personal Liability of Directors***

A Delaware corporation may include in its certificate of incorporation provisions limiting the personal liability of its directors to the corporation or its shareholders for monetary damages for many types of breach of fiduciary duty. However, these provisions may not limit liability for any breach of the director's duty of loyalty, acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law, the authorization of unlawful dividends, or unlawful share purchase or redemption, or any transaction from which a director derived an improper personal benefit. Moreover, these provisions would not be likely to bar claims arising under US federal securities laws.

Indemnification of Directors and Officers

A Delaware corporation may indemnify a director or officer of the corporation against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred in defense of an action, suit or proceeding by reason of his or her position if (i) the director or officer acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation and (ii) with respect to any criminal action or proceeding, the director or officer had no reasonable cause to believe his or her conduct was unlawful.

Appraisal Rights

A shareholder of a Delaware corporation participating in certain major corporate transactions may, under certain circumstances, be entitled to appraisal rights pursuant to which the shareholder may receive cash in the amount of the fair value of the shares held by that shareholder (as determined by a Court) in lieu of the consideration the shareholder would otherwise receive in the transaction.

Indian Law

Generally, Indian law provides that directors are not personally liable in respect of contracts of the company. However, where a director acts without the approval or ratification of the company, such director may be personally liable. Directors are also personally liable for breach of trust or misfeasance, both civilly and in some cases criminally. The Companies Act, 2013 of India, contains certain provisions making directors personally liable to discharge certain monetary obligations in their capacity as directors, such as the non-refund of share application monies or excess application monies within the time limit stipulated by the Companies Act, 2013. Similarly, the Companies Act, 2013 provides for civil liability of directors for misstatements in a prospectus issued by the company that has been signed by the directors, including the obligation to pay compensation to any persons subscribing to the shares of the company on the faith of statements made in the prospectus. Directors' and officers' liability insurance policies are available in India. However, the permissible coverage under such policies is subject to the same limitations as on the ability of the company to indemnify its directors as described under “- *Indemnification of Directors and Officers.*”

Under Indian law, subject to specified exceptions, any provision, whether contained in the Articles of Association of a company or in any agreement, exempting or indemnifying any director, officer or auditor of the company against any liability in respect of any negligence, default, breach of duty or breach of trust which would by law otherwise attach to such director, officer or auditor, shall be void. However, pursuant to the exceptions permitted under Indian law, our Articles of Association provide for indemnification of any officer or agent against any liability incurred by such person in successfully defending any proceeding, whether civil or criminal, in which such person is acquitted in whole or in part on the grounds that such person had acted honestly and reasonably, or in connection with an application made by an officer or agent to the High Court of the relevant state for relief for reason that he or she has a reason to apprehend that any proceeding may be brought against him in respect of any negligence, default, breach of duty, misfeasance or breach of trust in which relief has been granted by such High Court.

There is no concept of appraisal rights under Indian law.



Delaware Law

Indian Law

Shareholder Suits

Class actions and derivative actions generally are available to the shareholders of a Delaware corporation for, among other things, breach of fiduciary duty, corporate waste and actions not taken in accordance with applicable law. In such actions, the court has discretion to permit the winning party to recover attorneys' fees incurred in connection with such action.

Under the Indian Companies Act, 2013, shareholders holding not less than one tenth of the issued share capital, shareholders representing not less than one tenth of the total number of members or one hundred members, provided that they have paid all calls and other sums due on their shares, have the right to request the NCLT, a statutory body, for an order or injunction as to the taking or not taking of an action by the company on the following grounds of oppression or mismanagement: (a) that the company's affairs are being conducted in a manner prejudicial to public interest, in a manner oppressive to any member or members or in a manner prejudicial to the interests of the company; and (b) that a material change has taken place in the management or control of the company, whether by a change in the board of directors or management or in the ownership of the company's shares, and by reason of such change it is likely that the affairs of the company will be conducted in a manner prejudicial to public interest or in a manner prejudicial to the interests of the company.

Inspection of Books and Records

All shareholders of a Delaware corporation have the right, upon written demand under oath stating the purpose thereof, to inspect or obtain copies of the corporation's shares ledger and its other books and records for any proper purpose.

Pursuant to our Articles of Association, our Board of directors has the authority to determine whether and to what extent and at what times and places and under what conditions or regulations our books are open to the inspection of the shareholders. Further, no shareholder of the company has the right to inspect any record of the company except as conferred under law or authorized by the board of directors. The books containing the minutes of the proceedings of any general meetings of the shareholders are required to be kept at the registered office of the company and such materials are to be opened for inspection by any shareholder, without charge, subject to reasonable restrictions which may be imposed by a company's articles or in its general meeting. If an inspection is refused, the company and every officer of the company in default will be punishable with a fine. Under Indian law, the audited financial statements for the relevant financial year, the directors' report and the auditors' report are required to be provided to the shareholders before the annual general meeting.

Amendment to Charter

Amendments to the certificate of incorporation of a Delaware corporation require the affirmative vote of the holders of a majority of the outstanding shares entitled to vote thereon or such greater vote as is provided for in the certificate of incorporation; a provision in the certificate of incorporation requiring the vote of a greater number or proportion of the directors or of the holders of any class of shares than is required by Delaware corporate law may not be amended, altered or repealed except by such greater vote.

Under Indian Law, subject to certain specified amendments that require the additional approval of the central government, a company may make amendments to its articles with the approval of shareholders holding not less than 75.0% of the shares of the company.

**Delaware Law*****Distributions and Dividends; Repurchases and Redemptions***

Delaware law permits a corporation to declare and pay dividends out of statutory surplus or, if there is no surplus, out of net profits for fiscal year in which the dividend is declared and/or for the preceding fiscal year as long as the amount of capital of the corporation following the declaration and payment of the dividend is not less than the aggregate amount of the capital represented by the issued and outstanding stock of all classes having a preference upon the distribution of assets.

Under Delaware law, any corporation may purchase, redeem, receive, take or otherwise acquire, own and hold, sell, lend, exchange, transfer or otherwise dispose of, pledge, use and otherwise deal in and with its own shares, except that generally it may not purchase or redeem those shares if the capital of the corporation is impaired at the time or would become impaired as a result of the redemption. A corporation may, however, purchase or redeem capital shares that are entitled upon any distribution of its assets, whether by dividend or in liquidation, to a preference over another class or series of its shares if the shares will be retired upon their acquisition and the capital of the corporation is reduced.

Indian Law

Under Indian law no dividend shall be declared or paid by a company for any financial year except out of the profits of the company for that year arrived at after providing for depreciation in accordance with the provisions of sub-section (2), or out of the profits of the company for any previous financial year or years arrived at after providing for depreciation in accordance with the provisions of that sub-section and remaining undistributed, or out of both provided that in computing profits any amount representing unrealized gains, notional gains or revaluation of assets and any change in carrying amount of an asset or of a liability on measurement of the asset or the liability at fair value shall be excluded. If the profits for a year are insufficient, the dividend for that year may be declared out of the accumulated profits earned in previous years and transferred to reserves, subject to the following conditions:

- (i) the rate of dividend declared shall not exceed the average of the rates at which dividend was declared by it in the 3 years immediately preceding that year.
- (ii) the total amount to be drawn from the accumulated profits from previous years and transferred to the reserves may not exceed an amount equivalent to one tenth of the paid-up capital and free reserves
- (iii) the amount so drawn shall first be utilized to set off the losses incurred in the financial year in which dividend is declared before any dividend in respect of the equity shares is declared.
- (iv) the balance of reserves after such withdrawal shall not fall below fifteen percent of its paid up share capital as appears in the latest audited financial statement.
- v) no company shall declare dividend unless previous losses and depreciation not provided in previous year or years are set off against profit of the company of the current year.

Shareholders have a right to claim a dividend, after such dividend has been declared by the company at a general meeting. Shareholders also have a right to claim the interim dividends, which may be declared only pursuant to a resolution of the company's board of directors provided that in the event the company has incurred loss during the current financial year up to the end of the quarter immediately preceding the date of declaration of an interim dividend, then such interim dividend shall not be declared at a rate higher than the average dividends declared by the company during the immediately preceding 3 financial years. Dividends may be paid in cash or by cheque or warrant or in any electronic mode to the shareholder. Where a dividend has been declared by a company but has not been paid within 30 days from the date of declaration to any shareholder entitled to the payment of such dividend, a penalty can be imposed on a director who is knowingly a party to such default.

According to the Indian Companies Act, 2013, a company is empowered to purchase its own shares or other specified securities out of its free reserves, or the securities premium account or the proceeds of any shares or other specified securities (other than the kind of shares or other specified securities proposed to be bought back), subject to certain conditions including: (a) the buy-back must be authorized by the articles of association of the company; (b) a resolution must be passed by shareholders holding not less than 75.0% of the outstanding shares in the general meeting of the company authorizing the buy-back; (c) the buy-back is limited to 25.0% of the total paid up capital and free reserves; (d) the ratio of debt owed by the company must not be more than twice the capital and free reserves after such buy-back; and (e) the buy-back must be in accordance with the SEBI (Buy-Back of Securities) Regulations, 1998.

Conditions (a) and (b) mentioned above would not be applicable if the buy-back is for less than 10.0% of the total paid-up equity capital and free reserves of the company and such buy-back has been authorized by the Board of directors of the company. Further, a company buying back its securities is not permitted to buy-back any additional securities for a period of 1 year after the buyback or to issue any securities of the same kind for a period of 6 months.

A company is also prohibited from purchasing its own shares or specified securities directly or indirectly.



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Comparison of Corporate Governance Standards

The listing of our ADSs on the NYSE and our equity shares on the NSE and BSE cause us to be subject to NYSE listing standards and Indian corporate governance requirements set out SEBI (LODR) Regulations, 2015.

The NYSE listing standards applicable to us, as a foreign private issuer, are considerably different from those applicable to companies incorporated in the United States. Under the NYSE rules, we need only (i) establish an independent audit committee that has specified responsibilities as described in the following table; (ii) provide prompt certification by our chief executive officer of any material non-compliance with any corporate governance rules of the NYSE; (iii) provide periodic (annual and interim) written affirmations to the NYSE with respect to our corporate governance practices; and (iv) provide a brief description of significant differences between our corporate governance practices and those followed by US companies.

The corporate governance requirements which apply to us as a listed company on the NSE and BSE are contained in Regulation 17 to 27 and Regulation 46 of SEBI (LODR) Regulations, 2015 in accordance with the Listing Agreement that we have entered into with the NSE and BSE.

The following table summarizes certain material differences in the corporate governance standards applicable to us under the listing regulations in accordance with the listing agreements with the NSE and BSE as amended and the corporate governance standards for a NYSE-listed company, both to a typical US domestic issuer and the requirements that would be different for us as a foreign private issuer. SEBI, in its meeting held on March 28, 2018 have approved various recommendations of the Kotak Committee report on corporate governance. These recommendations have been notified by the SEBI from time to time for implementation through its various notifications.



Director Independence

A majority of the board must consist of independent directors. Independence is defined by various criteria including the absence of a material relationship between the director and the listed company. For example, directors who are employees, are immediate family of an executive officer of the company or receive over \$ 120,000 per year in direct compensation from the listed company are not independent. Directors who are employees of or otherwise affiliated through immediate family with the listed company's independent auditor are also not independent. Determinations of independence were made by the board.

The non-management directors must meet at regularly scheduled executive sessions without management.

(The NYSE requirements for a board consisting of independent directors and non-management directors meeting at regularly scheduled executive sessions do not apply to us as a foreign private issuer.)

The board of directors have an optimum combination of executive and non-executive directors with at least one woman director and not less than fifty percent of the board of directors shall comprise of non-executive directors, provided top 500 listed entities shall have at least one independent woman director by April 1, 2019 and top 1,000 listed entities shall have at least one independent woman director by April 1, 2020 basis market capitalization at the end of immediate previous financial year. If the Chairman of the board of directors is an executive director, at least 50.0% of the board to comprise of independent directors and in case of a non-executive chairman, then at least one third of the board should comprise of independent directors, provided that where the non-executive Chairman is a promoter of the company or is related to any promoter or person occupying a management position at the board of directors level or at one level below that, at least 50.0% of the board of directors should comprise of independent directors. Board must consist of a minimum of six directors for top 2000 listed entities based on market capitalisation at the end of previous financial year. Appoint a person or continue the directorship of any person as a non-executive director who has attained the age of 75 years unless a special resolution is passed to that effect indicating the justification for such appointment. With effect from April 1, 2022, the top 500 entities by market capitalization to have a Chairperson who is a non-executive director and not related to the Managing Director/CEO. Directors satisfy the criteria of being independent director as per the Companies Act, 2013 and the LODR other than nominee director and submits declaration confirming that they meet the criteria of independence.

Audit Committee

The audit committee must (i) be comprised entirely of independent directors; (ii) be directly responsible for the appointment, compensation, retention and oversight of any registered public accounting firm engaged (including resolution of disagreements between management and the auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the listed issuer, and each such registered public accounting firm must report directly to the audit committee; (iii) establish procedures for the receipt, retention and treatment of complaints with respect to accounting and auditing issues; (iv) establish procedures for the confidential, anonymous submission by employees of the listed issuer of concerns regarding questionable accounting or auditing matters; (v) be authorized to engage independent counsel and other advisers it deems necessary to perform its duties; and (vi) be given sufficient funding by the Board of directors to compensate the independent auditors and other advisors as well as for the payment of ordinary administrative expenses incurred by the committee that are necessary or appropriate in carrying out its duties.

The Audit Committee must comprise of minimum three directors as members of which two third member to be independent directors wherein all shall be financially literate and atleast one member must have accounting and related financial management expertise and the Chairperson to be an Independent Director. Their role include: Oversight of financial reporting, Auditors, Internal Audit, Internal financial controls, Risk Management and Governance. The principal duties and responsibilities of the Audit Committee is mentioned under the head of Audit Committee above. Details on the scope may be referred.

The committee shall meet atleast four times in a year and not more than 120 days shall elapse between two meetings. The quorum requirement is either two members or one-third, whichever is greater, with atleast two independent directors.



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Standard for NYSE-Listed Companies**SEBI (LODR) Regulations, 2015**

The audit committee must consist of at least three members, and each member must be independent within the meaning established by the NYSE and Rule 10A-3 under the Exchange Act. The audit committee members must be financially literate or become financially literate within a reasonable period of their appointment to the audit committee.

Each listed company must have disclosed whether its Board of directors has identified an audit committee financial expert (as defined under applicable rules of the SEC) and if not, the reasons why the Board has not done so.

The audit committee must have a written charter that addresses the committee's purpose and responsibilities.

At a minimum, the committee's purpose must be to assist the Board in the oversight of the integrity of the company's financial statements, the company's compliance with legal and regulatory requirements, the independent auditor's qualifications and independence and the performance of the company's internal audit function and independent auditors.

The duties and responsibilities of the audit committee include conducting a review of the independent auditing firm's annual report describing the firm's internal quality control procedures, any material issues raised by the most recent internal quality control review or peer review of the firm and any steps taken to address such issues.

The audit committee is also to assess the auditor's independence by reviewing all relationships between the company and its auditor. It must establish the company's hiring guidelines for employees and former employees of the independent auditor.

The committee must also discuss the company's annual audited financial statements and quarterly financial statements with management and the independent auditors, the company's earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies, and policies with respect to risk assessment and risk management.

Each listed company must have an internal audit function

The committee must also meet separately, periodically, with management, with internal auditors (or other personnel responsible for the internal audit function) and with independent auditors and review with the independent auditor any audit problems or difficulties and management's response.

The committee must report regularly to the Board.

(The NYSE audit committee requirements apply to us as foreign private issuers and we are not exempt from this requirement.)

Compensation Committee

Listed companies must have a compensation committee composed entirely of independent board members as defined by the NYSE listing standards.

The listed entity shall set up a nomination and remuneration committee which shall comprise at least three directors, all of whom shall be non-executive directors and at least half shall be independent. Chairman of the committee shall be an independent director.

The principal duties and responsibilities of the Nomination and Remuneration Committee is mentioned under the head of Nomination and Remuneration Committee above. Details on the scope may be referred



Standard for NYSE-Listed Companies

The committee must have a written charter that addresses its purpose and responsibilities.

These responsibilities include (i) reviewing and approving corporate goals and objectives relevant to CEO compensation; (ii) evaluating CEO performance and compensation in light of such goals and objectives for the CEO; (iii) based on such evaluation, reviewing and approving CEO compensation levels; (iv) recommending to the board non-CEO compensation, incentive compensation plans and equity-based plans; and (v) producing a report on executive compensation as required by the SEC to be included in the company's annual proxy statement or annual report. The committee must also conduct an annual performance self-evaluation.

(The NYSE compensation committee requirements allow us, as a foreign private issuer, to follow our home country rules in this regard. We comply with our home country rules applicable to the Compensation Committee.)

Nominating corporate governance

Listed companies must have a nominating/corporate governance committee composed entirely of independent board members.

The committee must have a written charter that addresses its purpose and responsibilities, which include (i) identifying individuals qualified to become board members; (ii) selecting, or recommending that the board select, the director nominees for the next annual meeting of shareholders; (iii) developing and recommending to the board a set of corporate governance principles applicable to the company; (iv) overseeing the evaluation of the board and management; and (v) conducting an annual performance evaluation of the committee.

(The NYSE nominating/corporate governance committee requirements do not apply to us as a foreign private issuer.)

Corporate Governance Guidelines

Listed companies must adopt and disclose corporate governance guidelines.

(The NYSE requirement that corporate governance guidelines be adopted does not apply to us as a foreign private issuer. However, we must disclose differences between the corporate governance standards to which we are subject and those of the NYSE.)

SEBI (LODR) Regulations, 2015

The quorum for a meeting of the nomination and remuneration committee shall be either two members or one third of the members of the committee, whichever is greater, including at least one independent director in attendance. The nomination and remuneration committee shall meet at least once in a year

There is no requirement of a nomination corporate governance Committee. The scope and responsibilities of this committee is similar in line with the Nomination & Remuneration Committee.

Corporate governance requirements for listed companies in India are included in Regulation 17 to 27 and 46 of SEBI (LODR) Regulations, 2015.



Standard for NYSE-Listed Companies

SEBI (LODR) Regulations, 2015

Code of business conduct and ethics

All listed companies, United States and foreign, must adopt and disclose a code of business conduct and ethics for directors, officers and employees, and promptly disclose any waivers of the code for directors or executive officers.

(The NYSE requirement for a code of business conduct and ethics does not apply to us as a foreign private issuer.)

The board of directors shall lay down a code of conduct for all board members and senior management of a listed company. This code of conduct is required to be posted on the website of the company. Further, all board members and senior management personnel are required to affirm compliance with the code on an annual basis and the company's annual report must contain a declaration to this effect signed by its CEO.

Regulation 17(5)(b) and Regulation 25(5) of SEBI (LODR) Regulations, 2015:

- The Code of Conduct shall suitably incorporate the duties of independent directors as laid down in the Companies Act, 2013.

An independent director shall be held liable, only in respect of such acts of omission or commission by a company which had occurred with his knowledge, attributable through board processes, and with his consent or connivance or where he had not acted diligently with respect of the provisions contained in the SEBI (LODR) Regulations, 2015.

C. Material Contracts

See "Item 7: Major Shareholders and Related Party Transactions – B. Related Party Transactions – Related Party Transactions" for details.

Outstanding loans

See "Note 22: Borrowings" of Notes to the Consolidated Financial Statements for details.

D. Exchange Controls**General**

Ownership of Indian companies by non-residents is regulated by the GoI and RBI under the provisions of Foreign Exchange Management Act of 1999 ('FEMA'), as amended, read with the rules, regulations and notifications issued under FEMA ('Foreign Exchange Control Regulations'). Foreign investment in securities issued by Indian companies is generally regulated by the Foreign Exchange Control Regulations. A person resident outside India can transfer any security of an Indian company or any other security to an Indian resident only in accordance with the terms and conditions specified under Foreign Exchange Control Regulations made thereunder or as permitted by the RBI.

Foreign Direct Investment

The Government of India regulates ownership of Indian companies by foreigners. Foreign investment in Indian securities is generally regulated by the Foreign Exchange Management Act, 1999. The Foreign Exchange Management Act, 1999 ('FEMA'), is read together with a series of rules and regulations issued thereunder by the RBI and GoI, which permits transactions involving the inflow or outflow of foreign exchange and empowers the RBI / GoI to prohibit or regulate such transactions.

FEMA permits most current account transactions involving foreign exchange except those prohibited or restricted by the RBI. FEMA has eased restrictions on current account transactions. However, the GoI and RBI continue to exercise control over capital account transactions (i.e., those that alter the assets or liabilities, including contingent liabilities, of persons). The GoI and RBI have issued rules under FEMA to regulate various kinds of capital account transactions, including certain aspects of the purchase and issuance of shares of Indian companies.

On October 17, 2019 GoI vide S.O. 3732(E) notified Foreign Exchange Management (Non-debt Instruments) Rules, 2019 and RBI vide G.S.R 796(E) notified Foreign Exchange Management (Debt Instruments) Regulations, 2019, in supersession of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2017. Hence, investment in non – debt instruments (includes equity shares, convertible debentures, preference shares and share warrants, depository receipts ("DRs") issued against equity instruments, etc.) of an Indian company by a person resident outside India shall be under Foreign Exchange Management (Non-debt Instruments) Rules, 2019.

FDI in India can be either through the automatic route or through the government approval route. Over a period of time, the GoI / RBI has relaxed the restrictions on FDI. FDI policy provides details regarding the specified sectoral regulatory bodies whose approval is required for foreign investments. As per the FDI Policy, certain notified sectors/activities requiring government approval should now approach the concerned administrative ministry or department. For instance, FDI proposals relating to mining sector would require approval by Ministry of Mines. FDI proposals requiring government approval for other residuary sectors not covered under the specified sector list would require to be approved by Department of Industrial Policy and Promotion ("DIPP").



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VEDANTA 20-F - IFRS	Donnelley Financial	HKRP64RS10 21.6.2.0	HKR pf_rend	09-Jul-2021 05:49 EST	165852 TX 222	4*
VEDANTA 20-F - IFRS	None		SNG		HTM ESS	OC

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An entity of a country, which shares land border with India or the beneficial owner of an investment into India is situated in or is citizen of any such country, can invest in India, only with the prior approval of the DIPP and/or the respective sectoral administrative ministries or departments. Further, a citizen of Pakistan or an entity incorporated in Pakistan can invest, only under the government approval route, in sectors/activities other than defense, space and atomic energy and sectors/activities prohibited for foreign investment.

Subject to certain conditions, under current regulations, FDI in most industry sectors are under automatic route if the percentage of equity holding by all foreign investors does not exceed specified industry-specific thresholds. These conditions include certain minimum pricing requirements, compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended, ('the Takeover Code'), exit and ownership restrictions based on the nature of the foreign investor. FDI is prohibited in certain sectors such as the lottery business, gambling and betting, atomic energy, chit funds, Nidhi companies, trading in Transferable Development Rights, railways (other than permitted activities), real estate business or construction of farm houses [other than development of townships, construction of residential/commercial premises, roads or bridges and real estate investment trusts registered and regulated under the SEBI (REITs) Regulations 2014] and manufacturing of cigars.

FDI policy lays down guidelines for calculation of direct and indirect foreign investment in an Indian company.

A person residing outside India (other than a citizen of countries mentioned above) or any entity incorporated outside India (other than an entity incorporated in countries mentioned above and an overseas corporate body as defined in FEMA) has general permission to purchase equity shares (including partly paid up shares), convertible debentures or convertible preference shares of an Indian company (mandatorily required to be fully and compulsorily convertible), subject to certain terms and conditions.

Currently, subject to certain exceptions, investment on non-repatriation basis by a Non-resident Indian (NRI) or an Overseas Citizen of India (OCI), including a company, a trust and a partnership firm incorporated outside India and owned and controlled by NRIs or OCIs, in equity instrument issued by Indian companies do not require the prior approval of the RBI subject to prohibition of investment in a Nidhi company or investment in Indian companies engaged in agricultural/plantation activities or real estate business or construction of farm houses (other than development of townships, construction of residential and commercial premises, roads or bridges and real investment trusts registered and regulated under the SEBI (REITs) Regulations 2014) or dealing in Transfer of Development Rights. The GoI has indicated that in all cases where FDI is allowed on an automatic route, the RBI would continue to be the primary agency for the purposes of monitoring and regulating foreign investment.

As per the FDI Policy, downstream investment means indirect foreign investment (an investment by an Indian company/Limited Liability Partnership ('LLP') or an investment vehicle which in turn, has foreign investment), into another Indian company/LLP, by way of subscription or acquisition. Downstream investment by an Indian company/LLP, which is owned and/or controlled by non-resident entities, into another Indian company/LLP, must be in accordance with the relevant sectoral conditions and caps with regard to the sectors in which the latter Indian company/LLP is operating.

Downstream investments by Indian companies/LLP will be subject to the following conditions:

- Such an Indian Company/LLP or an investment vehicle is to notify RBI and the Secretariat for Industrial Assistance, DIPP of its downstream investment in Form DI within 30 days of such investment, even if capital instruments have not been allotted along with the modality of investment in new/existing ventures (with/without expansion program);
- Downstream investment by way of induction of foreign investment in an existing Indian company/LLP to be duly supported by a resolution of the board of directors as also a shareholders agreement, if any;
- Issue/transfer/pricing/valuation of shares shall be in accordance with applicable SEBI/RBI guidelines;
- For the purpose of downstream investment, the Indian Companies/LLP making the downstream investments would have to bring in requisite funds from abroad and not leverage funds from the domestic market. This would, however, not preclude downstream companies/LLPs, with operations, from raising debt in the domestic market. Downstream investments through internal accruals are permissible by an Indian Company/LLP subject to certain conditions provided under FDI policy. For the purposes of foreign investment policy, internal accruals will mean profits transferred to reserve accounts after payment of taxes.

We are majorly controlled by a non-resident entity and hence all downstream investments made by us are subject to the above conditions.

Vedanta Limited is engaged in the following businesses:

- Mining and processing of aluminum, copper and zinc, Iron Ore FDI up to 100.0% is permitted under the automatic route, subject to the Mines and Minerals (Development and Regulation) Act, 1957.
- Exploration of oil and natural gas – FDI up to 100.0% is permitted under the automatic route.
- Power generation (majorly Thermal power and remaining from renewable energy sources) – 100% FDI is permitted under automatic route subject to the provisions of The Electricity Act, 2003

Investment by Non-Resident Indians or an Overseas Citizen of India ("OCI")

A variety of methods for investing in shares of Indian companies are available to NRIs. Each NRI or OCI can purchase on repatriation basis, on a recognized stock exchange in India, up to 5.0% of the total paid-up equity capital on a fully diluted basis, subject to the condition that the total holdings of all NRIs and OCIs put together does not exceed 10.0% of the paid-up equity capital on a fully diluted basis. The aggregate ceiling limit of 10.0% limit may be raised to 24.0% if a special resolution is passed in a general meeting of the shareholders of the Company. In addition to the above, NRIs may also make foreign direct investments in Indian companies under the FDI route discussed above. These methods allow NRIs to make portfolio investments in shares and other securities of Indian companies on a basis not generally available to other foreign investors.



Overseas corporate bodies controlled by NRIs, were previously permitted to invest on more favorable terms under the portfolio investment scheme. The RBI no longer recognizes overseas corporate bodies as an eligible class of investment vehicle under various routes and schemes under the foreign exchange regulations.

Investment by Foreign Portfolio Investors

On September 23, 2019, The SEBI (Foreign Portfolio Investors) Regulations, 2014 was repealed and replaced by SEBI (Foreign Portfolio Investors) Regulations, 2019 ('FPI Regulations'). All the existing foreign institutional investors ('FIIs'), sub accounts and qualified foreign investors ('QFIs') have been classified together into a new class of investors known as the foreign portfolio investors ('FPIs'). FPIs are required to be registered with the designated depository participant on behalf of the SEBI subject to compliance, with 'Know Your Customer' norms. FPIs are permitted to invest only in certain securities, including but not limited to securities in the primary and secondary markets (including shares, debentures and warrants of companies, listed or to be listed on a recognized stock exchange in India), derivatives traded on a recognized stock exchange, treasury bills, dated government securities, and such other instruments specified by the SEBI from time to time.

A single foreign portfolio investor or an investor group is permitted to invest in equity capital of an Indian company listed or to be listed on a recognised stock exchange in India. The total holding by each FPI or an investor group, shall be less than 10.0% of the total paid-up equity capital on a fully diluted basis or less than 10 percent of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all FPIs put together, including any other direct and indirect foreign investments in the Indian company by FPIs permitted under these rules, shall not exceed 24 per cent of paid-up equity capital on a fully diluted basis or paid up value of each series of debentures or preference shares or share warrants. The said limit of 10 percent and 24 percent shall be called the individual and aggregate limit, respectively. The aggregate ceiling limit of 24.0% limit may be raised to up to the sectoral cap/statutory ceiling, as applicable, with the approval of its Board of Directors and its General Body through a resolution and a special resolution, respectively

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of the FPI Regulations, an FPI, registered as a Category I foreign portfolio investor, may issue or otherwise deal in offshore derivative instruments (as defined under the FPI Regulations) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons eligible for registration as Category I foreign portfolio investors; and (ii) such offshore derivative instruments are issued after compliance with 'Know Your Client' norms. An FPI shall ensure that any transfer of offshore derivative instruments issued by or on behalf of the FPI, is made subject to the following conditions: (a) such offshore derivative instruments are transferred to persons subject to fulfillment of regulation 21 (1) of FPI Regulations; and (b) prior consent of the foreign portfolio investor is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

The portfolio investor registered in accordance with the FPI Regulations may be called 'Registered Foreign Portfolio Investor ("RFPI").

Accordingly, any transaction involving dealing in securities by a RFPI shall be only through registered broker subject to certain exceptions including but not limited to (i) in an open offer in accordance with the Takeover Code or (ii) in an open offer in accordance with the SEBI (Delisting of Equity Shares) Regulations, 2009; or (iii) through buyback of shares by a listed Indian company in accordance with the SEBI (Buy-back of Securities) Regulations, 1998. An RFPI may also acquire shares or convertible debentures (i) in any bid for, or acquisition of securities in response to an offer for disinvestment of shares made by the Central Government or any state government; or (ii) in any transaction in securities pursuant to an agreement entered into with merchant banker in the process of market making or subscribing to unsubscribed portion of the issue in accordance with Chapter IX of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

An RFPI may invest in government securities and corporate debt subject to limits specified by the RBI and SEBI from time to time and to trade in all exchange traded derivative contracts on the stock exchanges in India subject to the position limits as specified by SEBI from time to time.

ADSs

Issue of ADSs

Issue of securities through the depository receipt mechanism by Indian companies is governed by the Companies Act, 2013 (Companies Act), the Companies (Issue of Global Depository Receipts) Rules, 2014 ("Depository Receipts Rules") and the Depository Receipts Scheme, 2014 (the "DR Scheme"). The GoI approved the DR Scheme on October 21, 2014, which came into force on December 15, 2014. Consequently, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993 (the "1993 Scheme") has been repealed except to the extent relating to foreign currency convertible bonds. The RBI also issued a circular on January 22, 2015, highlighting the salient features of the DR Scheme.

SEBI vide circular dated October 10, 2019 ('Current DR framework') has provided a detailed framework for issue of depository receipts.

The Current DR framework inter – alia provides that:

- Only 'a company incorporated in India and listed on a recognized stock exchange in India' may issue permissible securities or their holders may transfer permissible securities, for the purpose of issue of DRs, subject to compliance with the requirements specified therein. The Current DR framework provides permissible securities to mean equity shares and debt securities, which are in dematerialized form and rank pari passu with the securities issued and listed on a recognized stock exchange.



- Listed company shall ensure that DRs are issued only with permissible securities as the underlying i.e. equity shares and debt securities, which are in dematerialized form and rank pari passu with the securities issued and listed on a recognized stock exchange.
- Listed company shall be permitted to issue permissible securities or transfer permissible securities of existing holders, for the purpose of issue of DRs, only in permissible jurisdictions and said DRs shall be listed on any of the specified international exchange(s) of the permissible jurisdiction. Permissible jurisdiction shall mean jurisdictions as may be notified by the Central Government from time to time, pursuant to notification no. G.S.R. 669(E) dated September 18, 2019 in respect of sub-rule 1 of rule 9 of Prevention of Money-Laundering (Maintenance of Records) Rules, 2005. In this regard, SEBI vide circular dated November 18, 2019 has provided a list of permissible jurisdictions and international exchange(s) which inter alia, includes the International Financial Services Centre in India.
- Previously, under the DR Scheme, companies were only required to comply with eligibility requirements pertaining to prohibition from accessing capital markets or dealing in securities. However, the current framework prescribes certain additional requirements, including not being declared as a willful defaulter or a fugitive economic offender.
- Listed company shall ensure compliance with extant laws relating to issuance of DRs, including, requirements prescribed in this Circular, the Companies Act, 2013, FEMA, Prevention of Money-Laundering Act, 2002, and rules and regulations made thereunder. For this purpose, listed company may also enter into necessary arrangements with Custodian, Indian Depository and Foreign Depository.
- Listed company shall ensure that the aggregate of permissible securities which may be issued or transferred for the purpose of issue of DRs, along with permissible securities already held by persons resident outside India, shall not exceed the limit on foreign holding of such permissible securities under the applicable regulations of FEMA. However, the listed company to ensure compliance with minimum public shareholding requirement after excluding the permissible securities held by the depository for the purpose of issue of DRs.
- Listed company shall ensure that any public disclosures made by the listed company on International Exchange(s) in compliance with the requirements of the permissible jurisdiction where the DRs are listed or of the international exchange(s), are also filed with the recognized stock exchange as soon as reasonably possible but not later than twenty four hours from the date of filing.
- Where permissible securities are issued by a listed company or 'transferred by the existing holders', for the purpose of issue of DRs by the Foreign Depository, the same shall be issued at a price, not less than the price applicable to a corresponding mode of issue of such permissible securities to domestic investors under the applicable laws.
- A permissible holder i.e. holder of DRs (including its beneficial owner) excludes an Indian and a non – resident Indian ('NRI'), which is over and above the requirements of the DR Scheme. However, the SEBI through its circular dated December 18, 2020, has permitted the issuance of DRs to NRIs, pursuant to: (a) share based employee benefit schemes which are implemented by a company in terms of SEBI (Share Based Employee Benefits) Regulations 2014, (b) a bonus issue or (c) a rights issue.
- In terms of the DR Scheme, while the exercise of voting rights on the shares underlying the DRs could be dealt with contractually under the deposit agreement, if such voting rights were not exercisable by the DR holders, the shares would not be counted towards minimum public shareholding requirements. However, as per the Current DR framework, listed company shall ensure that the agreement entered between the holder of DRs, the listed company and the Depository provides that the voting rights on permissible securities, if any, shall be exercised by the DR holder through the Foreign Depository pursuant to voting instruction only from such DR holder.

The SEBI circular issued on October 1, 2020 requires listed companies to appoint one of the Indian Depository as the "Designated Depository" for the purpose of monitoring of limits in respect of DRs.

A listed company issuing DRs is also required to ensure compliance with extant laws including compliance with the minimum public shareholding requirements and limits on foreign investment holding under the FEMA. As regards pricing, the current framework provides that the pricing of DR issuances would have to be undertaken at a minimum price equivalent to the price determined for corresponding mode of issue to domestic investors.

The summary provided above is based on laws applicable as on March 31, 2021 and is not intended to constitute a complete analysis of all laws applicable to the Company and its securities or a substitute for professional legal advice.

Listed Company shall ensure that DRs are issued only with Permissible Securities as the underlying i.e. equity shares and debt securities, which are in dematerialized form and rank pari passu with the securities issued and listed on a Recognized Stock Exchange.

Where Permissible Securities are issued by a Listed Company or 'transferred by the existing holders', for the purpose of issue of DRs by the Foreign Depository, the same shall be issued at a price, not less than the price applicable to a corresponding mode of issue of such Permissible Securities to domestic investors under the applicable laws. Where Permissible Securities are issued by a Listed Company or 'transferred by the existing holders', for the purpose of issue of DRs by the Foreign Depository, the same shall be issued at a price, not less than the price applicable to a corresponding mode of issue of such Permissible Securities to domestic investors under the applicable laws.

Restrictions on Redemption of ADSs, Sale of the Equity Shares Underlying the ADSs and the Repatriation of Sale Proceeds

A non-resident holder of the ADSs may transfer such ADSs, or request that the overseas depository bank redeem such ADSs. A non-resident holder of ADSs can transfer or redeem the ADSs into underlying equity shares of the company subject to the procedures specified under the DR Scheme. In the case of redemption, the overseas depository bank will request the domestic custodian bank to release the corresponding underlying shares in favor of the non-resident investor for being sold directly on behalf of the non- resident investor, or being transferred in the books of account of the company in the name of the non-resident. Foreign investors holding ADSs or equity shares equal to or more than 25.0% of the company's total equity capital/voting rights may be required to make a public announcement of offer to the remaining shareholders of the company under the Takeover Code, on any further acquisition of equity capital/voting rights or ADSs equal to or more than 5.0% by the foreign investor.



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Fungibility of ADSs

As per the directions issued by the Ministry of Finance in coordination with RBI on the two-way fungibility of ADSs, an ADSs holder who has redeemed the ADSs into underlying equity shares and has sold it in the Indian Market is permitted to purchase to that extent, through a registered stock broker in India, shares of an Indian company for the purposes of converting the same into ADSs, subject, inter alia, to the following conditions:

- The shares of the Indian company are purchased on a recognized stock exchange in India;
- The shares are purchased with the permission of the domestic custodian for the ADSs issued by the Indian company and such shares are deposited with the custodian after purchase;
- The custodian agreement is amended to enable the custodian to accept shares from entities other than the company;
- The number of shares of the Indian company so purchased does not exceed the head room which is equivalent to the difference between numbers of ADSs originally issued and number of ADSs outstanding, as further adjusted for ADSs redeemed into underlying shares and registered in the name of the non-resident investor (and is further subject to specified sectoral caps); and
- Compliance with the provisions of the ADRs Scheme and the guidelines issued thereunder.

Further, the amendment to the regulations permit an issuer in India to sponsor the issue of ADSs through an overseas depository against underlying equity shares accepted from holders of its equity shares in India for offering outside of India. The sponsored issue of ADSs is possible only if the following conditions are satisfied:

- The price of the offering is determined by the lead manager of the offering. The price shall not be less than the average of the weekly high and low prices of the shares of the company during the 2 weeks preceding the relevant date (i.e. the date on which the board of directors of the company decides to open the issue);
- The ADSs offering is approved by the relevant authorities;
- The ADSs offering is approved by a special resolution of the shareholders of the issuer in a general meeting;
- The facility is made available to all the equity shareholders of the issuer;
- The proceeds of the offering are repatriated into India within 1 month of the closing of the offering;
- The sales of the existing equity shares are made in compliance with the foreign direct investment policy in India;
- The number of shares offered by selling shareholders are subject to limits in proportion to the existing holdings of the selling shareholders when the offer is oversubscribed; and
- The issue related expenses exceeding 7.0% of the public offering proceeds would require RBI approval. The issue expenses are paid by shareholders on a pro-rata basis.

The issuer is also required to furnish a report to the RBI specifying the details of the offering, including the amount raised through the offering, the number of ADSs issued, the underlying shares offered and the percentage of equity in the issuer represented by the ADSs.

Corporate Actions

The ADSs holders are entitled to receive the benefits of corporate actions such as bonus, split and dividend in proportion to the number of equity shares represented by the ADS. The benefits are subject to the terms and conditions of the FEMA regulations and the offer documents of ADSs issue.

Buyback of ADSs

Shares issued under the ADRs Scheme represented by the ADSs, are eligible for participation in a buyback scheme, if any, announced by us. In the event that we decide to implement the buyback scheme for ADSs holders, the option form for the buyback scheme will be distributed to the ADSs custodian who will submit the same to the overseas depository. ADSs holders who wish to participate in the buyback scheme may exercise the buyback option by converting the ADSs into ordinary equity shares and surrendering those shares to the company under the buyback scheme.

Transfer of Shares

The RBI has now granted general permission to person's resident outside India to transfer shares and convertible debentures held by them to an Indian resident, subject to compliance with certain terms and conditions (including pricing norms) and reporting requirements. A resident who wishes to purchase shares from a non-resident must, pursuant to the relevant notice requirements, file a declaration with an authorized dealer in the prescribed Form FC-TRS within 60 days from the date of receipt of the amount of consideration, together with the relevant documents and file an acknowledgment thereof with the Indian company to effect transfer of the shares.

A non-resident may also transfer any security to a person resident in India by way of gift. The transfer of shares from an Indian resident to a non-resident does not require the prior approval of the GoI or the RBI if the activities of the investee company are under the automatic route pursuant to the FDI Policy and are not under the specified financial services sector, the non-resident shareholding is within sector limits under the FDI policy and the pricing is in accordance with the guidelines prescribed by SEBI and the RBI.



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VEDANTA 20-F - IFRS	Donnelley Financial	HKRP64RS10 21.6.2.0	HKR pf_rend	09-Jul-2021 05:50 EST	165852 TX 226	4*
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A non-resident of India is generally permitted to sell equity shares underlying the ADSs held by him to any other non-resident of India without the prior approval of the RBI. The RBI has granted general permission for the transfer of shares by a person resident outside India to a person resident in India, subject to compliance with certain pricing norms and reporting requirements.

Other than mutual funds that may purchase ADSs subject to terms and conditions specified by the RBI and employees in connection with stock options, a person resident in India is not permitted to hold ADSs of an Indian company. An ADSs holder is permitted to surrender the ADSs held by him in an Indian company and to receive the underlying equity shares under the terms of the deposit agreement.

E. Taxation

India Taxation

The following is a summary of the material Indian income tax, stamp duty and estate duty consequences of the purchase, ownership and disposal of the ADSs and the equity shares underlying the ADSs for non-resident investors of the ADSs. The summary only addresses the tax consequences for non-resident investors who hold the ADSs or the equity shares underlying the ADSs as capital assets and does not address the tax consequences which may be relevant to other classes of non-resident investors, including dealers. The summary proceeds on the basis that the investor continues to remain a non-resident when the income by way of dividends and capital gains are earned. The summary is based on Indian tax laws and relevant interpretations thereof as are in force as of the date of this Annual Report, including the Income Tax Act and the special tax regimes under Sections 115AC of the Income Tax Act read with the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, as amended, which provides for the taxation of persons resident in India on their global income and persons not resident in India on income received, accruing or arising in India or deemed to have been received, accrued or arisen in India, and is subject to change.

The Finance Act 2013 had introduced General Anti Avoidance Rule (“GAAR”), wherein the tax authority may declare an arrangement as an impermissible avoidance arrangement if an arrangement is not entered at arm’s length, results in misuse/abuse of provisions of Income Tax Act, 1961, lacks commercial substance or the purpose of arrangement is obtaining a tax benefit. If any of our transactions are found to be ‘impermissible avoidance arrangements’ under GAAR, our business may be affected.

The GAAR was originally proposed to become effective from April 1, 2013. Thereafter, a panel was formed to study the proposed GAAR, and make suitable recommendations. In September 2013, the GoI notified rules regarding the applicability of GAAR provisions. In the Finance Act 2015 it was proposed that the implementation of GAAR be deferred by two years and GAAR provisions were made applicable to the income of fiscal year 2018 and subsequent years by an amendment of the Income Tax Act. Further, investments made up to March 31, 2017 are protected from the applicability of the GAAR amendment in the relevant rules in this regard.

This summary is not intended to constitute a complete analysis of all the tax consequences for a non-resident investor under Indian law in relation to the acquisition, ownership and disposal of the ADSs or the equity shares underlying the ADSs and does not deal with all possible tax consequences relating to an investment in the equity shares and ADSs, such as the tax consequences under state, local and other (for example, non-Indian) tax laws.

Residence

For the purpose of the Income Tax Act, an individual is considered to be a resident of India during fiscal year if he is in India for at least 182 days in a particular year or at least 60 days in a particular year and for a period or periods aggregating at least 365 days in the preceding 4 years. However, the 60 days period shall be read as 182 days in the case of (i) a citizen of India who leaves India in the previous year for employment outside India, or (ii) a citizen of India or a person of Indian origin living abroad who visits India. Previously, a company was considered to be resident in India if it was incorporated in India or the control and management of its affairs is situated wholly in India during the relevant fiscal year. However, the Finance Act 2015 changed the criteria for deciding the residential status of a company in India by stating that the place of effective management of a company would be the critical factor for such determination. Individuals and companies who are not residents of India based on the above mentioned criteria are treated as non-residents. In the Finance Act 2016, place of effective management compliance has been deferred by one year. The new requirements have been made applicable from assessment year 2017-18. The Indian Income Tax department has further clarified that guidelines regarding the place of effective management shall not be applicable to companies having turnover of ₹ 500 million or less in a financial year.

Taxation of Sale of the ADSs

It is unclear whether capital gains derived from the sale by a non-resident investor of rights in respect of ADSs will be subject to tax liability in India. This will depend on the view taken by Indian tax authorities on the position with respect to the situs of the rights being transferred in respect of the ADSs. The Finance Act, 2012 retrospectively amended the term “property” so as to include any rights in or in relation to an Indian company. Therefore, situs of right in respect of ADSs may be considered as situated in India. Nevertheless, under the ADRs Scheme and as per section 47(viia) of the Income-tax Act, the transfer of ADSs outside India by a non-resident holder to another non-resident does not give rise to any capital gain tax in India. Under the ADRs Scheme, conversion of ADSs into equity shares shall not give rise to any capital gain tax in India.

ADSs are considered as long-term capital assets if they are held for a period of more than 36 months otherwise they are considered as short-term capital assets. Section 115AC of the Income Tax Act provides that income by way of long-term capital gains arising from the transfer of ADSs by the non-resident holder is taxed at the rate of 10.0% plus applicable surcharge and education cess; short term capital gains on such a transfer is taxed at the rate of 30.0% (40.0% in case of a foreign company) plus applicable surcharge and education cess. Because there are significant intricacies relating to application of rules on indirect transfers, it is not clear, whether or to what extent, a buyer of ADSs of the company should be held liable for not withholding tax on the acquisition of shares or be subject to Indian tax on gains realized on disposition of ADS. However, the non-resident investor may examine exemption, if any available to him, from such taxation under the relevant Double Taxation Agreement between India and country of his residence.



The incidence of capital gains and the period of holding, in the event ADSs are converted into shares and the shares are sold within a period of 36 months, may be checked with the tax counsels.

Taxation of Dividends

The Finance Act 2020 has repealed the DDT. Dividend received will be taxable in the hands of recipient. The remittance of dividends outside India is governed by Indian law on foreign exchange and is also subject to withholding tax at applicable rates effective from April 1, 2020.

Dividends paid prior to April 1, 2020 to non-resident holders of ADSs are not presently subject to tax in the hands of the recipient. However, the company that is distributing the dividend was liable to pay a "DDT" at the rate of 15.0% (on a gross basis) plus a surcharge of 10.0% and an education cess at the rate of 3.0%. According to the Finance (No. 2) Act, 2014, DDT is to be levied on gross distributable surplus amount instead of amount paid net of taxes. This resulted in an increase in the DDT to more than 20.0%, from 16.995% in the earlier years which was applicable to the dividends declared, distributed or paid on or after October 1, 2014. According to the Finance Act 2015, the surcharge on dividend tax has increased from 10.0% to 12.0%, and the effective DDT rate is 20.35% with effect from April 1, 2016. The Finance Act, 2018 increased the rate of cess from 3.0% to 4.0% which will result in an effective DDT rate of 20.6% from April 1, 2018. Under Section 115O(1A) of the Income Tax Act 1961, an Indian company, subject to certain conditions, can set off the dividend income received from its subsidiaries against the amount of dividend declared and distributed by it to its shareholders, therefore reducing the DDT to the extent of such set-off.

Any distribution of additional ADSs or equity shares to resident or non-resident shareholders will not be subject to any Indian tax.

Further, the Finance Act 2016 has provided that any income earned by an individual, Hindu Undivided Family or a firm, who is a resident in India, by way of dividend declared, distributed or paid by any domestic company in excess of ₹ 1,000,000 in aggregate shall be chargeable to tax at the rate of 10.0% on gross basis on such amount exceeding ₹ 1,000,000. With the introduction of Finance Act 2017, this provision will be applicable only to specified assessee (specified assessee means a person other than domestic company, charitable trusts registered under section 12 A or 10 (23C) of the Finance Act 2017).

Taxation of Sale of the Equity Shares

Sale of equity shares by any holder may occasion certain incidence of tax in India, as discussed below. Under applicable law, the sale of equity shares may be subject to a transaction tax and/or tax on income by way of capital gains. Capital gains accruing to a non-resident investor on the sale of the equity shares, whether to an Indian resident or to a person resident outside India and whether in India or outside India, may be subject to Indian capital gains tax in certain instances as described below.

Sale of the Equity Shares on a Recognized Stock Exchange

Shares listed on recognized stock exchange in India issued on conversion of the ADSs held by the non-resident investor for a period of more than 12 months is treated as long term capital assets, otherwise they are considered as short term capital asset. Unlisted shares are treated as long-term capital assets, if they are held for more than 24 months, otherwise they are treated as short-term capital assets.

Subject to the following, long-term capital gains realized by a non-resident upon the sale of equity shares obtained on conversion of ADSs are subject to tax at a rate of 10.0% along with the applicable surcharge and education cess; and short-term capital gains on such a transfer will be taxed at the rate of tax applicable to the seller;

- Long-term capital gain realized by a non-resident upon the sale of equity shares obtained on conversion of ADSs is exempt from tax if the sale of such shares is made on a recognized stock exchange and Securities Transaction Tax, or STT (described below) is paid. However, the Finance Act 2018 effective from fiscal year 2018-19, has removed this exemption and long-term capital gain on sale of listed shares, on which STT is paid, is also taxable at 10.0% and
- Any short term capital gain is taxed at 15.0% along with the applicable surcharge and education cess, if the sale of such equity shares is settled on a recognized stock exchange and STT is paid on such sale.

In accordance with applicable Indian tax laws, any income arising from a sale of the equity shares of an Indian company through a recognized stock exchange in India is subject to a securities transaction tax. Such tax is payable by a person irrespective of residential status and is collected by the recognized stock exchange in India on which the sale of the equity shares is affected.

Withholding tax on capital gains on sale of shares to non-resident is required to be deducted under Section 195 of the Income Tax Act at the prescribed rates.

For the purpose of computing capital gains on the sale of equity shares, the sale consideration received or accruing on such sale shall be reduced by the cost of acquisition of such equity shares and any expenditure incurred wholly and exclusively in connection with such sale. Under the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, or Scheme, the purchase price of equity shares in India listed company received in exchange for ADSs will be the market price of the underlying shares on the date that the depository gives notice to the custodian of the delivery of equity shares in exchange for such corresponding ADSs. The market price is the price of the equity shares prevailing in the BSE or the NSE as applicable. There is no corresponding provision under the Income Tax Act providing for the use of market price as the basis for determination of the purchase price of the equity shares. In the event that the tax department denies the use of market price as the basis for determination of the purchase price of the equity shares, the original purchase price of the ADSs shall be considered as the purchase price of the equity shares for computing the capital gains tax.



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VEDANTA 20-F - IFRS	Donnelley Financial	HKRP64RS10 21.6.2.0	HKR pf_rend	09-Jul-2021 05:50 EST	165852 TX 228	4*
VEDANTA 20-F - IFRS	None		SNG		HTM ESS	0C

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According to the Scheme, a non-resident's holding period for the purpose of determining the applicable capital gains tax rate relating to equity shares received in exchange for ADSs commences on the date of notice of redemption by the depository to the custodian.

Securities Transaction Tax

Since October 1, 2004, with respect to a sale and purchase of equity shares entered into on a recognized stock exchange, (i) both the buyer and seller are required to pay a Securities Transaction Tax (STT) at the rate of 0.1% of the transaction value of the securities, if the transaction is a delivery based transaction, i.e. the transaction involves actual delivery or transfer of shares; the rate of 0.1% has been substituted for 0.125% by the Finance Act, 2012 with effect from July 1, 2012. (ii) the seller of the shares is required to pay a STT at the rate of 0.025% of the transaction value of the securities if the transaction is a non-delivery based transaction, i.e. a transaction settled without taking delivery of the shares. STT is levied with respect to a sale and purchase of a derivative and the rates of STT as amended by Finance Act, 2013 with effect from June 1, 2013 is as follows: (i) in case of sale of an option in securities, the seller is required to pay an STT at the rate of 0.017% of the option premium; (ii) in case of a sale of an option in securities, where the option is exercised, the buyer is required to pay a STT at the rate of 0.125% of the settlement price; and (iii) in case of sale of futures in securities, the seller is required to pay STT at 0.017% on transaction value. This rate of 0.017% changed to 0.01% under the Finance Act, 2013.

Capital Losses

The losses arising from a transfer of a capital asset in India can only be set off against capital gains and not against any other income in accordance with the Income Tax Act. A long-term capital loss may be set off only against a long-term capital gain. To the extent the losses are not absorbed in the year of transfer, they may be carried forward for a period of eight years immediately succeeding the year for which the loss was first computed and may be set off against the long-term capital gains assessable for such subsequent years. In order to get the benefit of set-off of the capital losses in this manner, the non-resident investor must file appropriate and timely tax returns in India.

Tax Treaties

The above mentioned tax rates and the consequent taxation are subject to any benefits available to a non-resident investor under the provisions of any agreement for the avoidance of double taxation entered into by the GoI with the country of tax residence of such non-resident investor. The investors are advised to consult their tax advisors the residential status for the purpose of treaty benefits in the event the investments are made through special purpose vehicle in an overseas jurisdiction.

Withholding Tax on Capital Gains

Any taxable gain realized by a non-resident from the sale of ADSs shall be subject to withholding tax of 10.0% at source and withheld by the buyer. However, no withholding tax is required to be withheld under Section 196D-(2) of the Income Tax Act from any income accruing to a FII as defined in Section 115AD of the Income Tax Act on the transfer of securities. The FII is required to pay the tax on its own behalf.

Buy-Back of Securities

Indian companies are not subject to tax on the buy-back of their equity shares which are listed on a stock exchange. However, such shareholders will be taxed on the resulting gains from the share buy-back. We would be required to withhold tax at source in proportion to the capital gains tax liability of our shareholders.

Stamp Duty

Upon the issuance of the equity shares underlying the ADSs, we are required to pay a stamp duty for each equity share equal to 0.1% of the issue price. Under Indian stamp law, no stamp duty is payable on the acquisition or transfer of equity shares in book-entry form. However, a sale of equity shares by a non-resident holder will be subject to Indian stamp duty at the rate of 0.25% on the market value of equity shares on the trade date, although such duty is customarily borne by the transferee. A transfer of ADSs is not subject to Indian stamp duty.

Service Tax

Till June 30, 2017, brokerage or commission fees paid to stockbrokers in connection with the sale or purchase of equity shares were subject to Indian service tax at the effective tax rate of 15.0% (including Swachh Bharat Cess of 0.5% and Krishi Kalyan Cess of 0.5% of taxable value) collected by the stockbroker. Further, pursuant to Section 65(101) of the Finance Act (2 of the 2004) a sub-broker was also subject to this service tax. With effect from July 1, 2017, service tax was subsumed under GST.

Goods and Service Tax (GST)

With effect from July 1, 2017, service tax was subsumed under GST. Swachh Bharat Cess and Krishi Kalyan Cess were abolished. Therefore, brokerage or commission fees paid to stockbrokers in connection with the sale or purchase of equity shares became subject to GST at the rate of 18.0% and sub-brokers also became subject to GST at the same rate.

Minimum Alternate Tax

The Income Tax Act imposes a Minimum Alternate Tax on companies wherein the income tax payable on the total income is less than 18.5% of its book profit. The MAT is payable at the rate of 18.5% plus applicable surcharge and cess. The Finance Act 2013 increased the surcharge on income of domestic companies having taxable income above ₹ 100 million (\$ 1 million) from 5.0% to 10.0% which resulted in the increase in the effective MAT rate for such companies from 20.01% to 20.96%. The Finance Act, 2015 has increased the surcharge to 12.0% which resulted in an increase in the effective MAT rate for such companies to 21.34% which has been increased to 21.5% from April 1, 2018. Amounts paid as MAT may be applied towards regular income taxes payable in any of the succeeding 15 years (as amended by the Finance Act 2017) subject to certain conditions. The manner of computing the MAT which can be claimed as a credit is specified in the Income Tax Act. The Finance Act, 2007, included income eligible for deductions under section 10A and 10B of the Act in the computation of book profits for the levy of MAT, and determined that MAT is payable on income which falls within the ambit of section 10A and 10B of the Act.



The Amendment Act 2019, reduced MAT base tax rate from 18.5% to 15% plus applicable surcharge and cess. The effective MAT rate for all Indian Company for fiscal year 2019, 2020 and 2021 would be 21.55%, 17.47% and 17.47% respectively. Further, companies opting for concessional tax regime (as explained above) would not be required to pay MAT. For non-resident foreign company's effective MAT rate as per the Tax Amendment Act 2019 reduced from 20.01% to 16.38% of the book profit.

Tax Credit

A non-resident investor may be entitled to a tax credit with respect to any withholding tax paid by us or any other person for such non-resident investor's account in accordance with the applicable laws of the applicable jurisdiction.

United States Federal Income Taxation

The following discussion describes certain material United States federal income tax consequences to US Holders (defined below) under present law of an investment in the ADSs or equity shares. This summary applies only to investors that hold the ADSs or equity shares as capital assets (generally, property held for investment) and that have the US dollar as their functional currency. This discussion is based on the United States Internal Revenue Code of 1986, as amended, as in effect on the date of this Annual Report and on United States Treasury regulations in effect or, in some cases, proposed, as of the date of this Annual Report, as well as judicial and administrative interpretations thereof available on or before such date. All of the foregoing authorities are subject to change, which change could apply retroactively and could affect the tax consequences described below. The summary below does not discuss certain United States federal tax consequences that may be relevant to a particular US Holder's particular circumstances, such as Medicare contribution tax on net investment income.

The following discussion neither deals with the tax consequences to any particular investor nor describes all of the tax consequences applicable to persons in special tax situations such as:

- banks;
- certain financial institutions;
- insurance companies;
- regulated investment companies;
- real estate investment trusts;
- broker dealers;
- United States expatriates;
- traders that elect to use the mark-to-market method of accounting;
- tax-exempt entities;
- persons liable for the alternative minimum tax;
- persons holding an ADSs or equity share as part of a straddle, hedging, conversion or integrated transaction;
- persons that actually or constructively own 10.0% or more of our stock, by total combined voting power or by value;
- persons subject to special tax accounting rules as a result of any item of gross income with respect to our ADSs or equity shares being taken into account in an applicable financial statement;
- persons who acquired ADSs or equity shares pursuant to the exercise of any employee share option or otherwise as compensation; or
- persons holding ADSs or equity shares through partnerships or other pass-through entities.

INVESTORS SHOULD CONSULT THEIR TAX ADVISORS ABOUT THE APPLICATION OF THE UNITED STATES FEDERAL TAX RULES TO THEIR PARTICULAR CIRCUMSTANCES AS WELL AS THE STATE AND LOCAL, FOREIGN AND OTHER TAX CONSEQUENCES TO THEM OF THE OWNERSHIP AND DISPOSITION OF ADSs OR EQUITY SHARES.

The discussion below of the United States federal income tax consequences to "US Holders" will apply to you if you are a beneficial owner of ADSs or equity shares and you are, for United States federal income tax purposes;

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity taxable as a corporation for United States federal income tax purposes) created or organized in the United States or under the laws of the United States, any State thereof or the District of Columbia;
- an estate, the income of which is subject to United States federal income taxation regardless of its source; or
- a trust that (1) is subject to the primary supervision of a Court within the United States and the control of one or more United States persons for all substantial decisions of the trust or (2) was in existence on August 20, 1996, was treated as a domestic trust on the previous day and has a valid election in effect under the applicable United States Treasury regulations to be treated as a United States person.

If an entity or arrangement treated as a partnership for United States federal income tax purposes holds ADSs or equity shares, the tax treatment of a partner will generally depend upon the status and the activities of the partnership. A US Holder that is a partner in a partnership holding ADSs or equity shares is urged to consult its tax advisor.



The discussion below assumes that the representations contained in the deposit agreement are true and that the obligations in the deposit agreement and any related agreement will be complied with in accordance with their terms. If you hold ADSs, you should be treated as the holder of the underlying equity shares represented by those ADSs for United States federal income tax purposes.

The United States Treasury has expressed concerns that parties to whom ADSs are pre-released may be taking actions that are inconsistent with the claiming, by US Holders of ADSs, of foreign tax credits for United States federal income tax purposes. Such actions would also be inconsistent with the claiming of the reduced rate of tax applicable to dividends received by certain non-corporate US Holders, as described below. Accordingly, the availability of foreign tax credits or the reduced tax rate for dividends received by certain non-corporate US Holders could be affected by future actions that may be taken by the United States Treasury or parties to whom ADSs are pre-released.

Taxation of Dividends and Other Distributions on the ADSs or Equity Shares

Subject to the PFIC rules discussed below, the gross amount of any distributions we make to you with respect to the ADSs or equity shares (including the amount of any Indian taxes withheld therefrom, if any) generally will be includible in your gross income as foreign source dividend income on the date of receipt by the depository, in the case of ADSs, or by you, in the case of equity shares, but only to the extent that the distribution is paid out of our current or accumulated earnings and profits (as determined under United States federal income tax principles). Any such dividends will not be eligible for the dividends received deduction allowed to corporations in respect of dividends received from other United States corporations. To the extent that the amount of the distribution exceeds our current and accumulated earnings and profits (as determined under United States federal income tax principles), such excess amount will be treated first as a tax-free return of your tax basis in your ADSs or equity shares, and then, to the extent such excess amount exceeds your tax basis in your ADSs or equity shares, as capital gain. However, we currently do not, and we do not intend to calculate our earnings and profits under United States federal income tax principles. Therefore, a US Holder should expect that any distribution will generally be reported as a dividend even if that distribution would otherwise be treated as a non-taxable return of capital or as capital gain under the rules described above.

With respect to certain non-corporate US Holders, including individual US Holders, dividends may be taxed at the lower applicable capital gains rate applicable to “qualified dividend income”, provided that (1) the ADSs or equity shares, as applicable, are readily tradable on an established securities market in the United States or we are eligible for the benefits of the United States-India income tax treaty (the “Treaty”), (2) we are neither a PFIC nor treated as such with respect to you (as discussed below) for the taxable year in which the dividend is paid or the preceding taxable year, and (3) the equity shares are held for a holding period of more than 60 days during the 121 – day period beginning 60 days before the ex-dividend date. Under US Internal Revenue Service authority, equity shares or ADSs representing such shares, are considered for the purpose of clause (1) above to be readily tradable on an established securities market in the United States if they are listed on the NYSE, as our ADSs currently are. You should consult your tax advisors regarding the availability of the lower capital gains rate applicable to qualified dividend income for any dividends paid with respect to our ADSs or equity shares.

Any dividends will constitute foreign source income for foreign tax credit limitation purposes. Subject to certain complex conditions and limitations, Indian taxes withheld on any dividends may be eligible for credit against a U.S. Holder’s federal income tax liability. If a refund of the tax withheld is available under the laws of India or if the tax withheld exceeds the amount applicable under the Treaty, the amount of tax withheld that is refundable or that represents the excess portion will not be eligible for such credit against a U.S. Holder’s U.S. federal income tax liability (and will not be eligible for the deduction against U.S. federal taxable income). If the dividends are taxed as qualified dividend income (as discussed above), the amount of the dividend taken into account for purposes of calculating the foreign tax credit limitation will in general be limited to the gross amount of the dividend, multiplied by the reduced tax rate applicable to qualified dividend income and divided by the highest tax rate normally applicable to dividends. The limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. For this purpose, any dividends distributed by us with respect to ADSs or equity shares will generally constitute “passive category income”. The rules relating to the determination of the foreign tax credit are complex and US Holders should consult their tax advisors to determine whether and to what extent a credit would be available in their particular circumstances, including the effects of any applicable income tax treaties.

Taxation of a Disposition of ADSs or Equity Shares

Subject to the PFIC rules discussed below, upon a sale or other disposition of ADSs or equity shares, a US Holder will generally recognize a capital gain or loss for United States federal income tax purposes in an amount equal to the difference between the amount realized for the ADSs or equity share and such US Holder’s tax basis in such ADSs and equity shares. Any such gain or loss will be treated as long-term capital gain or loss if the US Holder’s holding period in the ADSs and equity shares at the time of the disposition exceeds one year. Long-term capital gain of individual US Holders generally will be subject to United States federal income tax at reduced tax rates. The deductibility of capital losses is subject to limitations. Any such gain or loss that you recognize generally will be treated as United States source income or loss for foreign tax credit limitation purposes.

Because gains generally will be treated as United States source gain, as a result of the United States foreign tax credit limitation, any Indian income tax imposed upon capital gains in respect of ADSs or equity shares (as discussed under “India Taxation – Taxation of Sale of the ADSs”, “India Taxation – Taxation of Sale of the Equity Shares,” “India Taxation – Sale of the Equity Shares on a Recognized Stock Exchange,” “India Taxation – Sale of the Equity Shares otherwise than on a Recognized Stock Exchange” and “India Taxation – Buy-Back of Securities”) may not be currently creditable unless a US Holder has other foreign source income for the year in the appropriate United States foreign tax credit limitation basket. US Holders should consult their tax advisors regarding the application of Indian taxes to a disposition of an ADSs or equity share and their ability to credit an Indian tax against their United States federal income tax liability.



Passive Foreign Investment Company

Based on the market prices of our equity shares and ADSs and the composition of our income and assets, including goodwill, although not clear, we do not believe we were a PFIC for United States federal income tax purposes for our taxable year ended March 31, 2021. However, the application of the PFIC rules is subject to uncertainty in several respects and, therefore, the US Internal Revenue Service may assert that, contrary to our belief, we were a PFIC for such taxable year. Moreover, although the asset test (defined below) is required to be calculated based on the fair market value of our assets, we did not do a valuation of our assets and our belief that we were not a PFIC for our taxable year ended March 31, 2021 is, in part, based on the book value of our assets. In addition, we must make a separate determination each taxable year as to whether we are a PFIC (after the close of each taxable year). Accordingly, we cannot assure you we will not be a PFIC for the taxable year ending on March 31, 2022 or any future taxable year.

A non-United States corporation will be a PFIC for United States federal income tax purposes for any taxable year if, applying certain look-through rules either:

- at least 75.0% of its gross income for such taxable year is passive income, or
- at least 50.0% of the total value of its assets (based on an average of the quarterly values of the assets during such year) is attributable to assets, including cash, that produce passive income or are held for the production of passive income (the asset test).

For this purpose, we will be treated as owning our proportionate share of the assets and earning our proportionate share of the income of any other corporation in which we own, directly or indirectly, 25.0% (by value) of the stock. A separate determination must be made after the close of each taxable year as to whether we were a PFIC for that year. Because the value of our assets for purposes of the PFIC test will generally be determined by reference to the market price of our equity shares and ADSs, which has historically been volatile, fluctuations in the market price of our equity shares and ADSs may cause us to become a PFIC. In addition, changes in the composition of our income or assets may cause us to become a PFIC. While we still believe we were not a PFIC for our taxable year ended March 31, 2021, there is no guarantee that the U.S. Internal Revenue service would agree such on position.

If we are a PFIC for any taxable year during which you hold ADSs or equity shares, we generally will continue to be treated as a PFIC with respect to you for all succeeding years during which you hold our equity shares or ADSs, unless we cease to be a PFIC and you make a “deemed sale” election with respect to the equity shares or ADSs. If such election is timely made, you will be deemed to have sold the ADSs and equity shares you hold at their fair market value on the last day of the last taxable year in which we qualified as a PFIC and any gain from such deemed sale would be subject to the consequences described in the following two paragraphs. In addition, a new holding period would be deemed to begin for the equity shares and ADSs for purposes of the PFIC rules. After the deemed sale election, your equity shares or ADSs with respect to which the deemed sale election was made will not be treated as shares in a PFIC unless we subsequently become a PFIC.

For each taxable year that we are treated as a PFIC with respect to you, you will be subject to special tax rules with respect to any “excess distribution” that you receive and any gain you recognize from a sale or other disposition (including a deemed sale discussed in the precedent paragraph and a pledge) of the ADSs or equity shares, unless you make a “mark-to-market” election as discussed below. Distributions you receive in a taxable year that are greater than 125.0% of the average annual distributions you received during the shorter of the three preceding taxable years or your holding period for the ADSs or equity shares will be treated as an excess distribution. Under these special tax rules:

- the excess distribution or gain will be allocated rateably over your holding period for the ADSs or equity shares;
- the amount allocated to the current taxable year, and any taxable year in your holding period prior to the first taxable year in which we were a PFIC, will be treated as ordinary income; and
- the amount allocated to each other year will be subject to the highest tax rate in effect for individuals or corporations, as applicable, for each such year and the interest charge generally applicable to underpayments of tax will be imposed on the resulting tax attributable to each such year.

In addition, non-corporate US Holders will not be eligible for reduced rates of taxation on any dividends received from us (as described above under “*Taxation of Dividends and Other Distributions on the ADSs or Equity Shares*”) if we are a PFIC in the taxable year in which such dividends are paid or in the preceding taxable year.

The tax liability for amounts allocated to taxable years prior to the year of disposition or “excess distribution” cannot be offset by any net operating losses for such years, and gains (but not losses) realized on the sale or other disposition of the ADSs or equity shares cannot be treated as capital, even if you hold the ADSs or equity shares as capital assets.

If we are treated as PFIC with respect to you for any taxable year, to the extent any of our subsidiaries are also PFICs or we make direct or indirect equity investments in other entities that are PFICs, you may be deemed to own shares in such lower-tier PFICs that are directly or indirectly owned by us in that proportion which the value of the ADSs and equity shares you own bears to the value of all of the ADSs and equity shares, and you may be subject to the adverse tax consequences described in the preceding two paragraphs with respect to the shares of such lower-tier PFICs that you would be deemed to own. You should consult your tax advisor regarding the applicability of the PFIC rules to any of our PFIC subsidiaries.



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A US Holder of “marketable stock” (as defined below) in a PFIC may make a mark-to-market election for such stock to elect out of the PFIC rules described above regarding excess distributions and recognized gains. If you make a valid mark-to-market election for the ADSs or equity shares, you will include in income for each year that we are a PFIC an amount equal to the excess, if any, of the fair market value of the ADSs or equity shares as of the close of your taxable year over your adjusted basis in such ADSs or equity shares. You will be allowed a deduction for the excess, if any, of the adjusted basis of the ADSs or equity shares over their fair market value as of the close of the taxable year. However, deductions are allowable only to the extent of any net mark-to-market gains on the ADSs or equity shares included in your income for prior taxable years. Amounts included in your income under a mark-to-market election, as well as gain on the actual sale or other disposition of the ADSs or equity shares will be treated as ordinary income. Ordinary loss treatment will also apply to the deductible portion of any mark-to-market loss on the ADSs or equity shares, as well as to any loss realized on the actual sale or other disposition of the ADSs or equity shares, to the extent that the amount of such loss does not exceed the net mark-to-market gains previously included for such ADSs or equity shares. Your basis in the ADSs or equity shares will be adjusted to reflect any such income or loss amounts. If you make a mark-to-market election, any distributions that we make would generally be subject to the tax rules discussed above under “*Taxation of Dividends and Other Distributions on the ADSs or Equity Shares*”, except that the lower rate applicable to qualified dividend income (discussed above) would not apply.

The mark-to-market election is available only for “marketable stock”, which is stock that is traded in other than de minimis quantities on at least 15 days during each calendar quarter (“regularly traded”) on a qualified exchange or other market, as defined in the applicable United States Treasury regulations. The NYSE is a qualified exchange. Our ADSs are listed on the NYSE and, consequently, if you are a holder of ADSs and the ADSs are regularly traded, the mark-to-market election would be available to you if we become a PFIC. Because a mark-to-market election cannot be made for equity interests in any lower-tier PFICs we own, a US Holder may continue to be subject to the PFIC rules with respect to its indirect interest in any investments held by us that are treated as an equity interest in a PFIC for United States federal income tax purposes. You should consult your tax advisors as to the availability and desirability of a mark-to-market election, as well as the impact of such election on interests in any lower-tier PFICs.

Alternatively, if a non-United States corporation is a PFIC, a holder of shares in that corporation may avoid taxation under the PFIC rules described above regarding excess distributions and recognized gains by making a “qualified electing fund” election to include in income its share of the corporation’s income on a current basis. However, you may make a qualified electing fund election with respect to our ADSs or equity shares only if we agree to furnish you annually with certain tax information, and we currently do not intend to prepare or provide such information.

Unless otherwise provided by the United States Treasury, each US Holder of a PFIC is required to file an annual report containing such information as the United States Treasury may require. If we are or become a PFIC, you should consult your tax advisor regarding any reporting requirements that may apply to you.

You should consult your tax advisor regarding the application of the PFIC rules to your investment in ADSs or equity shares.

Information Reporting and Backup Withholding

Any dividend payments with respect to ADSs or equity shares and proceeds from the sale, exchange, redemption or other disposition of ADSs or equity shares may be subject to information reporting to the US Internal Revenue Service and possible United States backup withholding. Backup withholding will not apply, however, to a US Holder who furnishes a correct taxpayer identification number and makes any other required certification or who is otherwise exempt from backup withholding. US Holders who are required to establish their exempt status generally must provide such certification on Internal Revenue Service Form W-9. US Holders should consult their tax advisors regarding the application of the United States information reporting and backup withholding rules.

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against your United States federal income tax liability, and you may obtain a refund of any excess amounts withheld under the backup withholding rules by timely filing the appropriate claim for refund with the US Internal Revenue Service and furnishing any required information.

Additional Reporting Requirements

Certain US Holders who are individuals (and certain entities) are required to report information relating to an interest in our ADSs or equity shares, subject to certain exceptions (including an exception for ADSs and equity shares held in accounts maintained by certain financial institutions). US Holders should consult their tax advisors regarding the effect, if any, of these rules on the ownership and disposition of our ADSs or equity shares.

F. Dividends and Paying Agents

Not applicable

G. Statements by Experts

Not applicable

H. Documents on Display

Publicly filed documents concerning our Company which are referred to in this Annual Report may be inspected and copied at the public reference facilities maintained by the SEC at 100 F Street, N.E., Washington, D.C. 20549. Copies of these materials can also be obtained from the Public Reference Room at the SEC’s principal office, 100 F Street, N.E., Washington D.C. 20549, after payment of fees at prescribed rates.



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The SEC maintains a website at www.sec.gov that contains reports, proxy and information statements and other information regarding registrants that make electronic filings through its Electronic Data Gathering, Analysis, and Retrieval ("EDGAR system"). We have made all our filings with SEC using the EDGAR system.

I. Subsidiary Information

Not applicable

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company's businesses are subject to several risks and uncertainties including commodity price risk and financial risks such as liquidity, foreign currency, interest rate and credit risk. See "Note 25: Financial Instruments" of Notes to the Consolidated Financial Statements for disclosures on financial instruments and market risk.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

A. Debt Securities

Not applicable

B. Warrants and Rights

Not applicable

C. Other Securities

Not applicable

D. American Depositary Shares

Our ADRs facility is maintained with Citibank, N.A., or the Depository, pursuant to a deposit agreement, dated as of September 6, 2013, among us, our Depository and the holders and beneficial owners of our ADSs. We use the term "holder" in this discussion to refer to the person in whose name ADRs is registered in the books of the Depository. In accordance with the deposit agreement, the Depository may charge fees up to the amounts described below:

Sl. No.	Type of Service	Fees	Payer
1	Issuance of ADSs upon the deposit of ordinary shares (excluding issuances as a result of distributions described in paragraph 4 below)	Up to \$ 5 per 100 ADSs (or any portion thereof) issued	Person depositing ordinary shares or person receiving ADSs
2	Delivery of Deposited Securities (as defined under the Deposit Agreement) against surrender of ADSs	Up to \$ 5 per 100 ADSs (or any portion thereof) surrendered	Person surrendering ADSs for purpose of withdrawal of Deposited Securities or person to whom Deposited Securities are delivered
3	Distribution of cash dividends or other cash distributions (i.e. sale of rights and other entitlements)	Up to \$ 2 per 100 ADSs (or any portion thereof) held	Person to whom distribution is made
4	Distribution of ADSs pursuant to (i) stock dividends or other free stock distributions, or (ii) exercise of rights to purchase additional ADSs	Up to \$ 5 per 100 ADSs (or any portion thereof) held	Person to whom distribution is made
5	Distribution of securities other than ADSs or rights to purchase additional ADSs (i.e. spin-off shares)	Up to \$ 5 per 100 ADSs (or any portion thereof) held	Person to whom distribution is made
6	Depository services	Up to \$ 2 per 100 ADSs (or any portion thereof) held	Person holding ADSs on applicable record date(s) established by the Depository
7	Transfer of ADRs	Up to \$ 1.5 per certificate presented for transfer	Person presenting certificate for transfer

In addition, holders or beneficial owners of our ADSs, persons depositing ordinary shares for deposit and persons surrendering ADSs for cancellation and withdrawal of deposited securities will be required to pay the following charges:

- taxes (including applicable interest and penalties) and other governmental charges;
- registration fees for the registration of ordinary shares or other deposited securities on the share register and applicable to transfers of ordinary shares or other deposited securities to or from the name of the custodian, the Depository or any nominees upon the making of deposits and withdrawals;
- certain cable, telex, facsimile and electronic transmission and delivery expenses;
- expenses and charges incurred by the Depository in the conversion of foreign currency;
- fees and expenses incurred by the Depository in connection with compliance with exchange control regulations and other regulatory requirements applicable to ordinary shares, deposited securities, ADSs and ADRs;
- fees and expenses incurred by the Depository in connection with the delivery of deposited securities; and



- fees and expenses incurred by the Depository, the custodian, or any nominee in connection with the servicing or delivery of deposited securities.

In the case of cash distributions, the applicable fees, charges, expenses and taxes will be deducted from the cash being distributed. In the case of distributions other than cash, such as share dividends, the distribution generally will be subject to appropriate adjustments for the deduction of the applicable fees, charges, expenses and taxes.

In certain circumstances, the Depository may dispose of all or a portion of such distribution and distribute the net proceeds of such sale to the holders of ADSs, after deduction of applicable fees, charges, expenses and taxes. If the Depository determines that any distribution in property is subject to any tax or other governmental charge which the Depository is obligated to withhold, the Depository may withhold the amount required to be withheld and may dispose of all or a portion of such property in such amounts and in such manner as the Depository deems necessary and appropriate to pay such taxes or charges and the Depository will distribute the net proceeds of any such sale after deduction of such taxes or charges to the holders of ADSs entitled to the distribution.

During fiscal year 2021, the Depository has not reimbursed to us any amount with respect to investor relations expenses.

PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

There has been no material default in the payment of principal or interest.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

ADSs offering in 2009

On July 16, 2009, we completed the ADSs offering on the NYSE. We sold an aggregate of 131,906,011 ADSs representing 131,906,011 equity shares. The price per ADSs was \$ 12.15. The joint book runners of the ADSs offering were J.P. Morgan Securities Inc. and Morgan Stanley & Co. International plc. The joint book runners exercised their over-allotment option to acquire an additional 8,449,221 ADSs at \$ 12.15 per ADSs. The aggregate price of the offering amount, including the over-allotment option, registered, and sold was \$ 1,603 million.

The registration statement on Form F-3 (File No. 333-160580) filed by us in connection with the ADSs offering was automatically effective on July 15, 2009. The net proceeds from the offering to us, after deducting underwriting discounts and commissions and offering expenses (\$ 14 million), amounted to \$ 1,589 million. As of March 31, 2014, we have used the entire proceeds for the purpose mentioned in the offer document. Pursuant to the Re-organization Transactions, each holder of the SIIL ADSs, received three Vedanta Limited ADSs for every five existing SIIL ADSs.

The total outstanding Vedanta Limited ADSs as of March 31, 2021 were 40,225,811.

ITEM 15. CONTROLS AND PROCEDURES

(a) Disclosure Controls and Procedures

As required by Rules 13a-15 and 15d-15 under the Exchange Act, management, including our Chief Executive Officer and our Deputy Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report. Disclosure controls and procedures refer to controls and other procedures designed to ensure that information required to be disclosed in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the rules and forms of the SEC. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in our reports that we file or submit under the Exchange Act is accumulated and communicated to management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding our required disclosure.

Our Chief Executive Officer and our Deputy Chief Financial Officer have concluded that, as of March 31, 2021, our disclosure controls and procedures were not effective as a result of the material weaknesses in our internal control over financial reporting as described below.

(b) Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal controls over financial reporting, as such term is defined in Rule 13a-15(f) of the Exchange Act.

Internal controls over financial reporting refers to a process designed by, or under the supervision of, our Chief Executive Officer and Deputy Chief Financial Officer and effected by our board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with IFRS as issued by the IASB.

Our internal control over financial reporting includes those policies and procedures that, (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of our financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on our consolidated financial statements.



Our management assessed the effectiveness of internal control over financial reporting as of March 31, 2021 based on the criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. As a result of this assessment, management concluded that there were material weaknesses in its internal control over financial reporting, as described below, existed as of March 31, 2021, and hence, the internal control over financial reporting was not effective as at that date. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. The scope of our management’s assessment of the effectiveness of internal control over financial reporting includes all of our company’s consolidated operations.

Our internal controls over financial reporting were ineffective due to the deficiencies related to the design and operation of controls (a) as a result of lack of board policies and procedures related to the authorisation of significant related party transactions, that the subsidiaries of Vedanta Limited undertook. Consequentially, certain subsidiaries of Vedanta Limited granted loans and guarantees to our controlling shareholders and their affiliates, as described in Note 35(b) of the Consolidated Financial Statements, as per the prevailing internal policies and regulations, which did not mandate prior approval of the Board of Vedanta Limited; and (b) over determination of the fair values of financial instruments executed with related parties. As a result, the Company did not appropriately value and record the aforementioned loans and guarantees to its controlling shareholders on a timely basis. Consequently, there was a material error in our interim consolidated financial statements as at and for the six months ended September 30, 2020, which was subsequently rectified in the consolidated financial statements for the year ended March 31, 2021.

As part of remediation plan, during the year, we updated our policies and procedures regarding authorisations for such related party transactions which now require that every related party transaction proposed to be undertaken by the subsidiaries outside our Group would need prior approval from the Board and/or the Audit Committee of Vedanta Limited. We are implementing changes to our controls over estimation of the fair values of financial instruments entered into with our related parties, whereby the rationale for every input used in determination of the fair value would need to be documented and reviewed by the management. However, there is no assurance as to when such remediation would be completed. As the remediation plans are or continue to be implemented, management may take additional measures or modify the plan elements described above.

Our management recognizes that there are inherent limitations in the effectiveness of any system of internal control over financial reporting, including the possibility of human error and the circumvention or override of internal control. Accordingly, even effective internal control over financial reporting can provide only reasonable assurance with respect to financial statement preparation and may not prevent or detect all misstatements and can only provide reasonable assurance with respect to the preparation and presentation of our financial statements.

The effectiveness of our internal control over financial reporting as at March 31, 2021 has been audited by S.R. Batliboi & Co. LLP, India, our independent registered public accounting firm, as stated in their report which is reproduced in its entirety in Item 15(c) below:

(c) Attestation Report of the Registered Public Accounting Firm

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Vedanta Limited

Opinion on Internal Control over Financial Reporting

We have audited Vedanta Limited and subsidiaries’ internal control over financial reporting as of March 31, 2021, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, because of the effect of the material weaknesses identified below on the achievement of the objectives of the control criteria, Vedanta Limited and subsidiaries (the Company) has not maintained effective internal control over financial reporting as of March 31, 2021, based on the COSO criteria.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company’s annual or interim financial statements will not be prevented or detected on a timely basis. Material weaknesses in internal controls have been identified by the Company and included in management’s assessment with respect to deficiencies related to the design and operation of controls (a) as a result of lack of board policies and procedures related to the authorisation of significant related party transactions, that the subsidiaries of Vedanta Limited undertook. Consequentially, certain subsidiaries of Vedanta Limited granted loans and guarantees to its controlling shareholders and their affiliates without a prior approval of the Board of Vedanta Limited since the prevailing internal policies and regulations did not mandate prior approval of the Board of Vedanta Limited; and (b) over determination of the fair values of financial instruments executed with related parties. As a result, the Company did not appropriately value and record the aforementioned loans and guarantees to its controlling shareholders on a timely basis. This resulted in the Company’s interim consolidated financial statements being issued with a material error and the necessary adjustment being recorded subsequently.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated statements of financial position of the Company as of March 31, 2021 and 2020, the related consolidated statements of profit and loss, comprehensive income, cash flows and changes in equity for each of the three years in the period ended March 31, 2021. These material weaknesses were considered in determining the nature, timing, and extent of audit tests applied in our audit of the 2021 consolidated financial statements, and this report does not affect our report dated July 19, 2021, which expressed an unqualified opinion thereon.



We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated statements of financial position of the Company as of March 31, 2021 and 2020 the related consolidated statements of profit and loss, comprehensive income, cash flows and changes in equity for each of the three years in the period ended March 31, 2021, and the related notes and our report dated July 19, 2021, expressed an unqualified opinion thereon.

Basis for Opinion

The Company’s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management’s Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company’s internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ S. R. Batliboi & Co. LLP
Gurugram, India
July 19, 2021

(d) Changes in Internal Control over Financial Reporting

Management has evaluated, with the participation of our Chief Executive Officer and our Deputy Chief Financial Officer, whether any changes in our internal control over financial reporting that occurred during our last fiscal year have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. Based on the evaluation we conducted, except for the remediation efforts described above in respect of the material weaknesses identified, management has concluded that no such changes have occurred in fiscal year 2021.

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

Our Board has determined that Dindayal Jalan, an independent director and a member of our audit committee (now known as Audit & Risk Management Committee) qualifies as an “audit committee financial expert” within the requirements of the rules promulgated by the SEC relating to audit committee. Dindayal Jalan satisfies the “independence” requirements of Rule 10A-3 of the exchange act and the NYSE rules. See “Item 6: Directors, senior management and employees – A. Directors and Senior Management” for the experience and qualifications of the members of the Audit committee and also see “Item 6: Directors, senior management and employees – C. Board practices – Committees of board – Audit committee” for the details of members of Audit committee.

ITEM 16B. CODE OF ETHICS

We have adopted a written Code of Business Conduct and Ethics that is applicable to all of our directors, senior management, executive officers, and employees. We amended our Code of Business Conduct and Ethics in October 2014. We added certain provisions including applicable provisions relating to the U.K Bribery Act, 2010, particularly on the meaning, scope and application of the terms bribery, corruption, fraud, gifts, entertainment and political contributions to the Company and our employees. As an issuer of securities in the United States, we are subject to the US Foreign Corrupt Practices Act (FCPA). Our businesses in other countries shall comply with their respective anti-corruption laws. Additionally, in accordance with the Companies Act, 2013 and the amendment in the listing agreement of stock exchanges in India, the Code of Business Conduct and Ethics was amended to incorporate the duties of the Independent Directors. The Code of Business Conduct and Ethics was amended in April 2015, elaborating on competition law and fair dealing. In addition to this amendment, the Code of Business Conduct and Ethics was further amended at the board meeting held in July 2015, to refresh the core purposes and values of the Company. During fiscal year 2017, the Health, Safety and Environment section in the Company’s Code of Business Conduct and Ethics was amended to reflect applicable provisions relating to the U.K. Modern Slavery Act, 2015, particularly by including a Slavery and Trafficking Statement including the steps taken that slavery and human trafficking is not taking place, either in our business or supply chains.



We have posted the code on our website at –

https://www.vedantalimited.com/CorporateGovernance/vedanta_limited_code_of_conduct_and_business_ethics.pdf

Information contained in our website does not constitute a part of this Annual Report. We will also make available a copy of the Code of Business Conduct and Ethics to any person, without charge, if a written request is made to us at our registered office at 1st Floor, ‘C’ wing, Unit 103, Corporate Avenue, Atul Projects, Chakala, Andheri (East), Mumbai – 400 093, Maharashtra, India.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Our financial statements are prepared in accordance with IFRS as issued by the IASB and are audited by S.R. Batliboi & Co. LLP, Chartered Accountants (“SRB”), a firm registered with the Public Company Accounting Oversight Board in the United States and an Indian firm of Chartered Accountants registered with the Institute of Chartered Accountants of India.

The following table shows the aggregate fees for the professional services and other services rendered by SRB and the various member firms of SRB to us, including our subsidiaries, in fiscal years 2020 and 2021.

Particulars	For the Year Ended March 31,	
	2020	2021
	(\$ in thousands)	
Audit fees (audit and review of financial statements)	3,845	4,242
Audit-related fees (including other miscellaneous audit related certifications)	50	47
Tax fees (tax audit, other certifications and tax advisory services)	64	41
All other fees (certification on corporate governance and advisory services)	72	19
Total	4,031	4,349

Audit & Risk Management Committee Pre-approval Process

Our Audit Committee reviews and pre-approves the scope and the cost of audit services related to us and permissible non-audit services performed by the independent auditors, other than those for de minimis services, which are approved by the Audit Committee prior to the completion of the audit. All of the services related to our Company provided by SRB during the last fiscal year have been approved by the Audit Committee.

In accordance with the Company’s Audit Committee Charter, prior approval of Audit Committee is obtained for any form of audit and non-audit services wherein the Statutory Auditors and its affiliates are engaged for the Company and its subsidiaries. The Audit Committee is briefed on the total approved services along with the actual services taken and additional approvals are also sought wherever required. The details on the category / nature of the services are also placed before the Audit Committee in detail. Further, the Audit Committee also recommends the appointment and remuneration payable to Tax Auditor, Secretarial Auditor, Internal Auditor and Cost Auditor.

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Not applicable

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

Period	Total number of shares (or units) purchased	Average price paid per share (or units) (in ₹)	Total number of shares (or units) purchased as part of publically announced plans or programs (As at March 31, 2021)	Maximum number of shares (or units) that may yet be purchased under plans or programs
April 1, 2020 to March 31, 2021	NIL	NA	16,826,630	5.0% within one financial year of the paid up capital; 5.0% within the scheme tenure of the paid up capital

During the fiscal year 2021, no shares were purchased by Vedanta Employee Stock Option Scheme trust (“ESOS Trust”). As at March 31, 2021, total no. of shares (or units) purchased as part of publically announced plans or programs is 16,826,630.

On December 12, 2016, the shareholders authorized the Company for the acquisition of up to 148,250,244 Equity Shares (which represents five percent of the paid up equity capital as on March 31, 2016, in different tranches from the secondary market by Vedanta Employee Stock Option Scheme trust (“ESOS Trust”) for the purpose of allotment to the employees of the Company and its subsidiary, post vesting of the options allotted. The secondary acquisition in a fiscal year by the ESOS Trust shall not exceed five percent of the paid up equity capital of the Company or such other limit as may be prescribed under the SEBI (Share Based Employee Benefits) Regulations, 2014 from time to time as at the end of the previous fiscal year. See “Item 6: Directors, senior management and Employees – B. Compensation – Vedanta Limited Employee stock option scheme (“Vedanta Limited ESOS”)”.

ITEM 16F. CHANGE IN REGISTRANT’S CERTIFYING ACCOUNTANT

Not applicable



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ITEM 16G. CORPORATE GOVERNANCE

As our ADSs are listed on the NYSE, we are subject to the NYSE listing standards. The NYSE listing standards applicable to us, as a foreign private issuer, are considerably different from those applicable to US companies. Under the NYSE rules, we need to (i) establish an independent Audit Committee; (ii) provide prompt certification by our Chief Executive Officer of any material non-compliance with any corporate governance rules of the NYSE; (iii) provide periodic (annual and interim) written affirmations to the NYSE with respect to our corporate governance practices; and (iv) provide a brief description of significant differences between our corporate governance practices and those followed by US companies. Our Audit and Risk Management Committee consists of four directors: Mahendra Kumar Sharma, who is our Chairperson, Upendra Kumar Sinha, Akhilesh Joshi and Dindayal Jalan. Each of Mahendra Kumar Sharma, Upendra Kumar Sinha, Akhilesh Joshi and Dindayal Jalan satisfy the “independence” requirements of Rule 10A-3 of the Exchange Act. A brief description of the significant differences between our corporate governance practices and those followed by US companies can be found in “*Item 10. Additional Information—B. Memorandum and Articles of Association—Comparison of Corporate Governance Standards.*”

As a foreign private issuer, we are exempt from the NYSE rules applicable to a US company requiring (i) a board of directors consisting of a majority of independent directors, (ii) a compensation committee and a nominating/corporate governance committee, (iii) shareholder approval of equity-compensation plans, (iv) the adoption and disclosure of corporate governance guidelines, and (v) the adoption and disclosure of a code of business conduct and ethics for directors, officer and employees, and the prompt disclosure of any waivers thereof for directors or executive officers.

In addition, we are deemed to be a “controlled company” under the NYSE rules. As a result, we are exempt from the NYSE rules applicable to a US company that is not a “controlled company” requiring (i) a board of directors consisting of a majority of independent directors and (ii) a compensation committee and a nominating/corporate governance committee.

ITEM 16H. MINE SAFETY DISCLOSURE

Not applicable



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PART III

ITEM 17. FINANCIAL STATEMENTS

See – “*Item 18*” for a list of the financial statements filed as part of this Annual Report.

ITEM 18. FINANCIAL STATEMENTS

The following financial statements are filed as part of this Annual Report, together with the report of the independent registered public accounting firms:

- Report of Independent Registered Public Accounting Firm
- Consolidated Statements of Profit or Loss for the years ended March 31, 2019, 2020 and 2021
- Consolidated Statements of Comprehensive Income for the years ended March 31, 2019, 2020 and 2021
- Consolidated Statements of Cash Flow for the years ended March 31, 2019, 2020 and 2021
- Consolidated Statements of Financial Position as at March 31, 2020 and 2021
- Consolidated Statement of Changes in Equity for the years ended March 31, 2019, 2020 and 2021
- Notes to the consolidated financial statements



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ITEM 19. EXHIBITS

- 1.1 [Certificate of Incorporation pursuant to change of name to Vedanta Limited—incorporated by reference to Exhibit 99.1 to the Form 6-K \(File No. 001-33175\) of Vedanta Limited, as filed with the SEC on May 29, 2015.](#)
- 1.2 [Memorandum and Articles of Association of Vedanta Limited—incorporated by reference to Exhibit 1.2 of the annual report on Form-20F for fiscal year 2017 \(File No. 001-33175\) of Vedanta Limited, as filed with the SEC on August 15, 2017.](#)
- 2.1 [Form of Deposit Agreement among Sterlite Industries \(India\) Limited, Citibank, N.A., as Depository, and owners and holders from time to time of American Depositary Shares evidenced by American Depositary Receipts issued thereunder amended \(including the Form of ADR\) —incorporated by reference to Exhibit \(a\) of Amendment No. 2 to the Registration Statement on Form F-6 \(File No. 333-139102\), as filed with the SEC on June 15, 2007 as amended by Form of ADR incorporated by reference to Form 424B3 \(File No. 333-139102\), as filed with the SEC on June 28, 2010.](#)
- 2.2 [Form of Deposit Agreement among Sesa Goa Limited and Citibank, N.A., as Depository and the holders and beneficial owners of American Depositary Shares issued thereunder—incorporated by reference to Exhibit 99.1 to the Form 6-K \(File No. 001-33175\), as filed with the SEC on September 11, 2013.](#)
- 2.3 [Form of Deposit Agreement among Vedanta Limited and Citibank, N.A., for continued appointment of Citibank as the exclusive Depository of American Depositary Receipts issued thereunder—incorporated by reference to Exhibit 2.3 of the annual report on Form-20F for fiscal year 2017 \(File No. 001-33175\) of Vedanta Limited, as filed with the SEC on August 15, 2017.](#)
- 2.4 [Specimen share certificate—incorporated by reference to Exhibit 99.2 to the Form 6-K \(File No. 001-33175\) of Vedanta Limited, as filed with the SEC on May 29, 2015.](#)
- 4.1 [Brand License Agreement with Vedanta Resources Plc.- incorporated by reference to Exhibit 4.1 of the annual report on Form-20F for fiscal year 2018 \(File No. 001-33175\) of Vedanta Limited, as filed with the SEC on July 31, 2018](#)
- 4.2** [Brand License and strategic service Agreement with Vedanta Resources Limited](#)
- 4.3 [Vedanta Resources plc Long-Term Incentive Plan—incorporated by reference to Exhibit 10.1 to the Registration Statement on Form F-1 \(File No. 333-138739\), as filed with the SEC on November 15, 2006.](#)
- 4.4 [Vedanta Resources plc Employee Share Ownership Plan \(“ESOP”\) 2013—incorporated by reference to Exhibit 4.2 of the annual report on Form-20F for fiscal year 2014 \(File No. 001-33175\) of Sesa Sterlite Limited, as filed with the SEC on August 15, 2014.](#)
- 4.5 [Vedanta Resources plc ESOP Scheme 2012—incorporated by reference to Exhibit 4.3 of the annual report on Form-20F for fiscal year 2014 \(File No. 001-33175\) of Sesa Sterlite Limited, as filed with the SEC on August 15, 2014.](#)
- 4.6** [Vedanta Limited Share Plan: Employee Stock Option Scheme \(ESOS\) 2021](#)
- 4.7 [Vedanta Resources plc Performance Share Plan Rules—incorporated by reference to Exhibit 4.4 of the annual report on Form-20F for fiscal year 2017 \(File No. 001-33175\) of Vedanta Limited, as filed with the SEC on August 15, 2017.](#)



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- 4.8 [Cairn India Performance Option Plan—incorporated by reference to Exhibit 4.6 of the annual report on Form-20F for fiscal year 2016 \(File No. 001-33175\) of Vedanta Limited, as filed with the SEC on August 1, 2016.](#)
- 4.9 [Vedanta Resources plc Deferred Share Bonus Plan 2015—incorporated by reference to Exhibit 4.6 of the annual report on Form-20F for fiscal year 2017 \(File No. 001-33175\) of Vedanta Limited, as filed with the SEC on August 15, 2017.](#)
- 4.10 [Vedanta Limited Share Plan: Employee Stock Option Scheme \(ESOS\) 2016—incorporated by reference to Exhibit 4.7 of the annual report on Form-20F for fiscal year 2017 \(File No. 001-33175\) of Vedanta Limited, as filed with the SEC on August 15, 2017.](#)
- 4.11 [Vedanta Limited Share Plan: Employee Stock Option Scheme \(ESOS\) 2017—incorporated by reference to Exhibit 4.9 of the annual report on Form-20F for fiscal year 2018 \(File No. 001-33175\) of Vedanta Limited, as filed with the SEC on July 31, 2018](#)
- 4.12 [Relationship Agreement dated December 5, 2003 among Vedanta, Volcan Investments Limited, Dwarka Prasad Agarwal, Agnivesh Agarwal and Anil Agarwal—incorporated by reference to Exhibit 10.2 to the Registration Statement on Form F-1 \(File No. 333-138739\), as filed with the SEC on November 15, 2006.](#)
- 4.13 [Deed of Adherence dated December 11, 2007 among Vedanta Resources plc, Volcan Investments Limited, Onclave PTC Limited and Anil Agarwal—incorporated by reference to Exhibit 4.3 of the annual report on Form-20F for fiscal year 2008 \(File No. 001-33175\) of Sterlite Industries \(India\) Limited, as filed with the SEC on June 30, 2008.](#)
- 4.14 [Shared Services Agreement dated December 5, 2003 among Vedanta, Sterlite Optical Technologies Limited, Sterlite Gold Limited and Sterlite Industries \(India\) Limited, including the letter agreement dated April 13, 2006 amending the Shared Services Agreement—incorporated by reference to Exhibit 10.3 to the Registration Statement on Form F-1 \(File No. 333-138739\), as filed with the SEC on November 15, 2006.](#)
- 4.15 [Consultancy Agreement dated March 29, 2005 between Vedanta and Sterlite Industries \(India\) Limited—incorporated by reference to Exhibit 10.4 to the Registration Statement on Form F-1 \(File No. 333-138739\), as filed with the SEC on November 15, 2006.](#)
- 4.16 [Management Services Agreement dated May 20, 2014 between Vedanta and Sesa Sterlite Limited—incorporated by reference to Exhibit 4.8 of the annual report on Form-20F for fiscal year 2014 \(File No. 001-33175\) of Sesa Sterlite Limited, as filed with the SEC on August 15, 2014.](#)
- 4.17 [Representative Office Agreement dated March 29, 2005 between Vedanta and Sterlite Industries \(India\) Limited—incorporated by reference to Exhibit 10.5 to the Registration Statement on Form F-1 \(File No. 333-138739\), as filed with the SEC on November 15, 2006.](#)
- 4.18 [Representative Office Agreement dated May 20, 2014 between Vedanta and Sesa Sterlite Limited—incorporated by reference to Exhibit 4.10 of the annual report on Form-20F for fiscal year 2014 \(File No. 001-33175\) of Sesa Sterlite Limited, as filed with the SEC on August 15, 2014.](#)
- 4.19 [Shareholders' Agreement between the President of India and Sterlite Opportunities and Ventures Limited dated April 4, 2002—incorporated by reference to Exhibit 10.6 to the Registration Statement on Form F-1 \(File No. 333-138739\), as filed with the SEC on November 15, 2006.](#)
- 4.20 [Shareholders' Agreement between Sterlite Industries \(India\) Limited, GoI and BALCO dated March 2, 2001—incorporated by reference to Exhibit 10.7 to the Registration Statement on Form F-1 \(File No. 333-138739\), as filed with the SEC on November 15, 2006.](#)



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- 4.21 [Guarantee Agreement between the President of India, Sterlite Industries \(India\) Limited, Sterlite Optical Technologies Limited and Sterlite Opportunities and Ventures Limited dated April 4, 2002—incorporated by reference to Exhibit 10.8 to the Registration Statement on Form F-1 \(File No. 333-138739\), as filed with the SEC on November 15, 2006.](#)
- 4.22 [Agreement between Vedanta Aluminium Limited and Orissa Mining Corporation Limited dated October 5, 2004—incorporated by reference to Exhibit 10.9 to the Registration Statement on Form F-1 \(File No. 333-138739\), as filed with the SEC on November 15, 2006.](#)
- 4.23 [Mining lease between the Government of Rajasthan and HZL dated March 13, 1980 renewed on September 15, 2000 pursuant to an order of the Government of Rajasthan dated May 1, 2000 and an indenture dated September 15, 2000—incorporated by reference to Exhibit 10.10 to the Registration Statement on Form F-1 \(File No. 333-138739\), as filed with the SEC on November 15, 2006.](#)
- 4.24 [\\$ 92.6 million Term Facility Agreement between Sterlite Industries \(India\) Limited as borrower and CALYON, Standard Chartered Bank and ICICI Bank Limited as lenders dated March 22, 2006—incorporated by reference to Exhibit 10.11 to the Registration Statement on Form F-1 \(File No. 333-138739\), as filed with the SEC on November 15, 2006.](#)



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- 4.25 [Japanese Yen 3,570 million and \\$ 19.65 million Term Loan Facilities Agreement between Sterlite Industries \(India\) Limited as borrower and ICICI Bank Limited, Sumitomo Mitsui Banking Corporation and DBS Bank Limited as lenders dated September 19, 2005—incorporated by reference to Exhibit 10.12 to the Registration Statement on Form F-1 \(File No. 333-138739\), as filed with the SEC on November 15, 2006.](#)
- 4.26 [\\$ 125 million Term Facility Agreement between HZL as borrower and ABN AMRO Bank N.V., CALYON, Standard Chartered Bank, DBS Bank Limited, Mizuho Corporate Bank, Limited., Sumitomo Mitsui Banking Corporation, The Sumitomo Trust and Banking Co., Limited., Cathay United Bank, Hua Nan Commercial Bank, National Bank of Kuwait S.A.K., Bank of Taiwan, The Export-Import Bank of the Republic of China, Chang Hwa Commercial Bank Limited., Chiao Tung Bank Co., Limited., The International Commercial Bank of China, Co. Limited., Mascareignes International Bank Ltd., Syndicate Bank, Canara Bank and The Shanghai Commercial and Savings Bank, Limited. as lenders dated July 29, 2005—incorporated by reference to Exhibit 10.13 to the Registration Statement on Form F-1 \(File No. 333-138739\), as filed with the SEC on November 15, 2006.](#)
- 4.27 [\\$ 50 million Facility Agreement between BALCO as borrower and ICICI Bank Limited, Singapore Branch, ICICI Bank Limited, Bahrain Branch and ICICI Bank Limited, Offshore Banking Unit as lenders dated November 8, 2004—incorporated by reference to Exhibit 10.15 to the Registration Statement on Form F-1 \(File No. 333-138739\), as filed with the SEC on November 15, 2006.](#)
- 4.28 [\\$ 50 million Facility Agreement between BALCO as borrower and ICICI Bank Limited, ICICI Bank Limited, Bahrain Branch and ICICI Bank Limited, Offshore Banking Unit as lenders dated November 10, 2004—incorporated by reference to Exhibit 10.16 to the Registration Statement on Form F-1 \(File No. 333-138739\), as filed with the SEC on November 15, 2006.](#)
- 4.29 [₹ 10,000 million Facility Agreement between BALCO as borrower and Oriental Bank of Commerce, Syndicate Bank, The Jammu & Kashmir Bank Limited, Corporation Bank, Housing Development Finance Corporation Limited, State Bank of Bikaner & Jaipur, State Bank of Hyderabad, State Bank of Indore, State Bank of Mysore, State Bank of Patiala, State Bank of Saurashtra, The Federal Bank Limited, The Karnataka Bank Limited, The Karur Vysya Bank Limited, UCO Bank, Vijaya Bank, ABN AMRO Bank N.V., The Laxmi Vilas Bank Limited as lenders dated September 16, 2003—incorporated by reference to Exhibit 10.17 to the Registration Statement on Form F-1 \(File No. 333-138739\), as filed with the SEC on November 15, 2006.](#)
- 4.30 [Information Memorandum dated May 30, 2013 relating to the issue of 5000 rated taxable secured listed redeemable non-convertible debentures of face value of ₹ 1 million each, aggregating up to ₹ 5000 million to be issued on a private placement basis in the financial year 2013-14 by BALCO—incorporated by reference to Exhibit 4.23 of the annual report on Form-20F for fiscal year 2014 \(File No. 001-33175\) of Sesa Sterlite Limited, as filed with the SEC on August 15, 2014.](#)
- 4.31 [Disclosure document dated July 3, 2013 for private placement of secured, redeemable non-convertible debentures of ₹ 1,000,000 each aggregating up to ₹ 25000 million by Sterlite Industries \(India\) Limited—incorporated by reference to Exhibit 4.24 of the annual report on Form-20F for fiscal year 2014 \(File No. 001-33175\) of Sesa Sterlite Limited, as filed with the SEC on August 15, 2014.](#)
- 4.32 [Disclosure document dated July 3, 2013 for Private Placement of Secured, Redeemable Non-Convertible Debentures of ₹ 1,000,000 each aggregating up to ₹ 4500 million—incorporated by reference to Exhibit 4.25 of the annual report on Form-20F for fiscal year 2014 \(File No. 001-33175\) of Sesa Sterlite Limited, as filed with the SEC on August 15, 2014.](#)
- 4.33 [Disclosure document dated July 3, 2013, for Private Placement of Secured, Redeemable Non-Convertible Debenture of ₹ 100,000 each aggregating up to ₹ 750 million—incorporated by reference to Exhibit 4.26 of the annual report on Form-20F for fiscal year 2014 \(File No. 001-33175\) of Sesa Sterlite Limited, as filed with the SEC on August 15, 2014.](#)
- 4.34 [Common Rupee Loan Agreement dated December 27, 2013 among Sesa Sterlite Limited as Borrower, the Banks and Financial Institutions set forth in Part A Schedule I, as Rupee Lenders, Axis Bank Limited, as Lenders' Agent and Axis Trustee Services Limited as Security Trustee—incorporated by reference to Exhibit 4.27 of the annual report on Form-20F for fiscal year 2014 \(File No. 001-33175\) of Sesa Sterlite Limited, as filed with the SEC on August 15, 2014.](#)



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- 4.35 [Term Loan Agreement dated November 28, 2013 between Sesa Sterlite and Canara Bank—incorporated by reference to Exhibit 4.28 of the annual report on Form-20F for fiscal year 2014 \(File No. 001-33175\) of Sesa Sterlite Limited, as filed with the SEC on August 15, 2014.](#)
- 4.36 [US\\$ 100,000,000 Facility Agreement dated June 20, 2008 between Vedanta Aluminium Limited as Borrower, ICICI Bank Limited as Arranger, The Banks and Financial Institutions \(listed in Schedule 1\) as Original Lenders and ICICI Bank Limited as Agent—incorporated by reference to Exhibit 4.29 of the annual report on Form-20F for fiscal year 2014 \(File No. 001-33175\) of Sesa Sterlite Limited, as filed with the SEC on August 15, 2014.](#)



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- 4.37 [Facility Agreement dated April 5, 2011 between Vedanta Aluminium Limited as Borrower, The Banks and Financial Institutions Set Forth in Schedule I as the Rupee Lenders and State Bank of India as the Issuing Bank and Facility Agent—incorporated by reference to Exhibit 4.30 of the annual report on Form-20F for fiscal year 2014 \(File No. 001-33175\) of Sesa Sterlite Limited, as filed with the SEC on August 15, 2014.](#)
- 4.38 [Amendment and Restatement Agreement dated June 27, 2011 relating to the \\$ 500,000,000 Intercompany Loan Facility Agreement dated July 6, 2009 between Vedanta Aluminium as the borrower and Welter Trading Limited as the original lender and Axis Bank Limited, Hong Kong Branch as agent and Security Trustee under the Amended and Restated Facility Agreement—incorporated by reference to Exhibit 4.31 of the annual report on Form-20F for fiscal year 2014 \(File No. 001-33175\) of Sesa Sterlite Limited, as filed with the SEC on August 15, 2014.](#)
- 4.39 [\\$ 50,000,000 Facility Agreement dated January 8, 2013 among Vedanta Aluminium as the original borrower, Sterlite Industries \(India\) Limited as guarantor, AXIS Bank Limited, Hong Kong Branch as arranger, as original lender and as agent and AXIS Bank Limited as security trustee—incorporated by reference to Exhibit 4.32 of the annual report on Form-20F for fiscal year 2014 \(File No. 001-33175\) of Sesa Sterlite Limited, as filed with the SEC on August 15, 2014.](#)
- 4.40 [\\$ 1,200,000,000 Facility Agreement dated May 15, 2013 for Vedanta with Twin Star Mauritius Holdings Limited as borrower arranged by Bank of America, N.A., Barclays Banl Plc, Citigroup Global Markets Asia Limited, J.P. Morgan Chase Bank N.A., Singapore Branch, The Royal Bank of Scotland Plc and Standard Chartered Bank and Standard Chartered Bank \(Mauritius\) Limited acting as account bank and Standard Chartered Bank acting as agent and security agent—incorporated by reference to Exhibit 4.33 of the annual report on Form-20F for fiscal year 2014 \(File No. 001-33175\) of Sesa Sterlite Limited, as filed with the SEC on August 15, 2014.](#)
- 4.41 [₹ 50,000 million Facility Agreement dated July 21, 2014 among Sesa Sterlite Limited as borrower, State Bank of India as lender and SBICAP Trustee Company Limited as security trustee—incorporated by reference to Exhibit 4.35 of the annual report on Form-20F for fiscal year 2015 \(File No. 001-33175\) of Vedanta Limited, as filed with the SEC on August 14, 2015.](#)
- 4.42 [₹ 10,000 million Facility Agreement dated April 15, 2014 among Sesa Sterlite Limited as borrower and Union Bank of India as lender—incorporated by reference to Exhibit 4.36 of the annual report on Form-20F for fiscal year 2015 \(File No. 001-33175\) of Vedanta Limited, as filed with the SEC on August 14, 2015.](#)
- 4.43 [₹ 20,000 million Facility Agreement dated April 15, 2014 among Sesa Sterlite Limited as borrower, Bank of India as lender and SBICAP Trustee Company Limited as security trustee—incorporated by reference to Exhibit 4.37 of the annual report on Form-20F for fiscal year 2015 \(File No. 001-33175\) of Vedanta Limited, as filed with the SEC on August 14, 2015.](#)
- 4.44 [₹ 10,250 million Facility Agreement dated April 15, 2014 among Sesa Sterlite Limited as borrower and Syndicate Bank as lender—incorporated by reference to Exhibit 4.38 of the annual report on Form-20F for fiscal year 2015 \(File No. 001-33175\) of Vedanta Limited, as filed with the SEC on August 14, 2015.](#)
- 4.45 [₹ 20,000 million Facility Agreement dated April 15, 2014 among Sesa Sterlite Limited as borrower and Bank of Baroda as lender—incorporated by reference to Exhibit 4.39 of the annual report on Form-20F for fiscal year 2015 \(File No. 001-33175\) of Vedanta Limited, as filed with the SEC on August 14, 2015.](#)
- 4.46 [Debenture trust deed dated December 23, 2014 for 9.36% rated, secured, listed, redeemable non-convertible debentures between Sesa Sterlite Limited as the Issuer and Axis Trustee Services Limited as the Debenture Trustee—incorporated by reference to Exhibit 4.40 of the annual report on Form-20F for fiscal year 2015 \(File No. 001-33175\) of Vedanta Limited, as filed with the SEC on August 14, 2015.](#)



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- 4.47 [\\$ 250 million conventional facility \(with a greenshoe option to increase the facility amount by \\$ 125 million\) and \\$ 250 million Islamic facility \(with a greenshoe option to increase the facility amount by \\$ 125 million\) for Vedanta Resources Plc with Twin Star Mauritius Holdings Ltd arranged by First Gulf Bank PJSC and Standard Chartered Bank as Conventional Facility Arrangers and Islamic Facility Arrangers, and Standard Chartered Bank \(Mauritius\) Limited acting as Account Bank and Standard Chartered Bank acting as Global Facility Agent—incorporated by reference to Exhibit 4.41 of the annual report on Form-20F for fiscal year 2015 \(File No. 001-33175\) of Vedanta Limited, as filed with the SEC on August 14, 2015.](#)
- 4.48 [\\$ 100 million Facility Agreement dated August 20, 2014 among Twin Star Mauritius Holdings Ltd as borrower and Vedanta Resources Jersey II Limited as lender—incorporated by reference to Exhibit 4.42 of the annual report on Form-20F for fiscal year 2015 \(File No. 001-33175\) of Vedanta Limited, as filed with the SEC on August 14, 2015.](#)
- 4.49 [Subscription Agreement between Sterlite Industries \(India\) Limited and the Life Insurance Corporation of India dated April 9, 2003—incorporated by reference to Exhibit 10.18 to the Registration Statement on Form F-1\(File No. 333-138739\), as filed with the SEC on November 15, 2006.](#)



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- 4.50 [Option Agreement between Sterlite Industries \(India\) Limited, India Foils Limited and ICICI Bank Limited dated February 18, 2005—incorporated by reference to Exhibit 10.19 to the Registration Statement on Form F-1 \(File No. 333-138739\), as filed with the SEC on November 15, 2006.](#)
- 4.51 [Corporate Guarantee by Sterlite Industries \(India\) Limited to ICICI Bank Limited on behalf of India Foils Limited dated February 8, 2005—incorporated by reference to Exhibit 10.20 to the Registration Statement on Form F-1 \(File No. 333-138739\), as filed with the SEC on November 15, 2006.](#)
- 4.52 [Corporate Guarantee by Sterlite Industries \(India\) Limited to ICICI Bank Limited on behalf of Vedanta Aluminium Limited dated December 4, 2004—incorporated by reference to Exhibit 10.21 to the Registration Statement on Form F-1 \(File No. 333-138739\), as filed with the SEC on November 15, 2006.](#)
- 4.53 [Frame Contract between Sterlite Industries \(India\) Limited and the CMT dated July 1, 2004, as amended on July 1, 2004—incorporated by reference to Exhibit 10.22 to the Registration Statement on Form F-1 \(File No. 333-138739\), as filed with the SEC on November 15, 2006.](#)
- 4.54 [Copper Concentrate Purchase Contract between Sterlite Industries \(India\) Limited and the CMT dated July 1, 2005—incorporated by reference to Exhibit 10.23 to the Registration Statement on Form F-1 \(File No. 333-138739\), as filed with the SEC on November 15, 2006.](#)
- 4.55 [Agreement for Sale and Purchase of the Power Transmission Line Division between Sterlite Industries \(India\) Limited and Sterlite Optical Technologies Limited dated August 30, 2006—incorporated by reference to Exhibit 10.24 to the Registration Statement on Form F-1 \(File No. 333-138739\), as filed with the SEC on November 15, 2006.](#)
- 4.56 [Agreement between Sterlite Industries \(India\) Limited and Navin Agarwal dated October 8, 2003—incorporated by reference to Exhibit 10.25 to the Registration Statement on Form F-1 \(File No. 333-138739\), as filed with the SEC on November 15, 2006.](#)
- 4.57 [Agreement between Sesa Goa Limited and Navin Agarwal dated August 17, 2013—incorporated by reference to Exhibit 4.42 of the annual report on Form-20F for fiscal year 2014 \(File No. 001-33175\) of Sesa Sterlite Limited, as filed with the SEC on August 15, 2014.](#)
- 4.58 [Agreement between Sterlite Industries \(India\) Limited and Kuldip Kumar Kaura dated September 12, 2006—incorporated by reference to Exhibit 10.26 to the Registration Statement on Form F-1 \(File No. 333-138739\), as filed with the SEC on November 15, 2006.](#)
- 4.59 [Letter issued by Sterlite Industries \(India\) Limited to Kuldip Kumar Kaura dated March 27, 2008—incorporated by reference to Exhibit 4.28 of the annual report on Form-20F for fiscal year 2008 \(File No. 001-33175\) of Sterlite Industries \(India\) Limited, as filed with the SEC on June 30, 2008.](#)
- 4.60 [Share Purchase Agreement between Sterlite Industries \(India\) Limited and Anil Agarwal dated October 3, 2006 relating to the sale of Sterlite Energy Limited—incorporated by reference to Exhibit 10.29 of Amendment No. 1 to the Registration Statement on Form F-1 \(File No. 333-138739\), as filed with the SEC on November 22, 2006.](#)
- 4.61 [Share Purchase Agreement between Sterlite Industries \(India\) Limited and Dwarka Prasad Agarwal dated October 3, 2006 relating to the sale of Sterlite Energy Limited—incorporated by reference to Exhibit 10.30 of Amendment No. 1 to the Registration Statement on Form F-1 \(File No. 333-138739\), as filed with the SEC on November 22, 2006.](#)
- 4.62 [Share Purchase Agreement between Sterlite Industries \(India\) Limited and Twin Star Infrastructure Limited dated October 3, 2006 relating to the sale of Sterlite Energy Limited—incorporated by reference to Exhibit 10.31 of Amendment No. 1 to the Registration Statement on Form F-1 \(File No. 333-138739\), as filed with the SEC on November 22, 2006.](#)



- 4.63 [Specialty Deed between CMT, Mt Lyell Mining Company Limited, Citibank Limited and Citibank, N.A. dated April 1, 1999—incorporated by reference to Exhibit 10.36 of Amendment No. 2 to the Registration Statement on Form F-1 \(File No. 333-138739\), as filed with the SEC on February 8, 2007.](#)
- 4.64 [Subordination Deed Poll between Monte Cello Corporation N.V., Citibank Limited and Citibank, N.A. dated April 1, 1999—incorporated by reference to Exhibit 10.37 of Amendment No. 2 to the Registration Statement on Form F-1 \(File No. 333-138739\), as filed with the SEC on February 8, 2007.](#)
- 4.65 [Deed of Assignment of Debt between Monte Cello Corporation N.V. and Mt Lyell Mining Company Limited dated April 1, 1999—incorporated by reference to Exhibit 10.38 of Amendment No. 2 to the Registration Statement on Form F-1 \(File No. 333-138739\), as filed with the SEC on February 8, 2007.](#)
- 4.66 [Deed of Assignment of Debt between Monte Cello Corporation N.V., Citibank Limited and Citibank, N.A. dated April 1, 1999—incorporated by reference to Exhibit 10.39 of Amendment No. 2 to the Registration Statement on Form F-1 \(File No. 333-138739\), as filed with the SEC on February 8, 2007.](#)



- 4.67 [Memorandum of Understanding between Sterlite Industries \(India\) Limited and Vedanta Aluminium Limited dated August 29, 2007 relating to the subscription of the Zero Percent Optionally Fully Convertible Debentures-incorporated by reference to Exhibit 4.38 of the annual report on Form-20F for fiscal year 2008 \(File No. 001-33175\) of Sterlite Industries \(India\) Limited, as filed with the SEC on June 30, 2008.](#)
- 4.68 [Addendum dated March 17, 2008 to the Memorandum of Understanding between Sterlite Industries \(India\) Limited and Vedanta Aluminium Limited dated August 29, 2007 relating to the subscription of the Zero Percent Optionally Fully Convertible Debentures-incorporated by reference to Exhibit 4.39 of the annual report on Form-20F for fiscal year 2008 \(File No. 001-33175\) of Sterlite Industries \(India\) Limited, as filed with the SEC on June 30, 2008.](#)
- 4.69 [Memorandum of Understanding between Sterlite Industries \(India\) Limited and Vedanta Aluminium Limited dated December 23, 2007 relating to the subscription of the Zero Percent Optionally Fully Convertible Debentures-incorporated by reference to Exhibit 4.40 of the annual report on Form-20F for fiscal year 2008 \(File No. 001-33175\) of Sterlite Industries \(India\) Limited, as filed with the SEC on June 30, 2008.](#)
- 4.70 [Addendum dated March 17, 2008 to the Memorandum of Understanding between Sterlite Industries \(India\) Limited and Vedanta Aluminium Limited dated December 23, 2007 relating to the subscription of the Zero Percent Optionally Fully Convertible Debentures-incorporated by reference to Exhibit 4.41 of the annual report on Form-20F for fiscal year 2008 \(File No. 001-33175\) of Sterlite Industries \(India\) Limited, as filed with the SEC on June 30, 2008.](#)
- 4.71 [Purchase and Sale Agreement dated May 30, 2008 among Asarco LLC, AR Silver Bell, Inc., Copper Basin Railway, Inc., Asarco Santa Cruz, Inc., Sterlite \(U.S.A\), Inc. and Sterlite Industries \(India\) Limited—incorporated by reference to Exhibit 4.42 of the annual report on Form-20F for fiscal year 2008 \(File No. 001-33175\) of Sterlite Industries \(India\) Limited, as filed with the SEC on June 30, 2008.](#)
- 4.72 [Amendment No. 1 dated April 15, 2009 to the Settlement and Sale and Purchase Agreement dated March 6, 2009 among Asarco LLC, AR Silver Bell, Inc., Copper Basin Railway, Inc., Asarco Santa Cruz, Inc., Sterlite \(U.S.A\), Inc., and Sterlite Industries \(India\) Limited—incorporated by reference to Exhibit 4.43 of the annual report on Form-20F for fiscal year 2009 \(File No. 001-33175\) of Sterlite Industries \(India\) Limited, as filed with the SEC on July 10, 2009.](#)
- 4.73 [Amendment No. 2 effective as of April 22, 2009 to the Settlement and Sale and Purchase Agreement dated March 6, 2009, as amended on April 15, 2009, among Asarco LLC, AR Silver Bell, Inc., Copper Basin Railway, Inc., Asarco Santa Cruz, Inc., Sterlite \(U.S.A\), Inc., and Sterlite Industries \(India\) Limited—incorporated by reference to Exhibit 4.44 of the annual report on Form-20F for fiscal year 2009 \(File No. 001-33175\) of Sterlite Industries \(India\) Limited, as filed with the SEC on July 10, 2009.](#)
- 4.74 [Amendment No. 3 effective as of June 12, 2009 to the Settlement and Sale and Purchase Agreement dated March 6, 2009, as amended on April 15, 2009 and April 22, 2009, among Asarco LLC, AR Silver Bell, Inc., Copper Basin Railway, Inc., Asarco Santa Cruz, Inc., Sterlite \(U.S.A\), Inc., and Sterlite Industries \(India\) Limited—incorporated by reference to Exhibit 4.45 of the annual report on Form-20F for fiscal year 2009 \(File No. 001-33175\) of Sterlite Industries \(India\) Limited, as filed with the SEC on July 10, 2009.](#)
- 4.75 [Sterlite Plan Agreement in Principle Term Sheet dated June 12, 2009 among Asarco LLC, the subsidiary debtors, Sterlite \(U.S.A\), Inc., Robert C. Pate, in his capacity as the Future Claims Representative, and the Official Committee of Asbestos Claimants—incorporated by reference to Exhibit 4.46 of the annual report on Form-20F for fiscal year 2009 \(File No. 001-33175\) of Sterlite Industries \(India\) Limited, as filed with the SEC on July 10, 2009.](#)
- 4.76 [Credit Agreement Letter dated February 7, 2005 between India Foils Limited and ICICI Bank Limited-incorporated by reference to Exhibit 4.47 of the annual report on Form-20F for fiscal year 2009 \(File No. 001-33175\) of Sterlite Industries \(India\) Limited, as filed with the SEC on July 10, 2009.](#)



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- 4.77 [Novation Agreement dated November 15, 2008 among Sterlite Industries \(India\) Limited, India Foils Limited and ICICI Bank Limited in respect of ₹ 773 million term loan facility—incorporated by reference to Exhibit 4.48 of the annual report on Form-20F for fiscal year 2009 \(File No. 001-33175\) of Sterlite Industries \(India\) Limited, as filed with the SEC on July 10, 2009.](#)
- 4.78 [Credit Agreement Letter dated August 4, 2005 between India Foils Limited and ICICI Bank Limited-incorporated by reference to Exhibit 4.49 of the annual report on Form-20F for fiscal year 2009 \(File No. 001-33175\) of Sterlite Industries \(India\) Limited, as filed with the SEC on July 10, 2009.](#)
- 4.79 [Novation Agreement dated November 15, 2008 among Sterlite Industries \(India\) Limited, India Foils Limited and ICICI Bank Limited in respect of the ₹ 250 million term loan facility—incorporated by reference to Exhibit 4.50 of the annual report on Form-20F for fiscal year 2009 \(File No. 001-33175\) of Sterlite Industries \(India\) Limited, as filed with the SEC on July 10, 2009.](#)



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- 4.80 [Agreement dated February 18, 2009 between the Orissa Mining Corporation Limited and Sterlite Industries \(India\) Limited—incorporated by reference to Exhibit 4.55 of the annual report on Form-20F for fiscal year 2009 \(File No. 001-33175\) of Sterlite Industries \(India\) Limited, as filed with the SEC on July 10, 2009.](#)
- 4.81 [Term Sheet dated May 22, 2009 between Sterlite Industries \(India\) Limited and Vedanta Aluminium Limited relating to the subscription of 9.75% Non-Convertible Debentures—incorporated by reference to Exhibit 4.54 of the annual report on Form-20F for fiscal year 2009 \(File No. 001-33175\) of Sterlite Industries \(India\) Limited, as filed with the SEC on July 10, 2009.](#)
- 4.82 [Indenture and Supplemental Indenture, both dated October 29, 2009, between Sterlite Industries \(India\) Limited and Wilmington Trust Company as trustee and Citibank, N.A., as securities administrator—incorporated by reference to Exhibits 4.1 and 4.2 to the Form-6K \(File No. 001-33175\) of Sterlite Industries \(India\) Limited, as filed with the SEC on November 3, 2009.](#)
- 4.83 [Second Supplemental Indenture dated October 29, 2009, between Sesa Goa Limited and Wilmington Trust Company as trustee and Citibank N.A., as securities administrator—incorporated by reference to Exhibit 99.2 to the Form 6-K \(File 001-33175\) of Sesa Sterlite Limited, as filed with the SEC on September 11, 2013.](#)
- 4.84 [Trust Deed dated October 30, 2009 between Sesa Goa Limited and Citicorp International Limited for the \\$ 500,000,000 5.0% Convertible Bonds due 2014 convertible into Shares of Sesa Goa Limited—incorporated by reference to Exhibit 4.73 of the annual report on Form-20F for fiscal year 2014 \(File No. 001-33175\) of Sesa Sterlite Limited, as filed with the SEC on August 15, 2014.](#)
- 4.85 [Amendment dated March 29, 2009 to the Consultancy and Representative Office Agreement between Vedanta and Sterlite Industries \(India\) Limited both dated March 29, 2005—incorporated by reference to Exhibit 4.56 of the annual report on Form 20-F for fiscal year 2011 \(File No. 001-33175\) of Sterlite Industries \(India\) Limited, as filed with the SEC on September 30, 2011.](#)
- 4.86 [Outsourcing Services Agreement dated April 1, 2010 between Vedanta and Sterlite Industries \(India\) Limited—incorporated by reference to Exhibit 4.57 of the annual report on Form 20-F for fiscal year 2011 \(File No. 001-33175\) of Sterlite Industries \(India\) Limited, as filed with the SEC on September 30, 2011.](#)
- 4.87 [Outsourcing Services Agreement dated May 20, 2014 between Vedanta and Sesa Sterlite Limited—incorporated by reference to Exhibit 4.76 of the annual report on Form-20F for fiscal year 2014 \(File No. 001-33175\) of Sesa Sterlite Limited, as filed with the SEC on August 15, 2014.](#)
- 4.88 [Share Purchase Agreement dated May 9, 2010 between Anglo Operations Limited, Taurus International S.A., Anglo South Africa Capital \(Pty\) Limited, Anglo American Services \(UK\) Limited, Welter Trading Limited and Vedanta—incorporated by reference to Exhibit 4.58 of the annual report on Form 20-F for fiscal year 2011 \(File No. 001-33175\) of Sterlite Industries \(India\) Limited, as filed with the SEC on September 30, 2011.](#)
- 4.89 [Buyer’s Credit Import Advance facility dated December 8, 2009 and Demand Promissory Note accepted on May 18, 2010 obtained by BALCO from DBS Bank Limited for \\$ 50 million—incorporated by reference to Exhibit 4.59 of the annual report on Form 20-F for fiscal year 2011 \(File No. 001-33175\) of Sterlite Industries \(India\) Limited, as filed with the SEC on September 30, 2011.](#)
- 4.90 [Letter of Credit Facility Agreement dated August 30, 2010 obtained by TSPL from ICICI Bank for ₹ 10,000 million—incorporated by reference to Exhibit 4.60 of the annual report on Form 20-F for fiscal year 2011 \(File No. 001-33175\) of Sterlite Industries \(India\) Limited, as filed with the SEC on September 30, 2011.](#)
- 4.91 [Share Purchase and Shareholders’ Agreement dated September 17, 2010 between Sterlite Industries \(India\) Limited, Leighton Contractors \(India\) Private Limited and Vizag General Cargo Berth Private Limited—incorporated by reference to Exhibit 4.61 of the annual report on Form 20-F for fiscal year 2011 \(File No. 001-33175\) of Sterlite Industries \(India\) Limited, as filed with the SEC on September 30, 2011.](#)



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- 4.92 Corporate Guarantee dated December 8, 2010 given by Sterlite Industries (India) Limited to IL&FS Trust Company Limited on behalf of TSPL—incorporated by reference to Exhibit 4.62 of the annual report on Form 20-F for fiscal year 2011 (File No. 001-33175) of Sterlite Industries (India) Limited, as filed with the SEC on September 30, 2011.
- 4.93 Second Deed of Amendment dated December 16, 2010 between Anglo Operations Limited, Taurus International S.A., Anglo South Africa Capital (Pty) Limited, Anglo American Services (UK) Limited, Welter Trading Limited, THL Zinc Limited, Labaume B.V., Pecvest 17 (Proprietary) Limited and Vedanta as an amendment to the Share Purchase Agreement dated May 9, 2010—incorporated by reference to Exhibit 4.63 of the annual report on Form 20-F for fiscal year 2011 (File No. 001-33175) of Sterlite Industries (India) Limited, as filed with the SEC on September 30, 2011.
- 4.94 Letter of Credit Facility Agreement dated December 18, 2010 obtained by BALCO from ICICI Bank for ₹ 2.50 billion—incorporated by reference to Exhibit 4.64 of the annual report on Form 20-F for fiscal year 2011 (File No. 001-33175) of Sterlite Industries (India) Limited, as filed with the SEC on September 30, 2011.



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- 4.95 [Service Contract dated January 25, 2011 between Sterlite Industries \(India\) Limited and Mr. Din Dayal Jalan—incorporated by reference to Exhibit 4.65 of the annual report on Form 20-F for fiscal year 2011 \(File No. 001-33175\) of Sterlite Industries \(India\) Limited, as filed with the SEC on September 30, 2011.](#)
- 4.96 [Service Contract dated January 29, 2013 between Sterlite Industries \(India\) Limited and Mr. Din Dayal Jalan—incorporated by reference to Exhibit 4.66 of the annual report on Form-20F for fiscal year 2013 \(File No. 001-33175\) of Sterlite Industries \(India\) Limited, as filed with the SEC on July 30, 2013.](#)
- 4.97 [Service Agreement dated April 1, 2014 between Sesa Sterlite Limited and Mr. Din Dayal Jalan—incorporated by reference to Exhibit 4.86 of the annual report on Form-20F for fiscal year 2014 \(File No. 001-33175\) of Sesa Sterlite Limited, as filed with the SEC on August 15, 2014.](#)
- 4.98 [Addendum to the Service Agreement \(dated April 1, 2014\) between Sesa Sterlite Limited and Mr. Din Dayal Jalan—incorporated by reference to Exhibit 4.96 of the annual report on Form-20F for fiscal year 2015 \(File No. 001-33175\) of Vedanta Limited, as filed with the SEC on August 14, 2015.](#)
- 8.1** [List of subsidiaries of Vedanta Limited.](#)
- 11.1 [Sterlite Industries \(India\) Limited—Code of Business Conduct and Ethics as amended till November 2011—incorporated by reference to Exhibit 11.1 of the annual report on Form 20-F for fiscal year 2012 \(File No. 001-33175\) of Sterlite Industries \(India\) Limited, as filed with the SEC on May 25, 2012.](#)
- 11.2 [Sesa Sterlite Limited—Code of Business Conduct and Ethics as revised and approved by the board on January 28, 2014—incorporated by reference to Exhibit 11.2 of the annual report on Form-20F for fiscal year 2014 \(File No. 001-33175\) of Sesa Sterlite Limited, as filed with the SEC on August 15, 2014.](#)
- 11.3 [Sesa Sterlite Limited—Code of Business Conduct and Ethics as revised and approved by the board on October 29, 2014—incorporated by reference to Exhibit 11.3 of the annual report on Form-20F for fiscal year 2015 \(File No. 001-33175\) of Vedanta Limited, as filed with the SEC on August 14, 2015.](#)
- 11.4 [Vedanta Limited—Code of Business Conduct and Ethics as revised and approved by the board on April 29, 2015 and July 29, 2015—incorporated by reference to Exhibit 11.4 of the annual report on Form-20F for fiscal year 2015 \(File No. 001-33175\) of Vedanta Limited, as filed with the SEC on August 14, 2015.](#)
- 11.5 [Vedanta Limited—Antitrust Guidance Notes—incorporated by reference to Exhibit 11.5 of the annual report on Form-20F for fiscal year 2015 \(File No. 001-33175\) of Vedanta Limited, as filed with the SEC on August 14, 2015.](#)
- 11.6 [Vedanta Limited—Code of Business Conduct and Ethics as revised and approved by the board on October 28, 2016 —incorporated by reference to Exhibit 11.6 of the annual report on Form-20F for fiscal year 2017 \(File No. 001-33175\) of Vedanta Limited, as filed with the SEC on August 15, 2017.](#)
- 12.1** [Certification by the Chief Executive Officer pursuant to 17 CFR 240. 15d-14\(a\), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- 12.2** [Certification by the Chief Financial Officer pursuant to 17 CFR 240. 15d-14\(a\), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- 13.1** [Certification by the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)



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- 13.2** [Certification by the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)
- 15.1 [Reserves evaluation report dated June 12, 2014 by DeGolyer and MacNaughton—incorporated by reference to Exhibit 15.2 of the annual report on Form-20F for fiscal year 2014 \(File No. 001-33175\) of Sesa Sterlite Limited, as filed with the SEC on August 15, 2014.](#)
- 15.2 [Appraisal Report by DeGolyer and MacNaughton as of March 31, 2014 on the Proved Reserves of certain Fields in India owned by Cairn India Limited for Sesa Sterlite Limited—incorporated by reference to Exhibit 15.3 of the annual report on Form-20F for fiscal year 2014 \(File No. 001-33175\) of Sesa Sterlite Limited, as filed with the SEC on August 15, 2014.](#)
- 15.3 [Appraisal Report by DeGolyer and MacNaughton as of March 31, 2013 on the Proved Reserves of certain Fields in India owned by Cairn India Limited for Sesa Sterlite Limited—incorporated by reference to Exhibit 15.4 of the annual report on Form-20F for fiscal year 2014 \(File No. 001-33175\) of Sesa Sterlite Limited, as filed with the SEC on August 15, 2014.](#)
- 15.4 [Appraisal Report by DeGolyer and MacNaughton as of March 31, 2012 on the Proved Reserves of certain Fields in India owned by Cairn India Limited for Sesa Sterlite Limited—incorporated by reference to Exhibit 15.5 of the annual report on Form-20F for fiscal year 2014 \(File No. 001-33175\) of Sesa Sterlite Limited, as filed with the SEC on August 15, 2014.](#)



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- 15.5 [Appraisal Report by DeGolyer and MacNaughton as of March 31, 2011 on the Proved Reserves of certain Fields in India owned by Cairn India Limited for Sesa Sterlite Limited—incorporated by reference to Exhibit 15.6 of the annual report on Form-20F for fiscal year 2014 \(File No. 001-33175\) of Sesa Sterlite Limited, as filed with the SEC on August 15, 2014.](#)
- 15.6 [Appraisal Report by DeGolyer and MacNaughton as of March 31, 2015 on the Proved Reserves of certain Fields in India owned by Cairn India Limited for Vedanta Limited—incorporated by reference to Exhibit 15.6 of the annual report on Form-20F for fiscal year 2015 \(File No. 001-33175\) of Vedanta Limited, as filed with the SEC on August 14, 2015.](#)
- 15.7 [Appraisal Report by DeGolyer and MacNaughton as of March 31, 2016 on the Proved Reserves of certain Fields in India owned by Cairn India Limited for Vedanta Limited—incorporated by reference to Exhibit 15.7 of the annual report on Form 20-F for fiscal year 2016 \(File No. 001-33175\) of Vedanta Limited, as filed with the SEC on August 1, 2016.](#)
- 15.8 [Appraisal Report by DeGolyer and MacNaughton as of March 31, 2017 on the Proved Reserves of certain Fields in India owned by Cairn India Limited for Vedanta Limited—incorporated by reference to Exhibit 15.8 of the annual report on Form-20F for fiscal year 2017 \(File No. 001-33175\) of Vedanta Limited, as filed with the SEC on August 15, 2017.](#)
- 15.9 [Appraisal Report by DeGolyer and MacNaughton as of March 31, 2018 on the Proved Reserves of certain Fields in India owned by Cairn India Limited \(now Vedanta Limited—oil and gas business\) for Vedanta Limited—incorporated by reference to Exhibit 15.9 of the annual report on Form-20F for fiscal year 2018 \(File No. 001-33175\) of Vedanta Limited, as filed with the SEC on July 31, 2018.](#)
- 15.10 [Appraisal Report by DeGolyer and MacNaughton as of March 31, 2019 on the Proved Reserves of certain Fields in India owned by Cairn India Limited \(now Vedanta Limited—oil and gas business\) for Vedanta Limited—incorporated by reference to Exhibit 15.10 of the annual report on Form-20F for fiscal year 2019 \(File No. 001-33175\) of Vedanta Limited, as filed with the SEC on July 15, 2019.](#)
- 15.11 [Appraisal Report by DeGolyer and MacNaughton as of March 31, 2020 on the Proved Reserves of certain Fields in India owned by Cairn India Limited \(now Vedanta Limited—oil and gas business\) for Vedanta Limited—incorporated by reference to Exhibit 15.11 of the annual report on Form-20F for fiscal year 2020 \(File No. 001-33175\) of Vedanta Limited, as filed with the SEC on September 15, 2020.](#)
- 15.12** [Appraisal Report by DeGolyer and MacNaughton as of March 31, 2021 on the Proved Reserves of certain Fields in India owned by Cairn India Limited \(now Vedanta Limited—oil and gas business\) for Vedanta Limited.](#)

** Filed herewith

Notes:

The Company has not included as exhibits certain instruments with respect to its long-term debt, the amount of debt authorized under each of which does not exceed 10% of its total assets, and it agrees to furnish a copy of any such instrument to the Securities and Exchange Commission upon request.



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Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Vedanta Limited

Opinion on the Financial Statements

We have audited the accompanying consolidated statements of financial position of Vedanta Limited (the “Company”) and its consolidated subsidiaries (collectively the “Group”) as of March 31, 2021 and 2020, the related consolidated statements of profit and loss, comprehensive income, cash flows and changes in equity for each of the three years in the period ended March 31, 2021, and the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group at March 31, 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended March 31, 2021, in conformity with International Financial Reporting Standards as issued by the International Accounting Standard Board.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Group’s internal control over financial reporting as of March 31, 2021, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated July 19, 2021 expressed an adverse opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Group’s management. Our responsibility is to express an opinion on the Group’s financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Group in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.



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Impairment assessment of Property Plant and Equipment at Tuticorin

Description of the Matter

As discussed in Notes 3(I) and 14 to the consolidated financial statements, the Group performs impairment assessments for all assets where there are indicators of impairment. As part of their assessment, whenever such indicators exist, the Group determines the recoverable value based on the higher of the Value in Use model (VIU) or Fair Value Less Cost of Disposal (FVLCD) for each of the cash generating units (CGU), considering different internal and external factors in accordance with IAS 36

— Impairment of Assets. During the year, the Group determined that there were indicators of impairment for the assets in the Tuticorin CGU within the Copper segment (refer to note 3(c)I(vii)).

Auditing the Group’s impairment assessments is complex due to the significant estimation required in determining the recoverable amount. The Group’s methodologies for estimating the recoverable amount of these assets involve significant assumptions, which include future commodity prices and future production volumes, discount rate, and future operating expenditures. These assumptions are sensitive to and affected by economic, industry, and company specific qualitative factors such as uncertainty with respect to timing of resumption of operations due to the withdrawal of the Group’s licenses to operate the copper plant. These significant assumptions and inputs are forward-looking and could be affected by future economic and market conditions.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design and tested the operating effectiveness of certain internal controls over the Group’s impairment assessment process including controls over the Group’s assessment of indicators of impairment and controls over the determination of significant assumptions such as future commodity prices, future production volumes, discount rate and future operating expenditures.

To test the significant assumptions used for the determination of the recoverable value of the CGU, our audit procedures included, among others, comparison of future commodity prices with the published commodity price reports and research reports from external parties and comparison of future operating expenditures to the latest approved long term budgets. We also performed an assessment of the Group’s ability to forecast by comparing prior years’ estimated cash flows to actual results. We tested the integrity and mathematical accuracy of the models and performed sensitivity analyses to evaluate the significant assumptions used such as production volumes, future operating expenditures. We engaged valuation specialists to assist us in evaluating the methodology used and the discount rate and future commodity prices applied to calculate the recoverable value. Valuation specialists also assisted us in evaluating the results of the sensitivity analyses performed on such data including changes in the expected restart date of the plant.

We assessed the implications of withdrawal of the Group’s licence to operate through inspection of external legal opinions regarding the case. We assessed the competence and objectivity of the lawyers engaged by the Group and assessed management’s position regarding the case, through discussions with legal counsel to evaluate the basis of their conclusion. We also evaluated the Group’s disclosures in relation to these matters.



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Assessment of recoverability and recognition of deferred tax assets*Description of the Matter*

As described in Note 3(c)I(vi) to the consolidated financial statements, the Group has recognised Minimum Alternate Tax (MAT) credits within deferred tax assets of Rs. 82,358 million which are available for utilisation against future tax liabilities. Of those deferred tax assets Rs. 3,400 million are expected to be utilised during the fourteenth year of the stipulated fifteen year carry forward period from the year in which the same arose. Additionally, as described in Note 9, ESL Steel Limited, one of the constituents of the Group, has recognized deferred tax assets of Rs 31,823 million during the current year.

Auditing the Group's assessment of recognition and recoverability of these deferred tax assets is complex and dependent on the generation of future taxable income. Significant judgment and estimation are required to assess the sufficiency of future taxable income and likelihood of the realization of these assets, in particular whether there will be taxable profits in future periods that support the recognition of these assets. The Group uses projections of future taxable income in order to assess the probability that the deferred tax assets will be realized. Predicting future taxable income is dependent on assumptions and judgments regarding future market conditions, commodity prices, production volumes and capital expenditures. The Group, based on such an analysis, determined that the realization of these deferred tax assets within the stipulated carry forward period is probable.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design and tested the operating effectiveness of certain internal controls over the estimation of probable future taxable income relating to the recoverability of deferred taxes assets, including controls related to the determination of assumptions used in the preparation and review of the business plan, budget, and analysis of forecasted of future taxable income prepared by the Group.

To evaluate the future projections of taxable income estimated by management, our procedures included, amongst others, obtaining approval of the budgeted results included in the current year's projections, testing the future cash flow projections with the assistance of valuation specialists, including comparison of forecasts considered in the previous year with the actual performance of the current year and the consistency of those projections with the projections used in other areas of estimation such as those used for impairment assessments of other non-financial assets. We obtained management's sensitivity analyses over the key assumptions to assess their impact on the forecasts of the future taxable income. We tested the completeness and accuracy of the amounts recognized as deferred tax assets and evaluated the disclosures made by the Group on the expected recoverability of the deferred tax assets.

Production Sharing Contract extension for Rajasthan Block and the related settlement demands*Description of the Matter*

As described in Note 3(c)I(viii) to the consolidated financial statements, the Production Sharing Contract (PSC) for the Rajasthan Block (RJ), which was valid until May 14, 2020, was extended, initially for a period of three months and subsequently through a series of extensions up to July 31, 2021, subject to compliance with certain conditions, one of which relates to settlement of demands raised by the Government of India through the Directorate General of Hydrocarbons (DGH) with respect to the government's share of profit petroleum for RJ. The Group recognizes a liability for those demands for which it is probable that a liability has been incurred as of March 31, 2021 and the amount is reasonably estimable. Matters where a liability is assessed as possible or a reasonable estimate cannot be made are disclosed as contingencies in the financial statements in accordance with IAS 37 — Provisions, Contingent Liabilities and Contingent Assets. The Group, after considering the underlying facts and circumstances, including court rulings have considered the PSC extension to be reasonably certain and disclosed the matter including the related demands, as a contingency in the consolidated financial statements.



Auditing management’s determination of whether a liability in respect of the aforesaid PSC extension matter is probable and reasonably estimable, possible or remote, is highly subjective and requires significant judgment considering the time period involved in the resolution of the matters since these disputes include the government as the counterparty and the complexity of the matters involved with limited precedents.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design of and tested certain internal controls of the Group for assessing the completeness, valuation, presentation and disclosure of the contingencies. This included testing controls related to the Group’s process for identification, recognition, measurement and disclosure of contingencies.

We evaluated the Group’s analysis of the probability of a liability related to the demands arising on the PSC extension matter by assessing the merits through inspection of relevant documentation and correspondences including high court rulings and responses sent to DGH. We assessed the competence and objectivity of the lawyers engaged by the Group and held discussions with the internal and external legal counsel to confirm our understanding of the demands, obtained confirmations from the external legal counsel and obtained written representations from executives of the Group. We also evaluated the Group’s disclosures in relation to these matters.

Accounting for transactions with the parent company and its affiliates

Description of the Matter

As described in note 17 and 35(b) to the consolidated financial statements, the Group has undertaken related party transactions with Vedanta Resources Limited (‘VRL’), its parent company and its affiliates pertaining to the granting of loans and guarantees.

Auditing the Group’s accounting for the related party transactions involved a high degree of subjectivity due to a) significant estimation in the determination of the appropriate market rate of interest to arrive at the fair values, on initial recognition, of loans and guarantees given and b) the existence of material weaknesses in the design of controls related to authorisation of related party transactions by the board of Vedanta Limited and design and operation of controls for the determination of fair values of financial instruments entered into with related parties



*How We Addressed the Matter
in Our Audit*

We obtained and inspected the Group's policies, processes, and procedures related to the identification of related parties, obtaining approval for, recording, and disclosing related party transactions. As a response to the material weaknesses we increased the extent of our procedures by testing all related party transactions by comparing the transactions and balances to the underlying contracts, confirmation letters, and other supporting documents provided by management. We held discussions and obtained representations from management in relation to such transactions. We examined the approvals of the board of directors and/or audit committee for entering into these transactions. We obtained and assessed, with the assistance of valuation specialists, management's estimates of the fair value of loans and guarantees granted by the Group to VRL and its affiliates on the date of such transactions. Specifically, we compared the prevailing United States Treasury rates and the borrower's specific credit default spreads with the contractual interest rates and guarantee commission on the loans and guarantees respectively granted by the Group. We assessed the competence and objectivity of specialists engaged by management and by us. We also evaluated the Group's disclosures in relation to these matters.

/s/ S. R. Batliboi & Co. LLP

We have served as the Company's auditor since 2016

Gurugram, India
July 19, 2021



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VEDANTA LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
(In millions except share or per share amounts unless otherwise stated)

For the year ended March 31,		2019	2020	2021	2021
	Notes	(₹ in million)	(₹ in million)	(₹ in million)	(US dollars in million) (Note 2 (a))
Revenue	6	909,012	835,446	868,630	11,876
Cost of sales*		(727,832)	(829,461)	(635,225)	(8,685)
Gross profit		181,180	5,985	233,405	3,191
Other operating income		15,468	9,863	13,094	179
Distribution expenses		(17,069)	(18,205)	(20,184)	(276)
Administration expenses		(34,363)	(37,577)	(39,463)	(539)
Operating profit/(loss)		145,216	(39,934)	186,852	2,555
Investment and other income	7	31,540	25,714	32,177	440
Finance and other costs	8	(59,026)	(54,557)	(52,955)	(724)
Profit/(loss) before tax		117,730	(68,777)	166,074	2,271
Income tax (expense)/Credit	9	(41,501)	26,677	(19,084)	(261)
Profit/(loss) for the year		76,229	(42,100)	146,990	2,010
Profit/(loss) attributable to:					
Equity holders of the parent		49,775	(61,248)	112,883	1,544
Non-controlling interests		26,454	19,148	34,107	466
Profit/(Loss) for the year		76,229	(42,100)	146,990	2,010
Earnings/(Loss) per share (in ₹ and US \$)	12				
Basic		13.43	(16.54)	30.47	0.42
Diluted		13.38	(16.54)	30.28	0.41
Weighted average number of equity shares used in computing earnings per share					
Basic		3,705,502,141	3,702,554,614	3,704,196,924	3,704,196,924
Diluted		3,721,449,633	3,702,554,614	3,727,544,981	3,727,544,981

The accompanying notes are an integral part of these consolidated financial statements.

* Cost of sales for the year ended (i) March 31, 2019 includes net impairment reversal of ₹ 2,611 million; (ii) March 31, 2020 includes net impairment charge of ₹ 146,821 million; and (iii) March 31, 2021 includes an Asset Under Construction write off of ₹ 2,440 million (\$ 33 million) (Refer Note 14).

The Group's (Refer Note 1- Group overview) consolidated statements of profit or loss are presented disclosing expenses by function. The consolidated statements of profit or loss disclosing expenses presented by nature are in Note 10.



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VEDANTA LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME / (LOSS)
(In millions except share or per share amounts unless otherwise stated)

For the year ended March 31,

	2019	2020	2021	2021
	(₹ in million)	(₹ in million)	(₹ in million)	(US dollars in million) (Note 2 (a))
Profit/(loss) for the year	76,229	(42,100)	146,990	2,010
Other comprehensive income/(loss), net of income tax:				
Items that will not be reclassified subsequently to profit or loss				
Re-measurement of defined benefit obligation	(403)	(2,118)	(5)	(0)
Tax credit/(expense)	247	714	(104)	(2)
(Loss)/Gain on fair value of financial asset investment	(446)	(738)	621	8
Items that will be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations	7,719	8,217	2,558	35
Tax (expense)/ credit	(249)	340	(610)	(8)
Gain/(loss) on cash flow hedges recognised during the year	1,134	1,254	(2,533)	(35)
Tax (expense)/ credit	(513)	(438)	862	12
(Gain)/loss on cash flow hedges recycled to profit or loss	(1,838)	(327)	1,879	26
Tax credit/ (expense)	595	114	(606)	(8)
Total other comprehensive income for the year, net of income tax	6,246	7,018	2,062	28
Total Comprehensive Income/(Loss) for the year	82,475	(35,082)	149,052	2,038
Total Comprehensive Income/(Loss) attributable to:				
Equity holders of the parent	56,854	(52,950)	114,005	1,559
Non-controlling interests	25,621	17,868	35,047	479
	82,475	(35,082)	149,052	2,038

The accompanying notes are an integral part of these consolidated financial statements.



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VEDANTA LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at		March 31, 2020	March 31, 2021	March 31, 2021
	Notes	(₹ in million)	(₹ in million)	(US dollars in million) (Note 2 (a))
ASSETS				
Non-current assets				
Property, plant and equipment	14	966,871	946,181	12,937
Exploration and evaluation assets	14	17,922	24,542	336
Intangible assets	15	7,790	7,481	102
Deferred tax assets	9	82,669	73,958	1,011
Financial assets investments	16	911	1,532	21
Derivative financial assets		25	—	—
Income tax assets	9	26,455	27,481	376
Other non-current assets	17	70,358	127,727	1,746
Total non-current assets		1,173,001	1,208,902	16,529
Current assets				
Inventories	18	113,362	99,509	1,360
Income tax assets		75	69	1
Trade and other receivables	17	83,277	130,593	1,785
Short-term investments	19	327,210	281,775	3,853
Derivative financial assets	25	6,922	701	10
Restricted cash and cash equivalents	20	960	1,025	14
Cash and cash equivalents	21	50,598	48,537	664
Total current assets		582,404	562,209	7,687
Total assets		1,755,405	1,771,111	24,216
LIABILITIES				
Current liabilities				
Borrowings	22	212,231	189,600	2,592
Acceptances	23	101,851	80,891	1,106
Trade and other payables	24	310,660	309,431	4,231
Derivative financial liabilities	25	960	2,786	38
Retirement benefits	27	1,064	1,135	16
Provisions	26	2,471	2,378	33
Current tax liabilities		1,894	2,792	38
Total current liabilities		631,131	589,013	8,054
Net current assets / (liabilities)		(48,727)	(26,804)	(367)
Non-current liabilities				
Borrowings	22	367,244	379,622	5,191
Deferred tax liabilities	9	29,675	21,894	299
Retirement benefits	27	1,614	1,465	20
Provisions	26	26,663	29,854	408
Derivative financial liabilities	25	451	764	10
Other non-current liabilities	24	16,732	14,450	198
Total non-current liabilities		442,379	448,049	6,126
Total liabilities		1,073,510	1,037,062	14,180
Net assets		681,895	734,049	10,036
EQUITY				
Share capital	30	3,718	3,718	51
Securities premium		190,452	190,452	2,604
Treasury shares		(3,806)	(3,223)	(44)
Share based payment reserve		2,496	1,707	23
Other components of equity		116,526	117,712	1,609
Retained earnings		203,135	274,231	3,750
Equity attributable to equity holders of the parent		512,521	584,597	7,993
Non-controlling interests		169,374	149,452	2,043
Total Equity		681,895	734,049	10,036

The accompanying notes are an integral part of these consolidated financial statements.



**VEDANTA LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS**

For the year ended March 31,

	2019	2020	2021	2021
	(₹ in million)	(₹ in million)	(₹ in million)	(US dollars in million) (Note 2 (a))
Cash flows from operating activities				
Profit / (loss) before tax	117,730	(68,777)	166,074	2,271
Adjustments to reconcile profit / (loss) to net cash provided by operating activities:				
Depreciation and amortisation	96,146	100,490	81,178	1,110
Impairment (reversal) / charge of property, plant and equipment/ exploration and evaluation assets/ other assets	(2,611)	148,022	—	—
Provision for loss of Asset under construction	—	—	2,440	33
Provision for doubtful debts/advances	—	3,281	5,126	70
Unsuccessful exploration costs written off	497	27	71	1
Fair value gain on financial assets held for trading/fair value through profit or loss	(18,393)	(5,574)	(9,340)	(128)
Share based payment expense	812	716	575	8
Loss/ (Gain) on sale of property, plant and equipment, net	682	562	(743)	(10)
Exchange loss/ (gain), net	5,919	3,436	(1025)	(14)
Inventory Written off	1,564	1,176	—	—
Interest, dividend income and bargain gain	(14,498)	(17,651)	(22,306)	(305)
Interest expense	56,305	49,768	53,135	726
Costs incurred for environment clearance	—	—	2,135	29
Liabilities written back no longer required	—	(1,681)	(950)	(13)
Changes in assets and liabilities:				
(Increase) / decrease in receivables	(27,783)	11,479	(29,250)	(400)
(Increase) / decrease in inventories	(6,316)	19,447	13,833	189
Increase / (decrease) in payables	66,889	(54,748)	7,515	103
Proceeds from short-term investments	833,526	1,033,449	833,293	11,393
Purchases of short-term investments	(815,230)	(983,579)	(751,598)	(10,276)
Cash generated from operations	295,239	239,843	350,163	4,787
Interest paid	(58,901)	(55,682)	(53,499)	(731)
Interest received	8,868	9,401	20,351	278
Dividends received	306	181	18	0
Income tax paid	(37,092)	(11,350)	(21,081)	(288)
Net cash from operating activities	208,420	182,393	295,952	4,046
Cash flows from investing activities				
Consideration paid for business acquisition (net of cash and cash equivalents acquired)	(50,750)	(335)	(448)	(6)
Purchases of property, plant and equipment (including intangibles)	(89,754)	(78,227)	(68,833)	(941)
Proceeds from sale of property, plant and equipment	1,252	1,455	1,678	23
Loans repaid by related parties (Refer Note 35)	15	—	11,116	152
Loans to related parties (Refer Note 35)	(0)	—	(76,600)	(1,047)
Proceeds from short-term deposits	43,501	45,634	145,633	1,991
Purchases of short-term deposits	(19,310)	(111,899)	(179,839)	(2,459)
Proceeds on liquidation of structured investments	—	30,774	—	—
Payment towards structured investments	(18,152)	(4,354)	—	—
Net changes in restricted cash and cash equivalents	51	86	(65)	(1)
Net cash used in investing activities	(133,147)	(116,866)	(167,358)	(2,288)
Cash flows from financing activities				
Repayment of working capital loan, net	(6,265)	(113,658)	(95,925)	(1,312)
Proceeds from acceptances	173,808	170,398	190,993	2,611
Repayment of acceptances	(186,824)	(149,221)	(211,398)	(2,890)
Proceeds from other short-term borrowings	44,291	22,344	104,895	1,434
Repayment of other short-term borrowings	(31,775)	(26,837)	(91,279)	(1,248)
Proceeds from long-term borrowings	168,346	118,256	167,070	2,284
Repayment of long-term borrowings	(98,890)	(89,959)	(95,770)	(1,309)
Payment of dividends to equity holders of the parent	(69,795)	(14,441)	(35,187)	(481)
Payment of dividends to non-controlling interests, including dividend distribution tax	(37,158)	—	(56,029)	(766)
Loan given to parent and its affiliates in excess of fair value (Refer Note 35)	—	—	(5,361)	(73)
Purchase of Treasury Shares for stock options	(1,425)	—	—	—
Exercise of Stock options	44	—	—	—
Payment for acquiring non-controlling interest	—	(1,074)	—	—
Payment of lease liability	—	(3,164)	(3,380)	(46)
Net cash used in financing activities	(45,643)	(87,356)	(131,371)	(1,796)
Effect of exchange rate changes on cash and cash equivalents	(936)	136	716	10
Net (decrease) / increase in cash and cash equivalents	28,694	(21,693)	(2,061)	(28)
Cash and cash equivalents at the beginning of the year	43,597	72,291	50,598	692
Cash and cash equivalents at the end of the year ¹	72,291	50,598	48,537	664

The accompanying notes are an integral part of these consolidated financial statements.

1. For composition Refer Note 21



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**VEDANTA LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

(₹ in million)

	Attributable to equity holders of the parent										
	Share capital	Securities premium	Treasury shares#	Share based payment reserve	Translation of foreign operations	Equity Instruments through OCI	Cash flow hedges	Retained earnings*	Total	Non-controlling interests	Total
Balance as at April 1, 2018	3,718	190,452	(2,607)	1,773	98,673	1,532	(104)	303,363	596,800	157,377	754,177
Profit for the year	—	—	—	—	—	—	—	49,775	49,775	26,454	76,229
Other comprehensive income / (loss) for the year, net of tax	—	—	—	—	8,277	(446)	(630)	(122)	7,079	(833)	6,246
Total comprehensive income / (loss) for the year	—	—	—	—	8,277	(446)	(630)	49,653	56,854	25,621	82,475
Purchase of treasury shares	—	—	(1,425)	—	—	—	—	—	(1,425)	—	(1,425)
Stock options cancelled during the year	—	—	—	(71)	—	—	—	71	—	—	—
Recognition of share based payment	—	—	—	822	—	—	—	—	822	—	822
Exercise of stock options	—	—	61	(31)	—	—	—	14	44	—	44
Non-controlling interest on business combination	—	—	—	—	—	—	—	—	—	1,962	1,962
Dividend	—	—	—	—	—	—	—	(69,795)	(69,795)	(35,739) ¹	(105,534)
Change in fair value of put option liability/ conversion option asset/ derecognition of non-controlling interest	—	—	—	—	—	—	—	(1,962)	(1,962)	1,387	(575)
Balance as at March 31, 2019	<u>3,718</u>	<u>190,452</u>	<u>(3,971)</u>	<u>2,493</u>	<u>106,950</u>	<u>1,086</u>	<u>(734)</u>	<u>281,344</u>	<u>581,338</u>	<u>150,608</u>	<u>731,946</u>

* Retained earnings mainly includes general reserve, debenture redemption reserve, preference share redemption reserve and capital reserve (Refer Note 30)

Treasury share represents 14,998,702 equity shares (face value of ₹ 1 each) of the Company purchased by Vedanta Limited ESOP Trust pursuant to the Company's stock option scheme as detailed in Note 29.

1 Includes tax on dividend



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(₹ in million)

Attributable to equity holders of the parent

	Share capital	Securities premium	Treasury shares#	Share based payment reserve	Translation of foreign operations	Equity Instruments through OCI	Cash flow hedges	Retained earnings*	Total	Non-controlling interests	Total
Balance as at April 1, 2019	3,718	190,452	(3,971)	2,493	106,950	1,086	(734)	281,344	581,338	150,608	731,946
Profit / (Loss) for the year	—	—	—	—	—	—	—	(61,248)	(61,248)	19,148	(42,100)
Other comprehensive income / (loss) for the year, net of tax	—	—	—	—	9,498	(738)	464	(926)	8,298	(1,280)	7,018
Total comprehensive income / (loss) for the year	—	—	—	—	9,498	(738)	464	(62,174)	(52,950)	17,868	(35,082)
Stock options cancelled during the year	—	—	—	(519)	—	—	—	519	—	—	—
Recognition of share based payment	—	—	—	754	—	—	—	—	754	—	754
Exercise of stock options	—	—	165	(232)	—	—	—	67	0	0	0
Dividend	—	—	—	—	—	—	—	(14,441)	(14,441)	—	(14,441)
Change in fair value of put option liability/ conversion option asset/ derecognition of non-controlling interest	—	—	—	—	—	—	—	(3,448)	(3,448)	3,240	(208)
Acquisition of Non-controlling interest in Electrosteel Steels Limited	—	—	—	—	—	—	—	1,268	1,268	(2,342)	(1,074)
Balance as at March 31, 2020	3,718	190,452	(3,806)	2,496	116,448	348	(270)	203,135	512,521	169,374	681,895

* Retained earnings mainly includes general reserve, debenture redemption reserve, preference share redemption reserve and capital reserve (Refer Note 30)

Treasury share represents 14,378,261 equity shares (face value of ₹ 1 each) of the Company purchased by Vedanta Limited ESOP Trust pursuant to the Company's stock option scheme as detailed in Note 29.



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(₹ in million)

Attributable to equity holders of the parent

	Share capital	Securities premium	Treasury shares#	Share based payment reserve	Translation of foreign operations	Equity Instruments through OCI	Cash flow hedges	Retained earnings*	Total	Non-controlling interests	Total
Balance as at April 1, 2020	3,718	190,452	(3,806)	2,496	116,448	348	(270)	203,135	512,521	169,374	681,895
Profit for the year	—	—	—	—	—	—	—	112,883	112,883	34,107	146,990
Other comprehensive income / (loss) for the year, net of tax	—	—	—	—	777	621	(212)	(64)	1,122	940	2,062
Total comprehensive income / (loss) for the year	—	—	—	—	777	621	(212)	112,819	114,005	35,047	149,052
Stock options cancelled during the year	—	—	—	(920)	—	—	—	595	(325)	—	(325)
Recognition of share based payment	—	—	—	575	—	—	—	—	575	—	575
Exercise of stock options	—	—	583	(444)	—	—	—	(139)	—	—	—
Dividend	—	—	—	—	—	—	—	(35,187)	(35,187)	(56,029)	(91,216)
Acquisition of FACOR (Refer Note 4(a))	—	—	—	—	—	—	—	—	—	(309)	(309)
Change in fair value of put option liability/ conversion option asset/ derecognition of non-controlling interest	—	—	—	—	—	—	—	(1,631)	(1,631)	1,369	(262)
Effect of fair valuation of inter-company loan**	—	—	—	—	—	—	—	(5,361)	(5,361)	—	(5,361)
Balance as at March 31, 2021	3,718	190,452	(3,223)	1,707	117,225	969	(482)	274,231	584,597	149,452	734,049
Balance as at March 31, 2021 (US dollars in million)	51	2,604	(44)	23	1,603	13	(7)	3,750	7,993	2,043	10,036

* Retained earnings mainly includes general reserve, debenture redemption reserve, preference share redemption reserve and capital reserve (Refer Note 30)

Treasury share represents 12,193,159 equity shares (face value of ₹ 1 each) of the Company purchased by Vedanta Limited ESOP Trust pursuant to the Company's stock option scheme as detailed in Note 29.

** An amount of ₹ 3,364 million (\$ 46 million) was originally recognized as a transaction with the shareholder and the same was increased by ₹ 5,802 million (\$ 79 million) upon revision in terms. Of the same, ₹ 3,805 million (\$ 52 million) was reversed on a subsequent modification during the year. Refer note 35(b) for further details.



VEDANTA LIMITED AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Group overview

Vedanta Limited (“the Company” or “the parent”) 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, aluminum, iron ore and oil & gas and have 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.

The Company was incorporated on September 8, 1975 under the laws of the Republic of India. The registered office of the Company is situated at 1st Floor, ‘C’ wing, Unit 103, Corporate Avenue, Atul Projects, Chaklala, Andheri (East), Mumbai-400092, Maharashtra. The Company’s shares are listed on National Stock Exchange and Bombay Stock Exchange in India. In June 2007, the Company completed its initial public offering of American Depositary Shares, or ADS, each representing four equity shares, and listed its ADSs on the New York Stock Exchange. In July 2009, the Company completed its follow-on offering of an additional 131,906,011 ADSs, each representing four equity shares, which are listed on the New York Stock Exchange.

The Company is majority owned by Twin Star Holdings Limited (“Twin Star”), Finsider International Company Limited (“Finsider”), Vedanta Holdings Mauritius II Limited (“VHM2L”), West Globe Limited (“West Globe”) and Welter Trading Limited (“Welter”) which are in turn wholly-owned subsidiaries of Vedanta Resources PLC (“VRPLC”), which was a public limited company incorporated in the United Kingdom and listed on the London Stock Exchange (VRPLC has been delisted from London Stock Exchange on October 1, 2018 and is renamed as “Vedanta Resources Limited” (“VRL”) with effect from October 29, 2018). Twin Star, Finsider, VHM2L, West Globe and Welter held 37.1%, 10.8%, 5.0%, 1.2% and 1.0% respectively of the Company’s equity as at March 31, 2021.

Details of Group’s various businesses are as follows. The Group’s percentage holdings in each of the below businesses are disclosed in Note 34.

- Zinc India business is owned and operated by Hindustan Zinc Limited (“HZL”).
- Zinc international business is comprised of Skorpion mine and refinery in Namibia operated through THL Zinc Namibia Holdings (Proprietary) Limited (“Skorpion”), Lisheen mine in Ireland operated through Vedanta Lisheen Holdings Limited (“Lisheen”) (Lisheen mine ceased operations in December 2015) and Black Mountain Mining (Proprietary) Limited (“BMM”), whose assets include the operational Black Mountain mine and the Gamsberg mine located in South Africa.
- The Group’s oil and gas business is owned and operated by the Company and its subsidiary, Cairn Energy Hydrocarbons Limited and consists of exploration, development and production of oil and gas.
- The Group’s iron ore business is owned by the Company, and by two wholly owned subsidiaries of the Company, i.e., Sesa Resources Limited and Sesa Mining Corporation Limited and consists of exploration, mining and processing of iron ore, pig iron and metallurgical coke and generation of power for captive use. Pursuant to Honourable Supreme Court order, operations in the state of Goa are currently suspended. The Group’s iron ore business includes Western Cluster Limited (“WCL”) in Liberia which has iron ore assets and is wholly owned by the Group. WCL’s assets include development rights to Western Cluster and a network of iron ore deposits in West Africa. WCL’s assets have been fully impaired.
- The Group’s copper business is owned and operated by the Company, Copper Mines of Tasmania Pty Ltd (“CMT”) and Fujairah Gold FZC and is principally one of custom smelting and includes captive power plants at Tuticorin in Southern India.

The Group’s copper business in Tamil Nadu, India has received an order from the Tamil Nadu Pollution Control Board (“TNPCB”) on April 09, 2018, rejecting the Company’s application for renewal of consent to operate under the Air and Water Acts for the 400,000 TPA copper smelter plant in Tuticorin for want of further clarification and consequently the operations were suspended. The Company has filed an appeal with TNPCB Appellate authority against the said order. During the pendency of the appeal, TNPCB through its order dated May 23, 2018 ordered for disconnection of electricity supply and closure of copper smelter plant. Post such order, the state government on May 28, 2018 ordered the permanent closure of the plant. We continue to engage with the Government of India and relevant authorities to enable the restart of operations at copper India. [Refer Note 3(c)(I)(vii)].

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

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



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- The Group's Aluminium business is owned and operated by the Company and by Bharat Aluminium Company Limited ("BALCO"). The aluminium operations include a refinery and captive power plant at Lanjigarh and a smelter and captive power plants at Jharsuguda both situated in the State of Odisha in India. BALCO's partially integrated aluminium operations are comprised of two bauxite mines, captive power plants, smelting and fabrication facilities in the State of Chhattisgarh in central India.
- The Group's power business is owned and operated by the Company, BALCO, and Talwandi Sabo Power Limited ("TSPL"), a wholly owned subsidiary of the Company, which are engaged in the power generation business in India. The Company's power operations include a thermal coal-based commercial power facility of 600 MW at Jharsuguda in the State of Odisha in Eastern India. BALCO power operations included 600 MW (2 units of 300 MW each) thermal coal based power plant at Korba, of which a unit of 300 MW was converted to be used for captive consumption vide order from Central Electricity Regulatory Commission (CERC) dated January 01, 2019. Talwandi Sabo Power Limited ("TSPL") power operations include 1,980 MW (three units of 660 MW each) thermal coal-based commercial power facilities. Power business also includes the wind power plants commissioned by HZL and a power plant at MALCO Energy Limited ("MEL") (under care and maintenance) situated at Mettur Dam in State of Tamil Nadu in southern India.
- The Group's other activities include ESL Steel Limited ("ESL") (formerly known as Electrosteel Steels Limited) acquired on June 4, 2018. ESL is engaged in the manufacturing and supply of billets, TMT bars, wire rods and ductile iron pipes in India. The Group's other activities also include Vizag General Cargo Berth Private Limited ("VGCB") and Maritime Ventures Private Limited ("MVPL"). Vizag port project includes mechanization of coal handling facilities and upgradation of general cargo berth for handling coal at the outer harbour of Visakhapatnam Port on the east coast of India. MVPL is engaged in the business of rendering logistics and other allied services inter alia rendering stevedoring, and other allied services in ports and other allied sectors. VGCB commenced operations in the fourth quarter of fiscal 2013. The Group's other activities also include AvanStrate Inc. ("ASI") and Ferro Alloys Corporation Limited ("FACOR"). ASI is involved in manufacturing of glass substrate in South Korea and Taiwan. FACOR was acquired on September 21, 2020 and is involved in business of producing Ferro Alloys and owns a Ferro Chrome plant with capacity of 72,000 TPA, two operational Chrome mines and 100 MW of Captive Power Plant through its subsidiary, FACOR Power Limited (FPL).

Delisting of Vedanta Limited

The Company vide letter dated May 12, 2020 had informed the stock exchanges that it has received a letter dated May 12, 2020 from its Holding Company, Vedanta Resources Ltd. ("VRL"), wherein VRL had expressed its intention to, either individually or along with one or more subsidiaries, acquire all fully paid-up equity shares of the Company ("Equity Shares") that are held by the public shareholders of the Company (as defined under the Delisting Regulations, to be referred to as "Public Shareholders") and consequently voluntarily delist the Equity Shares from BSE Limited and National Stock Exchange of India Limited, the recognized stock exchanges where the Equity Shares are presently listed ("Stock Exchanges"), in accordance with the Delisting Regulations ("Delisting Proposal") and if such delisting is successful, then to also delist the Company's American Depositary Shares from the New York Stock Exchange ("NYSE") and deregister the Company from the Securities and Exchange Commission ("SEC"), subject to the requirements of the NYSE and the SEC.

After obtaining due approvals, the Public Shareholders holding Equity Shares were invited to submit Bids pursuant to the reverse book building process conducted through the Stock Exchange Mechanism made available by BSE during the bid period (October 05, 2020 to October 09, 2020), in accordance with the Delisting Regulations.

The total number of Offer Shares validly tendered by the Public Shareholders in the Delisting Offer was 1,25,47,16,610 Offer Shares, which was less than the minimum number of Offer Shares required to be accepted by the Acquirers in order for the Delisting Offer to be successful in terms of Regulation 17(1)(a) of the Delisting Regulations. Thus, the Delisting Offer is deemed to have failed in terms of Regulation 19(1) of the Delisting Regulations.

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

a) Basis of preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by International Accounting Standards Board ("IASB").

These consolidated financial statements have been prepared in accordance with the accounting policies, set out below and were consistently applied to all periods presented unless otherwise stated.

These financial statements are approved for issue by the Board of Directors on July 19, 2021.

Certain comparative figures appearing in these consolidated financial statements have been regrouped and/or reclassified to better reflect the nature of those items.

The consolidated financial statements are presented in Indian Rupee (₹), the presentation currency of the Company. Solely for the convenience of readers, the consolidated financial statements as at and for the year ended March 31, 2021 have been translated into US dollars ("\$\$") at the noon buying rate of \$ 1.00 = ₹ 73.1400 in the City of New York for cable transfers of Indian Rupee as certified for customs purposes by the Federal Reserve Bank of New York on March 31, 2021. No representation is made that the Indian Rupee amounts represent US dollar amounts or have been, could have been or could be converted into US dollars at such a rate or any other rate.



b) Basis of Measurement

The consolidated financial statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets and liabilities which are measured at fair value as explained in the accounting policies below.

3(a) Significant accounting policies

A. Basis of consolidation

Subsidiaries:

The consolidated financial statements incorporate the results of the Company and all its subsidiaries (the "Group"), being the entities that it controls. Control is evidenced where the Group has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power is demonstrated through existing rights that give the ability to direct relevant activities, which significantly affect the entity's returns.

The financial statements of subsidiaries are prepared for the same reporting year as the parent company. Where necessary, adjustments are made to the financial statements of subsidiaries to align the accounting policies in line with accounting policies of the Group.

For non-wholly owned subsidiaries, a share of the profit/(loss) for the financial year and net assets is attributed to the non-controlling interests as shown in the consolidated statements of profit or loss, consolidated statements of comprehensive income and consolidated statements of financial position.

Liability for put option issued to non-controlling interests which do not grant present access to ownership interest to the Group is recognised at present value of the redemption amount and is reclassified from equity. At the end of each reporting period, the non-controlling interests subject to put option is derecognised and the difference between the amount derecognised and present value of the redemption amount, which is recorded as a financial liability, is accounted for as an equity transaction.

For acquisitions of additional interests in subsidiaries, where there is no change in control, the Group recognises a reduction to the non-controlling interest of the respective subsidiary with the difference between this figure and the cash paid, inclusive of transaction fees, being recognised in equity. Similarly, upon dilution of controlling interests the difference between the cash received from sale or listing of the subsidiary shares and the increase to non-controlling interest is also recognised in equity. The results of subsidiaries acquired or disposed off during the year are included in the consolidated statements of profit or loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Intra-Group balances and transactions, and any unrealised profits arising from intra-Group transactions are eliminated. Unrealised losses are eliminated unless costs cannot be recovered.

Joint arrangements

A Joint arrangement is an arrangement of which two or more parties have joint control. Joint control is considered when there is contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Investments in joint arrangements are classified as either joint operations or joint venture. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement, have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby, the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

The Group has both joint operations and joint ventures.

Joint operations

The Group has joint operations within its Oil and gas segment. It participates in several unincorporated joint operations which involve the joint control of assets used in oil and gas exploration and producing activities. The Group accounts for its share of assets, liabilities, income and expenditure of joint operations in which the Group holds an interest. Liabilities in unincorporated joint operations where the Group is the operator, is accounted for at gross values (including share of other partners) with a corresponding receivable from the venture partner. These have been included in the consolidated financial statements under the appropriate headings.

Details of joint operations are set out in Note 34.

*Joint venture*

The Group accounts for its interest in joint venture using the equity method (see Note B below), after initially being recognised at cost in the consolidated statements of financial position. Goodwill arising on the acquisition of joint venture is included in the carrying value of investments in joint venture.

B. Investments in associates:

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. Investments in associates are accounted for using the equity method. Goodwill arising on the acquisition of associates is included in the carrying value of investments in associate.

Equity method of accounting

Under the equity method of accounting applicable for investments in associates and joint ventures, investments are initially recorded at the cost to the Group and then, in subsequent periods, the carrying value is adjusted to reflect the Group's share of the post-acquisition profits or losses of the investee, and the Group's share of other comprehensive income of the investee, other changes to the investees net assets and is further adjusted for impairment losses, if any. Dividend received or receivable from associate and joint ventures are recognised as a reduction in carrying amount of the investment.

The consolidated statements of profit or loss and consolidated statements of comprehensive income include the Group's share of investee's results, except where the investee is generating losses, share of such losses in excess of the Group's interest in that investee are not recognised. Losses recognised under the equity method in excess of the Group's investment in ordinary shares are applied to the other components of the Group's interest that forms part of Group's net investment in the investee in the reverse order of their seniority (i.e. priority in liquidation).

If the Group's share of losses in an associate or joint venture equals or exceeds, its interests in the associate or joint venture, the Group discontinues the recognition of further losses. Additional losses are provided for, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate/ joint venture.

Unrealised gains arising from transactions with associate and joint venture are eliminated against the investment to the extent of the Group's interest in these entities. Unrealised losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment of the asset transferred. Accounting policies of equity accounted investees is changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in Note 3 (a)(G) below.

C. Business combinations

Business combinations are accounted for under the acquisition method. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair value at the acquisition date, except certain assets and liabilities required to be measured as per the applicable standards.

Excess of fair value of purchase consideration and the acquisition date non-controlling interest over the acquisition date fair value of identifiable assets acquired and liabilities assumed is recognised as goodwill. Goodwill arising on acquisitions is reviewed for impairment annually. Where the fair values of the identifiable assets and liabilities exceed the purchase consideration, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the surplus is credited to the consolidated statements of profit or loss in the period of acquisition. Where it is not possible to complete the determination of fair values by the date on which the first post-acquisition financial statements are approved, a provisional assessment of fair value is made and any adjustments required to those provisional fair values are finalised within 12 months of the acquisition date.

Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, or the amounts at which existing assets or liabilities were recorded are remeasured to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed twelve months from the acquisition date.

Any non-controlling interest in an acquiree is measured at fair value or as the non-controlling interest's proportionate share of the acquiree's net identifiable assets. This accounting choice is made on a transaction by transaction basis.

Acquisition expenses are charged to the consolidated statements of profit or loss.

If the Group acquires a group of assets in a company that does not constitute a business combination in accordance with IFRS 3 'Business Combinations', the cost of the acquired group of assets is allocated to the individual identifiable assets acquired based on their relative fair value.



Common control transactions

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and the control is not transitory. The transactions between entities under common control are scoped out of IFRS 3 and there is no authoritative literature for these transactions under IFRS. As a result, the Group adopted accounting principles similar to the pooling-of-interest method based on the predecessor values. The assets and liabilities of the acquired entity are recognised at the book values recorded in the ultimate parent entity's consolidated financial statements. The components of equity of the acquired companies are added to the same components within Group equity except that any share capital and investments in the books of the acquiring entity is cancelled and the differences, if any, is adjusted in the opening retained earnings/ capital reserve. The Company's shares issued in consideration for the acquired companies are recognised from the moment the acquired companies are included in these financial statements and the financial statements of the commonly controlled entities would be combined, retrospectively, as if the transaction had occurred at the beginning of the earliest reporting period presented. However, the prior years' comparative information is only adjusted for periods during which the entities were under common control.

D. Revenue recognition

Sale of goods/ rendering of services (Including revenue from contracts with customers)

The Group's revenue from contracts with customers is mainly from the sale of copper, aluminium, iron ore, zinc, oil and gas, power, steel, glass substrate and port operations. Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer which usually is on delivery of the goods to the shipping agent at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is recognised net of discounts, volume rebates, outgoing sales taxes/ goods and service tax and other indirect taxes excluding excise duty. Revenues from sale of by-products are included in revenue.

Certain of the Group's sales contracts provide for provisional pricing based on the price on the London Metal Exchange (LME) and crude index, as specified in the contract. Revenue in respect of such contracts is recognised when control passes to the customer and is measured at the amount the entity expects to be entitled – being the estimate of the price expected to be received at the end of the measurement period. Post transfer of control of goods, provisional pricing features are accounted in accordance with IFRS 9 'Financial Instruments' rather than IFRS 15 'Revenue from contracts with customers' and therefore the IFRS 15 rules on variable consideration do not apply. These 'provisional pricing' adjustments, i.e., the consideration received post transfer of control are included in total revenue and disclosed by way of note to the financial statements. Final settlement of the price is based on the applicable price for a specified future period. The Group's provisionally priced sales are marked to market using the relevant forward prices for the future period specified in the contract and is adjusted in revenue.

Revenue from oil, gas and condensate sales represent the Group's share in the revenue from sale of such products, by the joint operations, and is recognised as and when control in these products gets transferred to the customers. In computing its share of revenue, the Group excludes government's share of profit oil which gets accounted for when the obligation in respect of the same arises.

Revenue from sale of power is recognised when delivered and measured based on rates as per bilateral contractual agreements with buyers and at a rate arrived at based on the principles laid down under the relevant Tariff Regulations as notified by the regulatory bodies, as applicable.

Where the Group acts as a port operator, revenues relating to operating and maintenance phase of the port contract are measured at the amount that Group expects to be entitled to for the services provided.

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs part of its obligation by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration when that right is conditional on the Group's future performance.

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is received. The advance payments received plus a specified rate of return/ discount, at the prevailing market rates, is settled by supplying respective goods over a period of up to twenty four months under an agreed delivery schedule as per the terms of the respective agreements. As these are contracts that the Group expects, and has the ability, to fulfil through delivery of a non-financial item, these are presented as advance from customers and are recognised as revenue as and when control of respective commodities is transferred to customers under the agreements. The fixed rate of return/discount is treated as finance cost. The portion of the advance where either the Group does not have a unilateral right to defer settlement beyond 12 months or expects settlement within 12 months from the balance sheet date is classified as current liability.

Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.



Dividends

Dividend income is recognised in the consolidated statements of profit or loss only when the right to receive payment is established, provided it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

E (a) Property, plant and equipment

(i) Mining properties and leases

When a decision is taken that a mining property is viable for commercial production (i.e. when the Group determines that the mining property will provide sufficient and sustainable return relative to the risks and the Group decided to proceed with the mine development), all further pre-production primary development expenditure other than that on land, buildings, plant, equipment and capital work in progress is capitalised as property, plant and equipment under the heading "Mining properties and leases" together with any amount transferred from "Exploration and evaluation" assets. The costs of mining properties and leases include the costs of acquiring and developing mining properties and mineral rights.

The stripping cost incurred during the production phase of a surface mine is deferred to the extent the current period stripping cost exceeds the average period stripping cost over the life of mine and recognised as an asset if such cost provides a benefit in terms of improved access to ore in future periods and certain criteria are met. When the benefit from the stripping costs are realised in the current period, the stripping costs are accounted for as the cost of inventory. If the costs of inventory produced and the stripping activity asset are not separately identifiable, a relevant production measure is used to allocate the production stripping costs between the inventory produced and the stripping activity asset. The Group uses the expected volume of waste compared with the actual volume of waste extracted for a given value of ore/mineral production for the purpose of determining the cost of the stripping activity asset.

Deferred stripping costs are included in mining properties within property, plant and equipment and disclosed as a part of mining properties. After initial recognition, the stripping activity asset is depreciated on a unit of production method over the expected useful life of the identified component of the ore body.

In circumstances where a mining property is abandoned, the cumulative capitalised costs relating to the property are written off in the period in which it occurs, i.e., when the Group determines that the mining property will not provide sufficient and sustainable returns relative to the risks and the Group decides not to proceed with the mine development.

Commercial reserves are proved and probable reserves as defined by the 'JORC' Code, 'MORC' code or 'SAMREC' Code. Changes in the commercial reserves affecting unit of production calculations are dealt with prospectively over the revised remaining reserves.

The estimates of hydrocarbon reserves and resources have been derived in accordance with the Society of Petroleum Engineers "Petroleum Resources Management System (2018)".

(ii) Oil and gas assets- (developing/producing assets)

For oil and gas assets a successful efforts based accounting policy is followed. Costs incurred prior to obtaining the legal rights to explore an area are expensed immediately to the consolidated statements of profit or loss.

All costs incurred after the technical feasibility and commercial viability of producing hydrocarbons has been demonstrated are capitalised within property, plant and equipment - development/producing assets on a field-by-field basis. Subsequent expenditure is capitalised only where it either enhances the economic benefits of the development/producing asset or replaces part of the existing development/producing asset. Any remaining costs associated with the part replaced are expensed.

Net proceeds from any disposal of development/producing assets are credited against the previously capitalised cost. A gain or loss on disposal of a development/producing asset is recognised in the consolidated statements of profit or loss to the extent that the net proceeds exceed or are less than the appropriate portion of the net capitalised costs of the asset.

(iii) Other property, plant and equipment

The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use. It also includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the consolidated statements of profit or Loss for the period during which such expenses are incurred.

Gains and losses on disposal of an item of property, plant and equipment computed as the difference between the net disposal proceeds and the carrying amount of the asset is included in the consolidated statements of profit or loss when the asset is derecognised. Major inspection and overhaul expenditure is capitalised, if the recognition criteria are met.

*(iv) Assets under construction*

Assets under construction are capitalised in the assets under construction account. At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset and any obligatory decommissioning costs are capitalised until the period of commissioning has been completed and the asset is ready for its intended use. Asset under construction are presented at cost, net of accumulated impairment losses, if any.

(v) Depreciation, depletion and amortisation expense

Mining properties and other assets in the course of development or construction, freehold land and goodwill are not depreciated or amortised.

Mining properties

The capitalised mining properties are amortised on a unit-of-production basis over the total estimated remaining commercial proved and probable reserves of each property or Group of properties and are subject to impairment review. Costs used in the unit of production calculation comprise the net book value of capitalised costs plus the estimated future capital expenditure required to access the commercial reserves. Changes in the estimates of commercial reserves or future capital expenditure are dealt with prospectively.

Oil and gas producing facilities

All expenditures carried within each field are amortised from the commencement of production on a unit of production basis, which is the ratio of oil and gas production in the period to the estimated quantities of commercial reserves at the end of the period plus the production in the period, generally on a field-by-field basis or group of fields which are reliant on common infrastructure.

Commercial reserves are proven and probable oil and gas reserves, which are defined as the estimated quantities of crude oil, natural gas and natural gas liquids which geological, geophysical and engineering data demonstrate with a specified degree of certainty to be recoverable in future years from known reservoirs and which are considered commercially producible.

Costs used in the unit of production calculation comprise the net book value of capitalised costs plus the estimated future field development costs required to access the commercial reserves. Changes in the estimates of commercial reserves or future field development costs are dealt with prospectively.

Other assets

Depreciation on Property, plant and equipment is calculated using the straight-line method (SLM) to allocate their cost, net of their residual values, over their estimated useful lives (determined by the management) as given below. Management's assessment takes into account, inter alia, the nature of the assets, the estimated usage of the assets, the operating conditions of the assets, past history of replacement and maintenance support.

Estimated useful life of assets are as follows:

ASSET	Useful life (in years)
Buildings (Residential; factory etc.)	3 - 60
Plant and equipment	15 - 40
Railway Sidings	15
Office equipment	3 - 6
Furniture and fixtures	8 - 10
Vehicles	8 - 10

Major inspection and overhaul costs are depreciated over the estimated life of the economic benefit to be derived from such costs. The carrying amount of the remaining previous overhaul cost is charged to the consolidated statements of profit or loss if the next overhaul is undertaken earlier than the previously estimated life of the economic benefit.

The Group reviews the residual value and useful life of an asset at least at each financial year end and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

(b) Exploration and evaluation assets

Exploration and evaluation expenditure incurred prior to obtaining the mining right or the legal right to explore are expensed as incurred.

Exploration and evaluation expenditure incurred after obtaining the mining right or the legal right to explore, are capitalised as exploration and evaluation assets (intangible assets) and stated at cost less impairment, if any. Exploration and evaluation assets are transferred to the appropriate category of property, plant and equipment when the technical feasibility and commercial viability has been determined. Exploration and evaluation assets are assessed for impairment and impairment loss, if any, is recognised prior to reclassification.



Exploration expenditure includes all direct and allocated indirect expenditure associated with finding specific mineral resources which includes depreciation and applicable operating costs of related support equipment and facilities and other costs of exploration activities:

- Acquisition costs - costs associated with acquisition of licenses and rights to explore, including related professional fees.
- General exploration costs - costs of surveys and studies, rights of access to properties to conduct those studies (e.g., costs incurred for environment clearance, defence clearance, etc.), and salaries and other expenses of geologists, geophysical crews and other personnel conducting those studies.
- Costs of exploration drilling and equipping exploration and appraisal wells.

Exploration expenditure incurred in the process of determining oil and gas exploration targets is capitalised within “exploration and evaluation assets” and subsequently allocated to drilling activities. Exploration drilling costs are initially capitalised on a well-by-well basis until the success or otherwise of the well has been established. The success or failure of each exploration effort is judged on a well-by-well basis. Drilling costs are written off on completion of a well unless the results indicate that hydrocarbon reserves exist and there is a reasonable prospect that these reserves are commercial.

Following appraisal of successful exploration wells, if commercial reserves are established and technical feasibility for extraction demonstrated, then the related capitalised exploration costs are transferred into a single field cost centre within property, plant and equipment - development/ producing assets (oil and gas properties) after testing for impairment. Where results of exploration drilling indicate the presence of hydrocarbons which are ultimately not considered commercially viable, all related costs are written off to the consolidated statements of profit or loss.

Expenditure incurred on the acquisition of a licence interest is initially capitalised on a licence-by-licence basis. Costs are held undepleted, within exploration and evaluation assets until such time as the exploration phase on the licence area is complete or commercial reserves have been discovered.

Net proceeds from any disposal of an exploration asset are initially credited against the previously capitalised costs. Any surplus/ deficit is recognised in the consolidated statements of profit or loss.

(c) Other Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Subsequently, intangibles assets are measured at cost less accumulated amortisation and accumulated impairment losses, if any.

The Group recognises port concession rights as “Intangible Assets” arising from a service concession arrangement, in which the grantor controls or regulates the services provided and the prices charged, and also controls any significant residual interest in the infrastructure such as property, plant and equipment, irrespective whether the infrastructure is existing infrastructure of the grantor or the infrastructure is constructed or purchased by the Group as part of the service concession arrangement. Such an intangible asset is recognised by the Group initially at cost determined as the fair value of the consideration received or receivable for the construction service delivered and is capitalised when the project is complete in all respects. Port concession rights are amortised on straight line basis over the balance of license period. The concession period is 30 years from the date of the award. Any addition to the port concession rights are measured at fair value on recognition. Port concession rights also include certain property, plant and equipment in accordance with IFRIC 12 “Service Concession Arrangements”.

Intangible assets are amortised over their estimated useful life on a straight line basis. Software is amortised over the estimated useful life ranging from 2-5 years. Amounts paid for securing mining rights are amortised over the period of the mining lease ranging from 16-25 years. Technological know-how and acquired brand are amortised over the estimated useful life of ten years.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statements of profit or loss when the asset is derecognised.

The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is different from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

F. Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets and disposal groups classified as held for sale are not depreciated and are measured at the lower of carrying amount and fair value less costs to sell. Such assets and disposal groups are presented separately on the face of the consolidated statements of financial position.



G. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial Assets – Recognition & subsequent measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

For purposes of subsequent measurement, financial assets are classified in four categories:

Debt instruments at amortised cost

A 'debt instrument' is measured at amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in consolidated statements of profit or loss. The losses arising from impairment are recognised in consolidated statements of profit or loss.

Debt instruments at fair value through other comprehensive income (FVOCI)

A 'debt instrument' is classified as at FVOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in other comprehensive income (OCI). However, interest income, impairment losses and reversals and foreign exchange gain or loss are recognized in the consolidated statements of profit or loss. On derecognition of the asset, cumulative gain or loss previously recognised in other comprehensive income is reclassified from the equity to consolidated statements of profit or loss. Interest earned whilst holding fair value through other comprehensive income debt instrument is reported as interest income using the EIR method.

Debt instruments at fair value through profit or loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortised cost or as FVOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortised cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes being recognised in consolidated statements of profit or loss.

Equity instruments

All equity investments in the scope of IFRS 9 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity. For equity instruments which are classified as FVTPL, all subsequent fair value changes are recognised in the consolidated statements of profit or loss.



(b) Financial Assets - Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

(c) Impairment of financial assets

In accordance with IFRS 9, the Group applies expected credit loss (“ECL”) model for measurement and recognition of impairment loss on the following financial assets:

- i) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities and deposits
- ii) Financial assets that are debt instruments and are measured as at FVOCI
- iii) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of IFRS 15.

The Group follows ‘simplified approach’ for recognition of impairment loss allowance on trade receivables, contract assets and lease receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

At each reporting date, for recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Group reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive, discounted at the original EIR.

ECL impairment loss allowance (or reversal) during the year is recognised as income/expense in consolidated statements of profit or loss. The consolidated statements of financial position presentation for various financial instruments is described below:

- i) Financial assets measured at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets. The Group does not reduce impairment allowance from the gross carrying amount.
- ii) Debt instruments measured at FVOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as ‘accumulated impairment amount’ in the OCI.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Group does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/origination.

(d) Financial liabilities – Recognition and Subsequent measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, or as loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value, and in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

The Group’s financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the consolidated statements of profit or loss.



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Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ losses are not subsequently transferred to consolidated statements of profit or loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the consolidated statements of profit or loss. The Group has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost (Loans and Borrowings and Trade and Other payables)

After initial recognition, interest-bearing loans and borrowings and trade and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in consolidated statements of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance and other costs in the consolidated statements of profit or loss.

(e) Financial liabilities – Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statements of profit or loss.

(f) Embedded Derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of IFRS 9, the Group does not separate embedded derivatives. Rather, it applies the classification requirements contained in IFRS 9 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in consolidated statements of profit or loss, unless designated as effective hedging instruments.

(g) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

(h) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

(i) Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

In order to hedge its exposure to foreign exchange, interest rate, and commodity price risks, the Group enters into forward, option, swap contracts and other derivative financial instruments. The Group does not hold derivative financial instruments for speculative purposes.

Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to consolidated statements of profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to consolidated statements of profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.



For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment
- Hedges of a net investment in a foreign operation

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Group will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

(1) Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in consolidated statements of profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in consolidated statements of profit or loss. Hedge accounting is discontinued when the Group revokes the hedge relationship, the hedging instrument or hedged item expires or is sold, terminated, or exercised or no longer meets the criteria for hedge accounting.

(2) Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the consolidated statements of profit or loss.

Amounts recognised in OCI are transferred to consolidated statements of profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised in OCI are transferred to the initial carrying amount of the non-financial asset or liability

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

(3) Hedges of a net investment

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised in OCI while any gains or losses relating to the ineffective portion are recognised in the consolidated statements of profit or loss. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is reclassified to the consolidated statements of profit or loss (as a reclassification adjustment).

H. Borrowing costs

Borrowing cost includes interest expense as per effective interest rate (EIR) and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly relating to the acquisition, construction or production of a qualifying capital project under construction are capitalised and added to the project cost during construction until such time that the assets are substantially ready for their intended use, i.e., when they are capable of commercial production. Borrowing costs relating to the construction phase of a service concession arrangement is capitalised as part of the cost of the intangible asset. Where funds are borrowed specifically to finance a qualifying capital project, the amount capitalised represents the actual borrowing costs incurred. Where surplus funds are available out of money borrowed specifically to finance a qualifying capital project, the income generated from such short-term investments is deducted from the total capitalised borrowing cost. If any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing then becomes part of general borrowing. Where the funds used to finance a project form part of general borrowings, the amount capitalised is calculated using a weighted average of rates applicable to relevant general borrowings of the Group during the year.



All other borrowing costs are recognised in the consolidated statements of profit or loss in the year in which they are incurred.

Capitalisation of interest on borrowings related to construction or development projects is ceased when substantially all the activities that are necessary to make the assets ready for their intended use are complete or when delays occur outside of the normal course of business.

EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial liability or a shorter period, where appropriate, to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options).

I. Impairment

Non-financial assets

Impairment charges and reversals are assessed at the level of cash-generating units. A cash-generating unit (CGU) is the smallest identifiable group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or group of assets.

The Group assesses at each reporting date, whether there is an indication that an asset may be impaired. The Group conducts an internal review of asset values annually, which is used as a source of information to assess for any indications of impairment or reversal of previously recognised impairment losses. Internal and external factors, such as worse economic performance than expected, changes in expected future prices, costs and other market factors are also monitored to assess for indications of impairment or reversal of previously recognised impairment losses.

If any such indication exists or in case of goodwill where annual testing of impairment is required then an impairment review is undertaken, the recoverable amount is calculated, as the higher of fair value less costs of disposal and the asset's value in use.

Fair value less costs of disposal is the price that would be received to sell the asset in an orderly transaction between market participants and does not reflect the effects of factors that may be specific to the Group and not applicable to entities in general. Fair value for mineral and oil and gas assets is generally determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset, including any expansion prospects, and its eventual disposal, using assumptions that an independent market participant may take into account. These cash flows are discounted at an appropriate post-tax discount rate to arrive at the net present value.

Value in use is determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset in its present form and its eventual disposal. The cash flows are discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted. Value in use is determined by applying assumptions specific to the Group's continued use and cannot take into account future development. These assumptions are different to those used in calculating fair value and consequently the value in use calculation is likely to give a different result to a fair value calculation.

The carrying amount of the CGU is determined on a basis consistent with the way the recoverable amount of the CGU is determined. The carrying value is net of deferred tax liability recognised in the fair value of assets acquired in the business combination.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognised in the consolidated statements of profit or loss.

Any reversal of the previously recognised impairment loss is limited to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised except if initially attributed to goodwill.

Exploration and evaluation assets:

In assessing whether there is any indication that an exploration and evaluation asset may be impaired, the Group considers, as a minimum, the following indicators:

- the period for which the Group has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the Group has decided to discontinue such activities in the specific area;
- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale; and
- reserve information prepared annually by external experts.



When a potential impairment is identified, an assessment is performed for each area of interest in conjunction with the group of operating assets (representing a cash-generating unit) to which the exploration and evaluation assets is attributed. Exploration areas in which reserves have been discovered but require major capital expenditure before production can begin, are continually evaluated to ensure that commercial quantities of reserves exist or to ensure that additional exploration work is under way or planned. To the extent that capitalised expenditure is no longer expected to be recovered, it is charged to the consolidated statements of profit or loss.

J. Leases

The Group assesses at contract inception, all arrangements to determine whether they are, or contain, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

(b) Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities towards future lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date when the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The right-of-use assets are also subject to impairment.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets as described in E above

(ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (and, in some instances, in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is generally not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in Trade and other payables.

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.



K. Government grants

Grants and subsidies from the government are recognised when there is reasonable assurance that (i) the Group will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognised as income on a systematic basis in the consolidated statements of profit or loss over the periods necessary to match them with the related costs, which they are intended to compensate.

Government grants relating to tangible fixed assets are deducted in calculating the carrying amount of the assets and recognised in the consolidated statements of profit or loss over the expected useful lives of the assets concerned as a reduced depreciation expense.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

L. Inventories

Inventories and work-in-progress are stated at the lower of cost and net realisable value.

Cost is determined on the following basis:

- Purchased copper concentrate is recorded at cost on a first-in, first-out (“FIFO”) basis; all other materials including stores and spares are valued on weighted average basis; except in Oil and Gas business where stores and spares are valued on FIFO basis.
- Finished products are valued at raw material cost plus costs of conversion, comprising labour costs and an attributable proportion of manufacturing overheads based on normal levels of activity and are moved out of inventory on a weighted average basis (except in copper business where FIFO basis is followed); and
- By-products and scrap are valued at net realisable value.

Net realisable value is determined based on estimated selling price, less further costs expected to be incurred for completion and disposal.

**M. Taxation**

Tax expense represents the sum of current tax and deferred tax.

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the reporting date and includes any adjustment to tax payable in respect of previous years.

Subject to the exceptions below, deferred tax is provided, using the balance sheet method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes and on carry forward of unused tax credits and unused tax losses:

- tax payable on the future remittance of the past earnings of subsidiaries where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future;
- deferred income tax is not recognised on initial recognition as well as on the impairment of goodwill which is not deductible for tax purposes or on the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit (tax loss); and
- deferred tax assets (including MAT credit entitlement) are recognised only to the extent that it is more likely than not that they will be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Tax relating to items recognised outside consolidated statements of profit or loss is recognised outside consolidated statements of profit or loss (either in other comprehensive income or equity).

The carrying amount of deferred tax assets (including MAT credit entitlement) is reviewed at each reporting date and is adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax is provided on temporary differences arising on acquisitions that are categorised as Business Combinations. Deferred tax is recognised at acquisition as part of the assessment of the fair value of assets and liabilities acquired. Subsequently deferred tax is charged or credited in the consolidated statements of profit or loss/other comprehensive income as the underlying temporary difference is reversed.

Further, management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

N. Retirement benefit schemes

The Group operates or participates in a number of defined benefits and defined contribution schemes, the assets of which (where funded) are held in separately administered funds.

For defined benefit schemes, the cost of providing benefits under the plans is determined by actuarial valuation each year separately for each plan using the projected unit credit method by third party qualified actuaries.

Remeasurement including, effects of asset ceiling and return on plan assets (excluding amounts included in interest on the net defined benefit liability) and actuarial gains and losses arising in the year are recognised in full in other comprehensive income and are not recycled to the consolidated statements of profit or loss.

Past service costs are recognised in the consolidated statements of profit or loss on the earlier of:

- the date of the plan amendment or curtailment, and
- the date that the Group recognises related restructuring costs

Net interest is calculated by applying a discount rate to the net defined benefit liability or asset at the beginning of the period. Defined benefit costs are split into current service cost, past service cost, net interest expense or income and remeasurement, and gains and losses on curtailments and settlements.

Current service cost and past service costs are recognised within cost of sales and administrative expenses and distribution expenses. Net interest expense or income is recognised within finance and other costs.

For defined contribution schemes, the amount charged to the consolidated statements of profit or loss in respect of pension costs and other post-retirement benefits is the contributions payable in the year, recognised as and when the employee renders related services.

**O. Share-based payments**

Certain employees (including executive directors) of the Group receive part of their remuneration in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions').

The cost of equity-settled transactions with employees is measured at fair value of share awards at the date at which they are granted. The fair value of share awards is determined with the assistance of an external valuer and the fair value at the grant date is expensed on a proportionate basis over the vesting period based on the Group's estimate of shares that will eventually vest. The estimate of the number of awards likely to vest is reviewed at each reporting date up to the vesting date at which point the estimate is adjusted to reflect the current expectations.

The resultant increase in equity is recorded in share-based payment reserve.

In case of cash-settled transactions, a liability is recognised for the fair value of cash-settled transactions. The fair value is measured initially and at each reporting date up to and including the settlement date, with changes in fair value recognised in employee benefits expense. The fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The fair value is determined with the assistance of an external valuer.

P. Provisions, contingent liabilities and contingent assets

The assessments undertaken in recognising provisions and contingencies have been made in accordance with the applicable IFRS.

Provisions represent liabilities for which the amount or timing is uncertain. Provisions are recognised when the Group has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in the consolidated statements of profit or loss as a finance and other costs. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the consolidated financial statements.

Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefit is probable.

The Group has significant capital commitments in relation to various capital projects which are not recognised in the consolidated statements of financial position.

Q. Restoration, rehabilitation and environmental costs

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the development or ongoing production of a mine or oil fields. Such costs, discounted to net present value, are provided for and a corresponding amount is capitalised at the start of each project, as soon as the obligation to incur such costs arises. These costs are charged to the consolidated statements of profit or loss over the life of the operation through the depreciation of the asset and the unwinding of the discount on the provision. The cost estimates are reviewed periodically and are adjusted to reflect known developments which may have an impact on the cost estimates or life of operations. The cost of the related asset is adjusted for changes in the provision due to factors such as updated cost estimates, changes to lives of operations, new disturbance and revisions to discount rates. The adjusted cost of the asset is depreciated prospectively over the lives of the assets to which they relate. The unwinding of the discount is shown as a finance and other costs in the consolidated statements of profit or loss.

Costs for the restoration of subsequent site damage which is caused on an ongoing basis during production are provided for at their net present value and charged to the consolidated statements of profit or loss as extraction progresses. Where the costs of site restoration are not anticipated to be material, they are expensed as incurred.

R. Accounting for foreign currency transactions and translations

The functional currency for each entity in the Group is determined as the currency of the primary economic environment in which it operates. For all principal operating subsidiaries, the functional currency is normally the local currency of the country in which it operates with the exception of oil and gas business operations which have a US dollar functional currency as that is the currency of the primary economic environment in which it operates.

In the financial statements of individual group companies, transactions in currencies other than the respective functional currencies are translated into their functional currencies at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in other currencies are translated into functional currencies at exchange rates prevailing on the reporting date. Non-monetary assets and liabilities denominated in other currencies and measured at historical cost or fair value are translated at the exchange rates prevailing on the dates on which such values were determined.



All exchange differences are included in the consolidated statements of profit or loss except those where the monetary item is designated as an effective hedging instrument of the currency risk of designated forecasted sales or purchases, which are recognised in the other comprehensive income.

Exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings are capitalised as part of borrowing costs in qualifying assets.

For the purposes of the consolidation of financial statements, items in the consolidated statements of profit or loss of those businesses for which the Indian Rupees is not the functional currency are translated into Indian Rupees at the average rates of exchange during the year/ exchange rates as on the date of transaction. The related consolidated statements of financial position is translated into Indian rupees at the rates as at the reporting date. Exchange differences arising on translation are recognised in the consolidated statements of other comprehensive income. On disposal of such entities the deferred cumulative exchange differences recognised in equity relating to that particular foreign operation are recognised in the consolidated statements of profit or loss.

S. Earnings per share

The Group presents basic and diluted earnings per share (“EPS”) data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

T. Treasury shares

The Group has created an Employee Benefit Trust (EBT) for providing share-based payment to its employees. The Group uses EBT as a vehicle for distributing shares to employees under the employee remuneration schemes. The EBT buys shares of the Company from the market, for giving shares to employees. The shares held by EBT are treated as treasury shares.

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group’s own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in equity. Share options whenever exercised, would be satisfied with treasury shares.

U. Current and non-current classification

The Group presents assets and liabilities in the consolidated statements of financial position based on current / non-current classification. An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realized in, or is intended for sale or consumption in, the Group’s normal operating cycle.
- it is held primarily for the purpose of being traded;
- it is expected to be realized within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Group’s normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or
- the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current only.



V. Acceptances

The Group enters into arrangements whereby banks and financial institutions make direct payments to suppliers for raw materials and project materials. The banks and financial institutions are subsequently repaid by the Group at a later date providing working capital timing benefits. These are normally settled up to twelve months (for raw materials) and up to 36 months (for project and materials). Where these arrangements are with a maturity of up to twelve months, the economic substance of the transaction is determined to be operating in nature and these are recognised as Acceptances. Where these arrangements are with a maturity beyond twelve months and up to thirty six months, the economic substance of the transaction is determined to be financing in nature, and these are presented within borrowings in the consolidated statements of financial position. Interest expense on these are recognised in the finance and other costs. Payments made by banks and financial institutions to the operating vendors are treated as an operational cash outflow and financing inflow and settlement of such acceptances by the Group is treated as a financing cash outflow.

W. Cash and cash equivalents and restricted cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, and short-term money market deposits which have a maturity of three months or less from the date of acquisition, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and are unrestricted as to withdrawal and usage.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above and additionally includes unpaid dividend account.

Restricted cash and cash equivalents in the consolidated statements of financial position comprise cash at bank and in hand, and short-term deposits which have a maturity of three months or less from the date of acquisition and are restricted as to withdrawal and usage.

3(b) Application of new and revised standards

The Group has adopted, with effect from April 01, 2020, the following new and revised standards and interpretations. Their adoption has not had any significant impact on the amounts reported in the consolidated financial statements.

- Amendments to IFRS 3 regarding definition of a Business
- Amendments to IFRS 7 and 9 regarding Interest Rate Benchmark Reform
- Amendments to IAS 1 and IAS 8 regarding definition of Material
- Amendments to IFRS 16 regarding COVID-19 related rent concessions

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:

<u>New pronouncement</u>	<u>Effective date</u>
Reference to the Conceptual Framework – Amendments to IFRS 3	January 01, 2022
Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16	January 01, 2022
Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37	January 01, 2022
AIP IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter	January 01, 2022
AIP IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities	January 01, 2022
AIP IAS 41 Agriculture – Taxation in fair value measurements	January 01, 2022
IFRS 17 Insurance Contracts	January 01, 2023
Classification of Liabilities as Current or Non-current - Amendments to IAS 1	January 01, 2023
Definition of Accounting Estimates - Amendments to IAS 8	January 01, 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	January 01, 2023

The amendments are not expected to have a material impact on the Group.

3(c) Significant accounting estimates and judgements

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these consolidated financial statements and the reported amounts of revenues and expenses for the years presented. These judgments and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to previous experience, but actual results may differ materially from the amounts included in the financial statements.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

The information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are as given below:

**I. Significant Estimates:***(i) Impact of COVID-19*

The outbreak of novel Coronavirus (COVID-19) pandemic globally and in India and the consequent lockdown restrictions imposed by national governments is causing significant disturbance and slowdown of economic activity across the globe. The commodity prices including oil have seen significant volatility with downward price pressures due to major demand centers affected by lockdown.

The Group is in the business of metals and mining, Oil & gas and generation of power which are considered as either essential goods and services or were generally allowed to continue to carry out the operations with adequate safety measures. The Group has taken proactive measures to comply with various regulations/guidelines issued by the Government and local bodies to ensure safety of its workforce and the society in general.

The Group has considered possible effects of COVID-19 on the recoverability of its investments, property, plant and equipment (PPE), inventories, loans and receivables, etc. in accordance with IFRS. The Group has considered forecast consensus, industry reports, economic indicators and general business conditions to make an assessment of the implications of the Pandemic. The Group has also performed sensitivity analysis on the key assumptions identified basis the internal and external information, which are indicative of future economic condition. Based on the assessment, the Group had recorded necessary adjustments, including impairment to the extent the carrying amount exceeds the recoverable amount during the previous year ended March 31, 2020 (Refer Note 14). No such impairments or reversals were identified during the current year. The actual effects of COVID-19 could be different from what is presently assessed and would be known only in due course of time, however no further adjustments are considered necessary at this stage.

(ii) Oil and Gas reserves

Significant technical and commercial judgements are required to determine the Group's estimated oil and natural gas reserves. Oil and Gas reserves are estimated on a proved and probable entitlement interest basis. Proven and probable reserves are estimated using standard recognised evaluation techniques. The estimate is reviewed annually. Future development costs are estimated taking into account the level of development required to produce the reserves by reference to operators, where applicable, and internal engineers.

Net entitlement reserves estimates are subsequently calculated using the Group's current oil price and cost recovery assumptions, in line with the relevant agreements.

Changes in reserves as a result of factors such as production cost, recovery rates, grade of reserves or oil and gas prices could impact the depletion rates, carrying value of assets (Refer Note 14) and environmental and restoration provisions.

(iii) Carrying value of exploration and evaluation oil & gas assets

Exploration assets are assessed by comparing the carrying value to higher of fair value less cost of disposal or value in use if impairment indicators, as contained in IFRS 6. Change to the valuation of exploration assets is an area of judgement. Further details on the Group's accounting policies on this are set out in accounting policy above. The amounts for exploration and evaluation assets represent active exploration projects. These amounts will be written off to the consolidated statements of profit or loss as exploration costs unless commercial reserves are established, or the determination process is not completed and there are no indications of impairment. The outcome of ongoing exploration, and therefore whether the carrying value of exploration and evaluation assets will ultimately be recovered, is inherently uncertain.

Details of carrying values and impairment charge/ reversal and the assumptions used are disclosed in Note 14.

(iv) Carrying value of developing/producing oil and gas assets

Management performs impairment tests on the Group's developing/producing oil and gas assets where indicators of impairment or impairment reversal of previously recorded impairment are identified in accordance with IAS 36.

In the current year, the management has reviewed the key assumptions, i.e., future production, oil prices, discount to price, Production sharing contract (PSC) life, discount rates, etc. for all of its oil and gas assets. Based on analysis of events that have occurred since then, there did not exist any indication that the assets may be impaired or previously recorded impairment charge may reverse. Hence, detailed impairment analysis has not been conducted in the current financial year.

However, during the year ended March 31, 2020, management had performed impairment tests on the Group's developing/producing oil and gas assets and the impairment assessments were based on a range of estimates and assumptions, including:

<u>Estimates/assumptions</u>	<u>Basis</u>
Future production	proved and probable reserves, resource estimates (with an appropriate conversion factor) considering the expected permitted mining volumes and, in certain cases, expansion projects
Commodity prices	management's best estimate benchmarked with external sources of information, to ensure they are within the range of available analyst forecast
Exchange rates	management best estimate benchmarked with external sources of information
Extension of PSC	granted till 2030 on the expected commercial terms (Refer note 3(c)(I)(viii))
Discount rates	cost of capital risk-adjusted for the risk specific to the asset/ CGU



Details of carrying values and impairment charge/ reversal and the assumptions used are disclosed in Note 14.

(v) *Mining properties and leases*

The carrying value of mining property and leases is arrived at by depreciating the assets over the life of the mine using the unit of production method based on proved and probable reserves. The estimate of reserves is subject to assumptions relating to life of the mine and may change when new information becomes available. Changes in reserves as a result of factors such as production cost, recovery rates, grade of reserves or commodity prices could thus impact the carrying values of mining properties and leases and environmental and restoration provisions.

Management performs impairment tests when there is an indication of impairment. The impairment assessments are based on a range of estimates and assumptions, including:

<u>Estimates/assumptions</u>	<u>Basis</u>
Future production	proved and probable reserves, resource estimates (with an appropriate conversion factor) considering the expected permitted mining volumes and, in certain cases, expansion projects
Commodity prices	management's best estimate benchmarked with external sources of information, to ensure they are within the range of available analyst forecast
Exchange rates	management best estimate benchmarked with external sources of information
Discount rates	cost of capital risk-adjusted for the risk specific to the asset/ CGU

There is no impairment recognised during the years ended March 31, 2019, March 31, 2020 and March 31, 2021.

(vi) *Recoverability of deferred tax and other income tax assets*

The Group has carry 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 statements of profit or loss.

The total deferred tax assets recognised in these financial statements (Refer Note 9) includes MAT credit entitlements of ₹ 91,258 million and ₹ 82,358 million (\$ 1,126 million) as at March 31, 2020 and March 31, 2021 respectively, of which ₹ 35,998 million as at March 31, 2020 was expected to be utilised in fourteenth and fifteenth year and ₹ 3,400 million (\$ 47 million) as at March 31, 2021 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 involve 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 decision (Refer Note 9).

(vii) *Copper operations in Tamil Nadu, India*

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

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



The Company has appealed this before the National Green Tribunal (NGT). NGT vide its order on December 15, 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 January 02, 2019 challenging the judgement of NGT dated December 15, 2018 and the previously passed judgement of NGT dated August 08, 2013. The Supreme Court vide its judgement dated February 18, 2019 set aside the judgements of NGT dated December 15, 2018 and August 08, 2013 solely on the basis of maintainability and directed the Company to file an appeal in High court.

The Company had 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 judgement wherein it dismissed all the Writ Petitions filed by the Company. The Company has approached the Supreme Court and challenged the said High Court order by way of a Special Leave Petition (SLP) to Appeal and also filed an interim relief for care & maintenance of the plant. The matter was then listed on December 02, 2020 before Supreme Court Bench. The Bench 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 matter was again mentioned before the bench on March 17, 2021, wherein the matter was posted for hearing on August 17, 2021.

However, subsequent to the year end, the Company approached the Supreme Court offering to supply medical oxygen from the said facility in view of prevailing COVID-19 situation, which was allowed by the Supreme Court, under supervision of a committee constituted by the Government of Tamil Nadu.

As per the Company'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 Company does not expect any material adjustments to these financial statements as a consequence of above actions.

The Company has carried out an impairment analysis for existing plant assets during the year ended March 31, 2021 considering the key variables and concluded that there exists no impairment. The Company has done an additional sensitivity analysis with commencement of operations of the existing plant w.e.f. April 01, 2024 and noted that the recoverable amount of the assets would still be in excess of their carrying values.

The carrying value of the assets as at March 31, 2021 is ₹ 18,257 million (\$ 250 million).

Expansion Plant:

Separately, the Company has filed a fresh application for renewal of the Environmental Clearance (EC) for the proposed Copper Smelter Plant 2 (Expansion Project) dated March 12, 2018 before the Expert Appraisal Committee of the MoEF wherein a sub-committee was directed to visit the Expansion Project site prior to prescribing the Terms of Reference.

In the meantime, the Madurai Bench of the High Court of Madras in a Public Interest Litigation held vide its order dated May 23, 2018 that the application for renewal of the Environmental Clearance for the Expansion Project shall be processed after a mandatory public hearing and in the interim, ordered the Company to cease construction and all other activities on site for the proposed Expansion Project with immediate effect. The Ministry of Environment and Forests (MoEF) has delisted the expansion project since the matter is sub-judice. Separately, SIPCOT vide its letter dated May 29, 2018, cancelled 342.22 acres of the land allotted for the proposed Expansion Project. Further the TNPCB issued orders on June 07, 2018 directing the withdrawal of the Consent to Establish (CTE) which was valid till March 31, 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.

Considering the delay in existing plant matter and accordingly delay in getting the required approval for expansion project, management considered to make provision for impairment for expansion project basis fair value less cost of disposal and accordingly made impairment provision of ₹ 6,692 million in March 2020. During the current period, there are no updates in the expansion matter and impairment provision of ₹ 6,692 million (\$ 91 million) is adequate and the net carrying value of ₹ 965 million (\$ 13 million) as at March 31, 2021 approximates its recoverable value.

Property, plant and equipment of ₹ 14,742 million and ₹ 13,367 million (\$ 183 million) and inventories of ₹ 5,166 million and ₹ 2,836 million (\$ 39 million) as at March 31, 2020 and March 31, 2021 respectively, pertaining to existing and expansion plant, could not be physically verified, anytime during the year, as the access to the plant is presently restricted. However, since operations are suspended and access to the plant restricted, any difference between book and physical quantities is unlikely to be material.

Impairment recognised during the year ended March 31, 2020

For the expansion plant, the project activities are on halt since May 2018. Further, the project EC for the expansion plant got expired on December 31, 2018 and fresh application is filed before the competent authority, however, the process will start only after reopening of the existing plant and after obtaining all statutory approvals, the timing of which is uncertain.

Keeping in view the above factors and the fact that value in use cannot be reasonably ascertained, the company has carried out recoverability assessment of the items of property, plant and equipment, asset under construction and capital advances. Based on the realisable value estimate of ₹ 2,886 million, the company has recognised an impairment of ₹ 6,692 million (comprising of asset under construction balances of ₹ 4,349 million, capital advances of ₹ 1,961 million and other assets of ₹ 382 million) during the year.



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viii) *PSC Extension*Rajasthan Block

The Company operates an oil and gas production facility in Rajasthan under a Production Sharing Contract (“PSC”). The management is of the opinion that the Company is eligible for automatic extension of the PSC for Rajasthan (“RJ”) block on same terms w.e.f. May 15, 2020, while Government of India (“GoI”) in October 2018, accorded its approval for extension of the PSC, under the Pre-NELP Extension policy as per notification dated April 07, 2017 (“Pre-NELP Policy”), for RJ block by a period of 10 years, w.e.f. May 15, 2020. As per the said policy and extension, the Company is required to comply with certain conditions and pay an additional 10% profit oil to GoI. The Company had challenged the applicability of Pre NELP Policy to the RJ block. The Division Bench of the Delhi High Court in March 2021 set aside the single judge order of May 2018 which allowed automatic extension of PSC. The Company is studying the order and all available legal remedies are being evaluated for further action as appropriate.

One of the conditions for extension of PSC relates to notification of certain audit exceptions raised for Financial Year 16-17 as per PSC provisions and provides for payment of amounts, if such audit exceptions result into any creation of liability.

The Directorate General of Hydrocarbons (“DGH”), in May 2018, has raised a demand on the Company and its subsidiary for the period up to March 31, 2017 for Government’s additional share of Profit oil based on its computation of disallowance of cost incurred in excess of the initially approved Field Development Plan (“FDP”) of pipeline project for ₹ 14,770 million (\$ 202 million) and retrospective re-allocation of certain common costs between Development Areas (“DAs”) of RJ aggregating to ₹ 26,690 million (\$ 364 million). The DGH vide its letter dated May 12, 2020, reiterated its demand only with respect to the retrospective re-allocation of certain common costs between Development Areas (“DAs”) of RJ block of ₹ 26,690 million (\$ 364 million) towards contractor share for the period upto March 31, 2017. This amount was subsequently revised to ₹ 33,600 million (\$ 458 million) till March 2018 vide DGH letter dated December 24, 2020.

The Company in January 2020 received notifications from the DGH on audit exceptions arising out of its audit for the FY 2017-18, which comprises consequential effects on profit oil due to the aforesaid matters and certain new matters on cost allowability plus interest aggregating to ₹ 47,135 million (\$ 645 million), representing share of Vedanta Limited and its subsidiary, CEHL (“the Claimants”), which have been suitably responded to by the Company.

The Company believes that it has sufficient as well as reasonable basis (pursuant to the PSC provisions and related approvals), supported by legal advice, for having claimed such costs and for allocating common costs between different DAs. In the Company’s opinion, these computations of the aforesaid demand / audit exceptions are not appropriate and the accounting adjustments sought for issues pertaining to Year 2007 and onwards are based on assumptions that are not in consonance with the approvals already in place. The Company’s view is also supported by independent legal opinion and the Company has been following the process set out in PSC to resolve these aforesaid matters. The Company has also invoked the PSC process for resolution of disputed exceptions and has issued notice for arbitration and the tribunal stands constituted. Further, on September 23, 2020, the GoI had filed an application for interim relief before Delhi High Court seeking payment of all disputed dues. This matter is now pending adjudication.

Also, on Vedanta’s application under section 17 of the Arbitration and Conciliation Act, 1996, the tribunal in December 2020 ordered that GoI should not take any action to enforce any of the amounts at issue in this arbitration against the Claimants during the arbitral period. The GoI has challenged the said order before the Delhi High Court under the said Act. This matter is now pending adjudication.

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

Simultaneously, the Company is also pursuing with the GoI for executing the RJ PSC addendum at the earliest. In view of extenuating circumstances surrounding COVID-19 and pending signing of the PSC addendum for extension after complying with all stipulated conditions, the GoI has been granting interim permission to the Company to continue Petroleum operations in the RJ block. The latest permission is valid upto July 31, 2021 or signing of the PSC addendum, whichever is earlier.

Ravva Block

The Government of India (GoI) has granted its approval for a ten-year extension of PSC for Ravva Block with effect from 28 October 2019, in terms of the provision of the “Policy on the Grant of the extension to Production Sharing Contract Signed by Government awarding small, medium-sized and discovered field to private joint ventures” dated 28 March 2016. The PSC addendum recording this extension has been executed by all parties.

The Ravva Extension Policy, amongst others, provides for an increased share of profit petroleum of 10% for the GoI during the extended term of the Ravva PSC and payment of royalty and cess as per prevailing rate in accordance with the PNG Rules, 1959 and OIBD Act. Under the Ravva PSC, the Company’s oil and gas business is entitled to recover 100% of cost of production and development from crude oil and natural gas sales before any profit is allocated among the parties.



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Cost recovery for exploration cost during extension period shall be governed as per the provision of Office Memorandum 2013, 2019 issued by MoPNG on exploration in mining lease area post expiry of the exploration period.

(ix) *Impact of Taxation Laws (Amendment) Act, 2019*

Pursuant to the introduction of Section 115BAA of the Indian Income Tax Act, 1961 which is effective April 01, 2019, companies in India have the option to pay corporate income tax at the rate of 22% plus applicable surcharge and cess as against the earlier rate of 30% plus applicable surcharge and cess, subject to certain conditions like, the Company has to forego all benefits like tax holidays, brought forward losses generated through tax incentives/additional depreciation and outstanding MAT credit. Considering all the provisions under Section 115BAA and based on the expected timing of exercising of the option under Section 115BAA, the Group has re-measured its deferred tax balances as at March 31, 2021. This computation required assessment of assumptions regarding future profitability, which is inherently uncertain. To the extent assumptions regarding future profitability change, there can be increase or decrease in the amounts recognized (Refer Note 9 for details).

- (x) ESL Steel Limited (formerly known as Electrosteel Steels Limited) (ESL), had filed application for renewal of Consent to Operate ('CTO') on August 24, 2017 for the period of five years which was denied by Jharkhand State Pollution Control Board ('JSPCB') on August 23, 2018, as JSPCB awaited response from The Ministry of Environment and Finance (MOEF) over a 2012 show-cause notice. After a personal hearing towards the show cause notice, the Ministry of Environment, Forests and Climate Change revoked the Environmental Clearance (EC) on September 20, 2018. The Hon'ble High Court of Jharkhand granted stay against both revocation orders, and allowed the continuous running of the plant operations under regulatory supervision of the JSPCB. Jharkhand High Court on September 16, 2020 passed an order vacating the interim stay in place beyond September 23, 2020, while listed the matter for final hearing. ESL urgently filed a petition in the Supreme Court, and on September 22, 2020, ESL was granted permission to run the plant till further orders. Next date of High Court hearing is October 01, 2021 and Supreme Court hearing is yet to be listed.

The Forest Advisory Committee (FAC) of MoEFCC granted the Stage 1 clearance and the MoEF&CC approved the related Terms of Reference (TOR) on August 25, 2020. As per Stage 1 clearance, the company is required to provide non-forest land in addition to the afforestation cost. The company, based on the report of an EIA consultant, has recognised a provision of ₹ 2,135 million (\$ 29 million) as part of cost of sales in these financial statement with respect to the costs to be incurred by the company for obtaining Environment Clearance.

(xi) *Assessment of impairment of assets at Aluminium division*

During year ended March 31, 2020, considering lower sales realisation, an impairment trigger was identified in the aluminium division of the Company. The impairment assessments are based on a range of estimates and assumptions, including:

<u>Estimates/ assumption</u>	<u>Basis</u>
Future production	Proved and probable reserves, production facilities, resource estimates and expansion projects
Commodity prices	management's best estimate benchmarked with external sources of information, to ensure they are within the range of available analyst forecast
Discount rates	cost of capital risk-adjusted for the risk specific to the asset/CGU

During the year ended March 31, 2020, The Group had carried out an impairment analysis, based on value in use approach, considering the key variables and concluded that there existed no impairment. The Group had carried out sensitivity analysis on key assumptions including commodity price, discount rate and delay in expansion of refinery. Based on sensitivity analysis, the recoverable amount was expected to exceed the carrying value as at March 31, 2020 of ₹ 318,413 million. No negative developments have occurred since the previous year, while the commodity price have increased. Accordingly, it is not expected that the carrying amount would exceed the recoverable amount and hence the recoverable value for the year ended March 31, 2021 was not re-determined.

(xii) *Going Concern*

Considering the uncertainties caused due to COVID-19, as described in (i) above, the Group prepared its cash flow forecasts under various scenarios and has performed additional sensitivities on certain key assumptions. Based on such an analysis and assessment of its ability to raise additional capital, the Group continues to prepare its financial statements on a going concern basis.

II. Significant Judgements:

- (i) Determining whether an arrangement contains a lease:

The Group has ascertained that the Power Purchase Agreement (PPA) entered into between one of the subsidiaries and a state grid qualifies to be an operating lease under IFRS 16 "Leases". Accordingly, the consideration receivable under the PPA relating to recovery of capacity charges towards capital cost have been recognised as operating lease rentals and in respect of variable cost that includes fuel costs, operations and maintenance, etc. is considered as revenue from sale of products/services.



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Significant judgement is required in segregating the capacity charges due from the State grid, between fixed and contingent payments. The Group has determined that since the capacity charges under the PPA are based on the number of units of electricity made available by its Subsidiary which would be subject to variation on account of various factors like availability of coal and water for the plant, there are no fixed minimum payments under the PPA, which requires it to be accounted for on a straight line basis. The contingent rents recognised are disclosed in Note 6.

(ii) Contingencies

In the normal course of business, contingent liabilities may arise from litigation, taxation and other claims against the Group. A provision is recognised when the Group has a present obligation as a result of past events, and it is probable that the Group will be required to settle that obligation.

Where it is management's assessment that the outcome cannot be reliably quantified or is uncertain the claims are disclosed as contingent liabilities unless the likelihood of an adverse outcome is remote. Such liabilities are disclosed in the notes but are not provided for in the financial statements.

When considering the classification of a legal or tax cases as probable, possible or remote there is judgement involved. This pertains to the application of the legislation, which in certain cases is based upon management's interpretation of country specific applicable law, in particular India, and the likelihood of settlement. Management uses in-house and external legal professionals to make informed decision.

Although there can be no assurance regarding the final outcome of the legal proceedings, the Group does not expect them to have a materially adverse impact on the Group's financial position or profitability. These are set out in Note 33.

(iii) Revenue recognition and receivable recovery in relation to the power division

In certain cases, the Group's power customers are disputing various contractual provisions of Power Purchase Agreements (PPA). Significant judgement is required in both assessing the tariff to be charged under the PPA in accordance with IFRS 15 and to assess the recoverability of withheld revenue currently accounted for as receivables.

In assessing this critical judgment management considered favourable external legal opinions the Group has obtained in relation to the claims and favourable court judgements in the related matter. In addition, the fact that the contracts are with government owned companies implies the credit risk is low. Refer note 17.



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4. Business Combination and Others

a) Ferro Alloys Corporation Limited—Business Combination

On September 21, 2020, the Company acquired control over Ferro Alloys Corporation Limited (“FACOR”). FACOR was admitted under Corporate insolvency resolution process in terms of the Insolvency and Bankruptcy Code, 2016 of India. The National Company Law Tribunal (NCLT) vide its order dated January 30, 2020 approved the resolution plan for acquiring controlling stake in FACOR. Pursuant to the approved resolution plan, FACOR will be wholly owned subsidiary of the Company. FACOR holds 90% equity in its subsidiary, Facor Power Limited (FPL).

FACOR is in the business of producing Ferro Alloys and owns a Ferro Chrome plant with capacity of 72,000 TPA, two operational Chrome mines and 100 MW of Captive Power Plant through its subsidiary, FACOR Power Limited (FPL). The acquisition will complement the Group’s existing steel business as the vertical integration of ferro manufacturing capabilities has the potential to generate significant efficiencies.

The fair value of the identifiable assets and liabilities of FACOR as at the date of the acquisition were as follows:

Particulars	(₹ in million) Fair Value at Acquisition	(\$ in million) Fair Value at Acquisition
Property, Plant and Equipment*	3,543	49
Other non-current assets	93	1
Non-current assets	3,636	50
Inventories	460	6
Cash and cash equivalents	106	2
Short-term Investments	688	9
Trade and other receivables	371	5
Current assets	1,625	22
Total Assets (A)	5,261	72
Borrowings	93	1
Deferred tax liabilities	597	8
Trade and other payables	664	9
Provisions	74	1
Total Liabilities (B)	1,428	19
Net Assets (C = A-B)	3,833	53
Satisfied by:		
Cash Consideration Paid for Equity acquired	336	5
Cash Consideration Paid for Debt acquired	216	3
Zero coupon Non-Convertible Debentures issued by FACOR repayable equally over 4 years commencing March 2021 (Nominal value ₹ 2,865 million) (\$ 39 million)**	2,358	32
Total Purchase consideration (D)	2,910	40
Non-Controlling interest on acquisition (10% of net liabilities of FPL) (E)	(309)	(4)
Bargain Gain (C-D-E) (Refer Note 7)	1,232	17

* Includes mining rights of ₹ 2,202 million (\$ 30 million).

** The instrument has been recorded at fair value and a small portion of the same are yet to be issued.



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VEDANTA 20-F - IFRS	Donnelley Financial	VDI-W7-PF3-0646 21.6.2.0	HKR mayas1dc	07-Jul-2021 15:58 EST	165852 FIN 40	7*
VEDANTA 20-F - IFRS	None		SNG		HTM ESS	0C

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Since the date of acquisition, FACOR has contributed ₹ 2,740 million (\$ 37 million) and ₹ 1,628 million (\$ 22 million) to the Group revenue and profit before tax respectively for the year ended March 31, 2021.

If FACOR had been acquired at the beginning of the year, the Group revenue would have been ₹ 870,867 million (\$ 11,907 million) and the profit before tax of the Group would have been ₹ 166,237 million (\$ 2,273 million).

The carrying amount of all assets and liabilities within the working capital equals their fair value. None of the Trade receivables was impaired and the full contractual amount were expected to be realised. Mining Rights have been valued considering the With or Without method, i.e., based on the cost savings resulting from the usage of the mines vis a vis procurement of raw material (chrome ore) from external vendors. Land has been valued based on the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act. Buildings, Plant & Machinery, Other Tangible Assets, Capital Work in Progress and Capital Advances pertaining to the Tangible Assets together have been estimated based on the Value in Use of FACOR under the Income Approach. Since FACOR was acquired as part of IBC, 2016, it resulted in a bargain gain forming part of Investment and other Income.

Non-controlling interest has been measured at the non-controlling interest's proportionate share of FPL's identifiable net assets.

Acquisition costs of ₹ 28 million (\$ 0 million) have been charged to the consolidated statement of profit and loss.

b) Acquisition of Global coke plant

On July 28, 2019, the Group acquired Sindhurg plant of Global Coke Limited which was under liquidation as per the Insolvency and Bankruptcy Code 2016 (including all amendments for the time being in force) for a cash consideration of ₹ 335 million. The assets acquired mainly included Land, Building and Plant & Machinery of similar value as the cash consideration. The acquisition complements backward integration opportunity for the Group's existing pig iron division and also increase Group's footprint in met coke market in south western part of India. Detailed disclosure of fair value of the identifiable assets and liabilities of Sindhurg plant has not been provided as the same is not material.

Acquisition costs related to the same were not material.

5. Segment information

Description of segment and principal activities

The Group is a diversified natural resource group engaged in exploring, extracting and processing minerals and oil and gas. The Group produces zinc, lead, silver, copper, aluminium, iron ore, oil and gas and commercial power and has a presence across India, South Africa, Namibia, U.A.E, Ireland, Australia, Japan, South Korea, Taiwan and Liberia. The Group is also in the business of port operations and manufacturing of glass substrate and steel. The Group has seven reportable segments: copper, aluminium, iron ore, power, Zinc India (comprises of zinc and lead India), Zinc international, oil and gas and others. The management of the Group is organized by its main products: copper, Zinc (comprises zinc and lead India, silver India and zinc international), aluminium, iron ore, oil and gas, power and others. 'Others' segment mainly comprises of port/berth, steel and glass substrate business and those segments which do not meet the quantitative threshold for separate reporting. Each of the reportable segments derives its revenues from these main products and hence these have been identified as reportable segments by the Group's chief operating decision maker ("CODM").



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Segment Revenue, Profit, Assets and Liabilities include the respective amounts identifiable to each of the segments and amount allocated on a reasonable basis. Unallocated expenditure consists of common expenditure incurred for all the segments and expenses incurred at corporate level. The assets and liabilities that cannot be allocated between the segments are shown as unallocated assets and unallocated liabilities respectively.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3. The operating segments reported are the segments of the Group for which separate financial information is available. Earnings before interest, depreciation and amortisation and tax (Segment profit) are evaluated regularly by the CODM in deciding how to allocate resources and in assessing performance and is a non-IFRS measure. The Group's financing (including finance and other costs and investment and other income) and income taxes are reviewed on an overall basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties except from power segment sales amounting to ₹ 670 million, ₹ Nil and ₹ Nil (\$ Nil) which is at cost for the year ended March 31, 2019, March 31, 2020 and March 31, 2021 respectively.

The following table presents revenue and profit information and certain assets and liabilities information regarding the Group's reportable segments for the years ended March 31, 2019, March 31, 2020 and March 31, 2021 and as at March 31, 2020 and March 31, 2021:

a. Year ended March 31, 2019

	Copper (₹ in million)	Zinc India (₹ in million)	Zinc International (₹ in million)	Aluminium (₹ in million)	Power (₹ in million)	Iron Ore (₹ in million)	Oil and Gas (₹ in million)	Others (₹ in million)	Elimination (₹ in million)	Total (₹ in million)
Revenue										
Sales	107,390	206,562	27,383	292,080	64,559	29,033	132,228	49,777	—	909,012
Inter-segment sales	—	—	—	206	678	81	—	455	(1,420)	—
Segment revenue	107,390	206,562	27,383	292,286	65,237	29,114	132,228	50,232	(1,420)	909,012
Cost of Sales and expenses	(109,729)	(100,567)	(20,421)	(270,228)	(49,962)	(22,793)	(55,703)	(40,431)	1,420	(668,414)
Segment profit / (loss)	(2,339)	105,995	6,962	22,058	15,275	6,321	76,525	9,801	—	240,598
Depreciation and amortisation	(1,447)	(18,768)	(4,287)	(16,577)	(5,969)	(2,455)	(42,669)	(3,974)	—	(96,146)
Other items*	—	—	—	—	—	—	—	—	—	(1,847)
Impairment (Refer Note 14)	—	—	—	—	—	—	2,611	—	—	2,611
Operating profit / (loss)	(3,786)	87,227	2,675	5,481	9,306	3,866	36,467	5,827	—	145,216
Investment and other income										31,540
Finance and other costs										(59,026)
Profit before tax										117,730
Additions to property, plant and equipments, exploration and evaluation assets and intangible assets**	2,732	36,574	15,939	15,265	307	377	38,412	51,910		161,516

* Other items represent forex loss on MAT credit entitlements which have not been allocated to any segment.

** Others includes acquisition through business combinations



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b. Year ended March 31, 2020

	Copper (₹ in million)	Zinc India (₹ in million)	Zinc International (₹ in million)	Aluminium (₹ in million)	Power (₹ in million)	Iron Ore (₹ in million)	Oil and Gas (₹ in million)	Others (₹ in million)	Elimination (₹ in million)	Total (₹ in million)
Revenue										
Sales	90,517	181,590	31,275	265,445	58,599	34,500	126,608	46,912	—	835,446
Inter-segment sales	9	—	—	328	—	130	—	913	(1,380)	—
Segment revenue	90,526	181,590	31,275	265,773	58,599	34,630	126,608	47,825	(1,380)	835,446
Cost of Sales and expenses	(93,420)	(94,450)	(27,477)	(245,837)	(42,109)	(26,318)	(53,925)	(43,187)	1,380	(625,343)
Segment profit / (loss)	(2,894)	87,140	3,798	19,936	16,490	8,312	72,683	4,638	—	210,103
Depreciation and amortisation	(1,471)	(22,610)	(6,329)	(17,183)	(5,701)	(2,413)	(40,077)	(4,706)	—	(100,490)
Other items*	(2,028)	—	(42)	1,681	—	—	—	—	—	(1,525)
Impairment (Refer Note 14)	(6,692)	—	—	—	—	(1,201)	(135,031)	(5,098)	—	(148,022)
Operating profit / (loss)	(13,085)	64,530	(2,573)	4,434	10,789	4,698	(102,425)	(5,166)	—	(39,934)
Investment and other income										25,714
Finance and other costs										(54,557)
Loss before tax										(68,777)
Assets and liabilities										
Assets										
Segment assets	64,853	206,643	51,831	486,545	174,210	34,450	155,551	80,247		1,254,330
Financial assets investments										911
Deferred tax asset										82,669
Short-term investments										327,210
Cash and cash equivalents (including restricted cash and cash equivalents)										51,558
Income tax assets										26,530
Others										12,197
Total assets										1,755,405
Liabilities										
Segment liabilities	45,368	47,650	12,266	179,278	16,418	11,813	102,055	15,454	—	430,302
Borrowings										579,475
Current tax liabilities										1,894
Deferred tax liabilities										29,675
Others										32,164
Total liabilities										1,073,510
Additions to property, plant and equipments, exploration and evaluation assets and intangible assets**	2,192	46,088	7,552	14,187	671	1,081	45,490	2,373		119,668

* Other items represent provision for receivables from KCM of ₹ 2,070 million, Renewable Power Obligation (RPO) liability reversal of ₹ 1,681 million. Additionally, forex loss on MAT credit entitlements of ₹ 1,136 million which has not been allocated to any segment is included in here.

** The total of additions includes ₹ 34 million not allocated to any segment. Iron Ore includes acquisition through business combination.



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c. Year ended March 31, 2021

	Copper (₹ in million)	Zinc India (₹ in million)	Zinc International (₹ in million)	Aluminium (₹ in million)	Power (₹ in million)	Iron Ore (₹ in million)	Oil and Gas (₹ in million)	Others (₹ in million)	Elimination (₹ in million)	Total (₹ in million)	Total (US dollars in million)
Revenue											
Sales	108,879	219,316	27,290	285,756	53,752	44,875	75,308	53,454	—	868,630	11,876
Inter-segment sales	18	—	—	686	—	409	—	313	(1,426)	—	—
Segment revenue	108,897	219,316	27,290	286,442	53,752	45,284	75,308	53,767	(1,426)	868,630	11,876
Cost of Sales and expenses	(110,650)	(103,116)	(19,190)	(208,919)	(39,682)	(27,108)	(43,142)	(44,634)	1,426	(595,015)	(8,135)
Segment profit / (loss)	(1,753)	116,200	8,100	77,523	14,070	18,176	32,166	9,133	—	273,615	3,741
Depreciation and amortisation	(1,533)	(24,617)	(3,211)	(16,926)	(5,749)	(2,208)	(21,274)	(5,660)	—	(81,178)	(1,110)
Other items*	(2,086)	—	(40)	950	—	—	—	(2,135)	—	(3,145)	(43)
Asset Under Construction written off (Refer Note 14)	—	—	—	(1,811)	—	—	—	(629)	—	(2,440)	(33)
Operating profit / (loss)	(5,372)	91,583	4,849	59,736	8,321	15,968	10,892	709	—	186,852	2,555
Investment and other income										32,177	440
Finance and other costs										(52,955)	(724)
Profit before tax										166,074	2,271
Assets and liabilities											
Assets											
Segment assets	59,570	200,072	60,740	477,070	163,620	33,039	181,108	78,024		1,253,243	17,135
Financial assets investments										1,532	21
Deferred tax asset										73,958	1,011
Short-term investments										281,775	3,853
Cash and cash equivalents (including restricted cash and cash equivalents)										49,563	678
Income tax assets										27,549	377
Loans to related party										70,712	967
Others										12,779	174
Total assets										1,771,111	24,216
Liabilities											
Segment liabilities	43,277	47,217	10,672	156,994	18,405	12,269	111,776	20,990		421,600	5,764
Borrowings										569,222	7,783
Current tax liabilities										2,792	38
Deferred tax liabilities										21,894	299
Others										21,554	296
Total liabilities										1,037,062	14,180
Additions to property, plant and equipments, exploration and evaluation assets and intangible assets**	622	25,163	3,754	17,135	267	985	15,192	6,019		69,155	946

* Other items represent provision for receivables from KCM of ₹ 2,127 million (\$ 29 million), Renewable Power Obligation (RPO) liability reversal of ₹ 950 million (\$ 13 million), Costs to be incurred by the Company for obtaining Environment Clearance of ₹ 2,135 million (\$ 29 million). Additionally, forex gain on MAT credit entitlements of ₹ 166 million (\$ 2 million) which has not been allocated to any segment is included in here.

** The total of additions includes ₹ 18 million (\$ 0 million) not allocated to any segment. Others segment includes ₹ 3,543 million (\$ 48 million) acquired through business combination.



Geographical Segment Analysis

The Group's operations are located in India, Namibia, South Africa, UAE, Liberia, Ireland, Australia, South Korea and Taiwan. The following table provides an analysis of the Group's sales by geographical market irrespective of the origin of the goods:

	Year ended March 31,			
	2019 (₹ in million)	2020 (₹ in million)	2021 (₹ in million)	2021 (US dollars in million)
India	591,599	542,256	536,212	7,331
China	37,868	26,942	52,213	714
UAE	10,150	8,201	6,984	95
Malaysia	48,657	76,479	71,092	972
Others	220,738	181,568	202,129	2,764
	909,012	835,446	868,630	11,876

The following is an analysis of the carrying amount of non-current assets, excluding deferred tax assets, derivative financial assets, financial asset investments and other non-current financial assets analysed by the geographical area in which the assets are located: —

	As at March 31		
	2020 Carrying amount (₹ in million)	2021 Carrying Amount (₹ in million)	2021 Carrying Amount (US dollars in million)
India	973,821	954,629	13,052
South Africa	37,231	44,486	608
Namibia	7,500	8,870	121
Taiwan	11,620	10,029	137
Others	9,840	7,883	108
	1,040,012	1,025,897	14,026

Information about major customer

Revenue from one customer amounted to ₹ 104,164 million (\$ 1,424 million) (March 31, 2019 and March 31, 2020: No Customer), arising from sales made in the Aluminium, zinc and copper segment. No other customer contributed to more than 10% of revenues.



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Disaggregation of Revenue

Below table summarises the disaggregated revenue from contracts with customers: —

	Year ended March 31,			
	2019 (₹ in million)	2020 (₹ in million)	2021 (₹ in million)	2021 (US dollars in million)
Oil	126,430	109,062	64,798	886
Gas	5,270	7,945	6,837	93
Zinc Metal	172,046	157,559	166,343	2,274
Lead Metal	37,575	34,702	38,803	531
Silver Metal & Bars	25,829	24,756	43,949	601
Iron Ore	6,911	14,820	21,734	297
Metallurgical Coke	532	553	2,565	35
Pig Iron	20,612	22,394	24,249	332
Copper Products	92,931	73,489	102,049	1,395
Aluminium Products	280,730	254,293	283,944	3,882
Power	47,839	44,064	36,509	499
Steel Products	41,859	37,850	39,663	542
Ferro Alloys	—	—	2,740	37
Others	42,186	37,465	21,261	291
Revenue from contracts with customers*	900,750	818,952	855,444	11,696
Revenue from contingent rents	16,724	16,729	15,147	207
Loss on provisionally priced contracts under IFRS 9 (Refer Note 6(a))	(8,462)	(12,995)	(1,961)	(27)
JV partner's share of the exploration costs approved under the OM (Refer Note 6(b))	—	12,760	—	—
Total Revenue	909,012	835,446	868,630	11,876

* includes revenues from sale of services aggregating to ₹ 2,205 million, ₹ 2,159 million and ₹ 2,239 million (\$ 30 million) for the financial years ended March 31, 2019, March 31, 2020 and March 31, 2021 respectively which is recorded over a period of time and the balance revenue is recognised at a point in time.



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6. Revenue

For the year ended March 31,

	2019 (₹ in million)	2020 (₹ in million)	2021 (₹ in million)	2021 (US dollars in million)
Sale of products	890,083	816,558	851,244	11,639
Sale of services	2,205	2,159	2,239	30
Revenue from contingent rents	16,724	16,729	15,147	207
Total revenue	909,012	835,446	868,630	11,876

- a) Revenue from sale of products and from sale of services comprises of revenue from contracts with customers of ₹ 900,750 million, ₹ 818,952 million and ₹ 855,444 million (\$ 11,696 million) for the years ended March 31, 2019, March 31, 2020 and March 31, 2021 respectively and a net loss on mark-to-market of ₹ 8,462 million, ₹ 12,995 million and ₹ 1,961 million (\$ 27 million) on account of gains / losses relating to sales of product that were provisionally priced as at the beginning of the respective year with the final price settled during the subsequent year ended March 31, 2019, March 31, 2020 and March 31, 2021 respectively, gains / losses relating to sales of product fully priced during the respective year, and marked to market gains/ losses relating to sales of product that were provisionally priced as at the end of the respective year.
- b) Government of India (GoI) vide Office Memorandum (“OM”) No. O-19025/10/2005-ONG-DV dated February 01, 2013 allowed for Exploration in the Mining Lease Area after expiry of Exploration period and prescribed the mechanism for recovery of such Exploration Cost incurred. Vide another Memorandum dated October 24, 2019, GoI clarified that all approved Exploration costs incurred on Exploration activities, both successful and unsuccessful, are recoverable in the manner as prescribed in the OM and as per the provisions of PSC. Accordingly, during the year ended March 31, 2020, the Group has recognized revenue of ₹ 12,760 million for past exploration costs, through increased share in the joint operations revenue as the Group believes that cost recovery mechanism prescribed under OM is not applicable to its Joint operation partner, view which is also supported by an independent legal opinion. However, the Joint operation partner carries a different understanding and the matter is pending resolution.
- c) Majority of the Group’s sales are against advance or are against letters of credit / cash against documents / guarantees of banks of national standing. Where sales are made on credit, the amount of consideration does not contain any significant financing component as payment terms are within three months.

As per the terms of the contract with its customers, either all performance obligations are to be completed within one year from the date of such contracts or the Group has a right to receive consideration from its customers for all completed performance obligations. Accordingly, the Group has availed the practical expedient available under paragraph 121 of IFRS 15 and dispensed with the additional disclosures with respect to performance obligations that remained unsatisfied (or partially unsatisfied) at the reporting date. Further, since the terms of the contracts directly identify the transaction price for each of the completed performance obligations, in all material respects, there are no elements of transaction price which have not been included in the revenue recognised in the financial statements.

Further, there is no material difference between the contract price and the revenue from contract with customers.



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7. Investment and other income

For the year ended March 31,	2019 (₹ in million)	2020 (₹ in million)	2021 (₹ in million)	2021 (US dollars in million)
Fair value gain on financial assets held for trading / fair value through profit or loss (FVTPL) ⁽¹⁾	18,393	5,574	9,340	128
Interest income:				
Interest income on financial assets held for trading/FVTPL	9,286	10,169	4,779	66
Interest income on bank deposits at amortized cost	1,428	2,183	5,649	77
Interest income on loans and receivables at amortized cost (Refer Note 35(b))	2,261	4,518	9,806	134
Others	1,217	287	810	11
Dividend income on available for sale investments/investments held at FVOCI	10	17	17	0
Dividend income – financial assets held for trading/FVTPL	296	477	13	0
Bargain gain net of acquisition cost	—	—	1,232	17
Foreign exchange gain/ (loss) net	(1,351)	2,489	531	7
	31,540	25,714	32,177	440

Notes:

- (1) Income for the year ended March 31, 2019, March 31, 2020 and March 31, 2021 includes mark to market gain/(loss) of ₹ 10,406 million, (₹ 3,624 million) and ₹ Nil (\$ Nil) respectively relating to structured investments purchased from Volcan Investments Limited (Refer Note 35).



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8. Finance and other costs

For the year ended March 31,

	2019 (₹ in million)	2020 (₹ in million)	2021 (₹ in million)	2021 (US dollars in million)
Interest expense on financial liabilities at amortised cost ⁽²⁾	60,712	56,175	51,844	709
Unwinding of discount on provisions	936	962	721	10
Net foreign exchange loss on borrowings and creditors for capital expenditure	2,721	4,789	(180)	(3)
Transaction costs paid to the ultimate parent company (Refer Note 35(f))	—	—	1,032	14
Other finance costs	2,792	2,588	2,502	34
Net interest on defined benefit arrangements	210	212	194	3
Capitalisation of finance costs ⁽¹⁾	(8,345)	(10,169)	(3,158)	(43)
	59,026	54,557	52,955	724

Notes:

- (1) Interest rate of 7.3%, 7.49% and 6.91% was used to determine the amount of general borrowing costs eligible for capitalization in respect of qualifying asset for the year ended March 31, 2019, March 31, 2020 and March 31, 2021 respectively.
- (2) Includes interest expense on lease liabilities for the year ended March 31, 2020 and March 31, 2021 of ₹ 247 million and ₹ 278 million (\$ 4 million).



9. Income tax expense

Overview of the Indian direct tax regime

Indian companies are subject to Indian income tax on a standalone basis. Each entity is assessed for tax on taxable profits determined for each financial year beginning on April 1 and ending on March 31. For each financial year, the respective entities' profit or loss is subject to the higher of the regular income tax payable or the minimum alternative tax ("MAT").

Statutory income taxes are assessed based on book profits prepared under generally accepted accounting principles in India ("Indian GAAP") adjusted in accordance with the provisions of the (Indian) Income tax Act, 1961. Such adjustments generally relate to depreciation of fixed assets, disallowances of certain provisions and accruals, deduction for tax holidays and similar exemptions, the use of tax losses carried forward and retirement benefit costs. Statutory income tax is charged at 30% plus a surcharge and education cess. The combined Indian statutory tax rate for the financial year 2018-19 was 34.94% and for the financial year 2019-20 was 34.94% and for the financial year 2020-21 is 34.94%.

MAT is assessed on book profits adjusted for certain limited items as compared to the adjustments allowed for assessing regular income tax under normal provisions. MAT for the financial year 2018-19 was chargeable at 18.50% plus surcharge and education cess and for financial year 2019-20 and 2020-21 at 15% plus surcharge and education cess. The combined Indian statutory tax rate of MAT for the financial year 2018-19 was 21.55% and for the financial year 2019-20 and 2020-21 is 17.47%. MAT paid in excess of regular income tax during a year can be set off against regular income taxes within a period of fifteen years succeeding the assessment year in which MAT credit arises subject to the limits prescribed.

Business losses in India can be carried forward for a maximum period of eight assessment years immediately succeeding the assessment year to which the loss pertains. Unabsorbed depreciation can be carried forward for an indefinite period.

Losses arising out of transfer of capital assets in India can be carried forward for a maximum period of eight assessment years immediately succeeding the assessment year to which the loss pertains. The carried forward long term capital losses can be set-off only against long term capital gains. Short term capital losses can be set off only against capital gains (which can be either long term or short-term capital gain).

Income tax returns submitted by companies are regularly subjected to a comprehensive review and challenge by the tax authorities. There are appellate procedures available to both the tax authorities and taxpayers and it is not uncommon for significant or complex matters in dispute to remain outstanding for several years before they are finally resolved by the High Court or the Supreme Court.

(a) Tax charge/ (credit) recognised in the consolidated statement of Profit or Loss

For the year ended March 31,	2019 (₹ in million)	2020 (₹ in million)	2021 (₹ in million)	2021 (US dollars in million)
Current tax:				
Current tax on profit for the year	37,758	17,911	20,671	283
Credit in respect of current tax for earlier years	(59)	(33)	(14)	(0)
Total current tax (a)	37,699	17,878	20,657	283
Deferred tax:				
Reversal and origination of temporary differences	3,818	(44,562)	(1,546)	(22)
(Credit)/ Charge in respect of Deferred tax for earlier years	(16)	7	(27)	(0)
Total Deferred Tax (b)	3,802	(44,555)	(1,573)	(22)
Total income tax expense/ (benefit) for the year (a+b)	41,501	(26,677)	19,084	261
Profit/ (Loss) before tax	117,730	(68,777)	166,074	2,271
Effective income tax rate (%)	35.3%	38.8%	11.5%	11.5%



(b) A reconciliation of income tax expense/ (credit) applicable to profit / (loss) before tax at the Indian statutory income tax rate to income tax expense / (credit) at the Group's effective income tax rate for the year indicated are as follows.

For the year ended March 31,	2019 (₹ in million)	2020 (₹ in million)	2021 (₹ in million)	2021 (US dollars in million)
Profit/ (Loss) before tax	117,730	(68,777)	166,074	2,271
Indian statutory income tax rate	34.94%	34.94%	34.94%	34.94%
Tax at Indian statutory income tax rate	41,140	(24,033)	58,034	794
Disallowable expenses	2,423	1,883	1,278	17
Non-taxable income	(1,917)	(1,406)	(1,227)	(17)
Tax holidays and similar exemptions (Refer note below)	(8,076)	(4,934)	(7,710)	(105)
Effect of tax rates differences of subsidiaries operating at other rates	(1,277)	(581)	(3,625)	(50)
Tax on distributable reserve of/ dividend from subsidiary	11,018	19,532	8,690	119
Unrecognised tax assets (Net)**	(2,135)	(713)	(31,932)	(437)
Change in deferred tax balances due to change in tax law*	—	(17,760)	(3,125)	(43)
Capital Gains/ Other Income subject to lower tax rate	(1,711)	(2,733)	(1,756)	(24)
Credit in respect of earlier years	(75)	(26)	(41)	(1)
Other permanent differences	2,111	4,094	498	8
Total income tax expense / (credit)	41,501	(26,677)	19,084	261

* Deferred tax charge for the year ended March 31, 2020 includes deferred tax credit of ₹ 16,512 million on remeasurement of deferred tax balances as at March 31, 2019. Also refer note 3(c)(I)(ix).

** In June 2018, the Company acquired majority stake in ESL Steel Limited ("ESL"), which has since been focusing on operational turnaround. Based on management's estimate of future outlook, financial projections and requirements of IFRS 12 – Income taxes, ESL has recognized deferred tax assets of ₹ 31,823 million (US\$ 435 million) during the year ended March 31, 2021.

Certain businesses of the Group within India are eligible for specified tax incentives which are included in the table above as tax holidays and similar exemptions. Most of such tax exemptions are relevant for the companies operating in India. These are briefly described as under:

The location based exemption

In order to boost industrial and economic development in undeveloped regions, provided certain conditions are met, profits of newly established undertakings located in certain areas in India may benefit from tax holiday under section 80IC of the Income Tax Act, 1961. Such tax holiday works to exempt 100% of the profits for the first five years from the commencement of the tax holiday, and 30% of profits for the subsequent five years. This deduction is available only for units established up to March 31, 2012. However, such undertaking would continue to be subject to the Minimum Alternative tax ('MAT').



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In the current year, undertaking at Pantnagar, which is part of Hindustan Zinc Limited (Zinc India), is the only unit eligible for deduction at 30% of taxable profit.

The location based exemption: SEZ Operations

In order to boost industrial development and exports, provided certain conditions are met, profits of undertaking located in Special Economic Zone ('SEZ') may benefit from tax holiday. Such tax holiday works to exempt 100% of the profits for the first five years from the commencement of the tax holiday, 50% of profits for five years thereafter and 50% of the profits for further five years provided the amount allowable in respect of deduction is credited to Special Economic Zone Re-Investment Reserve account. However, such undertaking would continue to be subject to the Minimum Alternative tax ('MAT').

The Group has setup SEZ Operations in its aluminium division of Vedanta Limited (where no benefit has been drawn).

Sectoral Benefit—Power Plants and Port Operations

To encourage the establishment of infrastructure certain power plants and ports have been offered income tax exemptions of upto 100% of profits and gains for any ten consecutive years within the 15 year period following commencement of operations subject to certain conditions under section 80IA of the Income Tax Act, 1961. The Group currently has total operational capacity of 8.4 Giga Watts (GW) of thermal based power generation facilities and wind power capacity of 274 Mega Watts (MW) and port facilities. However, such undertakings would continue to be subject to MAT provisions.

The Group has power plants which benefit from such deductions, at various locations of Hindustan Zinc Limited (where such benefits has been drawn), Talwandi Sabo Power Limited, Vedanta Limited and Bharat Aluminium Company Limited (where no benefit has been drawn).

The Group operates a zinc refinery in Export Processing Zone, Namibia which has been granted tax exempt status by the Namibian government.

In addition, the subsidiaries incorporated in Mauritius are eligible for tax credit to the extent of 80% of the applicable tax rate on foreign source income.

The total effect of such tax holidays and exemptions was ₹ 8,076 million, ₹ 4,934 million and ₹ 7,710 million (\$105 million) for the years ended March 31, 2019, March 31, 2020 and March 31, 2021 respectively.

(c) Deferred tax assets/liabilities

The Group has accrued significant amounts of deferred tax. The majority of the deferred tax liabilities represents accelerated tax relief for the depreciation of property plant and equipment, the depreciation of mining reserves and the fair value uplifts created on acquisitions, net of losses carried forward by the Group and unused tax credits in the form of MAT credits carried forward in the Group. Significant components of Deferred tax (assets) and liabilities recognized in the consolidated statement of financial position are as follows:

For the year ended March 31, 2019:

	Opening balance as at April 1, 2018	Charged/ (credited) to Statement of profit or loss	Charged/ (credited) to other comprehensive income	Exchange difference arising on translation of foreign operation	Closing balance as at March 31, 2019
	(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)
Significant components of deferred tax (assets)/liabilities					
Property, plant and equipment, Exploration and Evaluation and other intangible assets	126,867	9,570	—	3,111	139,548
Voluntary retirement scheme	(411)	16	—	—	(395)
Employee benefits	(875)	(15)	(247)	39	(1,098)
Fair value of derivative asset/ liability	(563)	288	(82)	—	(357)
Fair valuation of other asset/liability	9,913	(1,432)	—	(10)	8,471
MAT credit entitlement	(110,884)	7,280	384	(23)	(103,243)
Unabsorbed depreciation and business losses	(34,625)	(11,030)	—	—	(45,655)
Other temporary differences	(4,354)	(875)	(135)	(583)	(5,947)
Total	(14,932)	3,802	(80)	2,534	(8,676)



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For the year ended March 31, 2020:

	Opening balance as at April 1, 2019	Charged/ (credited) to Statement of profit or loss	Charged/ (credited) to other comprehensive income	Exchange difference arising on translation of foreign operation	Closing balance as at March 31, 2020
	(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)
Significant components of deferred tax (assets)/liabilities					
Property, plant and equipment, Exploration and Evaluation and other intangible assets	139,548	(61,429)	—	(93)	78,026
Voluntary retirement scheme	(395)	111	—	—	(284)
Employee benefits	(1,098)	6	(714)	49	(1,757)
Fair value of derivative asset/ liability	(357)	(69)	324	—	(102)
Fair valuation of other asset/liability	8,471	911	(1)	593	9,974
MAT credit entitlement	(103,243)	11,605	251	129	(91,258)
Unabsorbed depreciation and business losses	(45,655)	(9,223)	—	—	(54,878)
Other temporary differences	(5,947)	13,533	(590)	289	7,285
Total	(8,676)	(44,555)	(730)	967	(52,994)

For the year ended March 31, 2021:

	Opening balance as at April 1, 2020	Charged/ (credited) to Statement of profit or loss	Charged/ (credited) to other comprehensive income	Charged to Equity	Deferred tax on acquisition through business combination	Exchange difference arising on translation of foreign operation	Closing balance as at March 31, 2021	Closing balance as at March 31, 2021
	(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)	(US dollars in million)
Significant components of deferred tax (assets)/liabilities								
Property, plant and equipment, Exploration and Evaluation and other intangible assets	78,026	(145)	—	—	498	1,647	80,026	1,094
Voluntary retirement scheme	(284)	(246)	—	—	—	—	(530)	(7)
Employee benefits	(1,757)	(222)	104	319	—	(94)	(1,650)	(23)
Fair value of derivative asset/ liability	(102)	93	(256)	—	—	—	(265)	(4)
Fair valuation of other asset/liability	9,974	(2,422)	9	—	—	(277)	7,284	100
MAT credit entitlement*	(91,258)	8,621	249	—	—	30	(82,358)	(1,126)
Unabsorbed depreciation and business losses	(54,878)	7,837	—	—	—	—	(47,041)	(643)
Other temporary differences	7,285	(15,089)	352	—	104	(182)	(7,530)	(103)
Total	(52,994)	(1,573)	458	319	602	1,124	(52,064)	(712)



Deferred tax assets and liabilities have been offset where they arise in the same taxing jurisdiction with a legal right to offset income tax assets against income tax liabilities but not otherwise. Accordingly, the net deferred tax (assets)/liability has been disclosed in the consolidated statement of financial position as follows:

As at March 31,	2019 (₹ in million)	2020 (₹ in million)	2021 (₹ in million)	2021 (US dollars in million)
Particulars				
Deferred tax assets	(52,830)	(82,669)	(73,958)	(1,011)
Deferred tax liabilities	44,154	29,675	21,894	299
Net deferred tax (asset)/ liability	(8,676)	(52,994)	(52,064)	(712)

* Recognition of deferred tax assets on MAT credits entitlement is based on the respective legal entity's present estimates and business plans as per which the same is expected to be utilized within the stipulated fifteen-year period from the date of origination (Refer Note 3(c)(I)(vi)).

Deferred tax assets in the Group have been recognized to the extent there are sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity which are expected to reverse. For certain components of the Group, deferred tax assets on carry forward unused tax losses have been recognised to the extent of deferred tax liabilities on taxable temporary differences available. It is expected that any reversals of the deferred tax liability would be offset against the reversal of the deferred tax asset at respective entities.

Unused tax losses/ unused tax credit for which no deferred tax asset has been recognised amount to ₹ 176,593 million and ₹ 101,541 million (\$ 1,388 million) as at March 31, 2020 and March 31, 2021 respectively.

As at March 31, 2020

	Within one year (₹ in million)	Greater than one year, less than five years (₹ in million)	Greater than five years (₹ in million)	No expiry date (₹ in million)	Total (₹ in million)
Unused tax losses/ unused tax credit					
Unutilized business losses	5,552	25,885	49,165	15,738	96,340
Unabsorbed depreciation	—	—	—	80,163	80,163
Unused capital losses	—	4	—	—	4
Unutilised R&D Tax Credit	—	—	—	86	86
Total	5,552	25,889	49,165	95,987	176,593

No deferred tax assets have been recognised on these unused tax losses/ unused tax credit as there is no evidence that sufficient taxable profit will be available in future against which these can be utilised by the respective entities.

As at March 31, 2021

	Within one year (₹ in million)	Greater than one year, less than five years (₹ in million)	Greater than five years (₹ in million)	No expiry date (₹ in million)	Total (₹ in million)	Total (US dollars in million)
Unused tax losses/ unused tax credit						
Unutilized business losses	1,966	22,220	30,753	18,870	73,809	1,009
Unabsorbed depreciation	105	1,014	2,979	23,533	27,631	378
Unused capital losses	—	4	—	—	4	0
Unutilised R&D Tax Credit	—	—	—	97	97	1
Total	2,071	23,238	33,732	42,500	101,541	1,388

No deferred tax assets have been recognised on these unused tax losses/ unused tax credit as there is no evidence that sufficient taxable profit will be available in future against which these can be utilised by the respective entities.



MAT credits are taxes paid to Indian tax authorities which can be offset against future tax liabilities, subject to certain restrictions, within a period of 15 years from the year of origination. The Group recognises MAT assets only to the extent it expects to realise the same within the prescribed period.

Further, the Group had unrecognised MAT credit amounting to ₹ 3,996 million and ₹ Nil (\$ Nil) as at March 31, 2020 and March 31, 2021 respectively. Such tax credits were not recognised on the basis that recovery is not probable in the foreseeable future. However, as per the amendments to the tax laws in September, 2019, a new tax provision has been introduced whereby a company can claim the benefits of reduced tax rates, provided it forgoes certain incentives/exemptions under Income Tax Act, 1961. One of the subsidiaries of the Group during the current year has opted for the same and has forgone the unrecognised MAT Credit for the earlier years.

Unrecognised MAT credit expires, if unutilized, based on the year of origination was as follows:

<u>Financial year ending March 31,</u>	<u>2020</u>	<u>2021</u>	<u>2021</u>
	<u>(₹ in million)</u>	<u>(₹ in million)</u>	<u>(US dollars in million)</u>
2022	1,036	—	—
2023	137	—	—
2024	521	—	—
2025	517	—	—
2026	1,035	—	—
2027	633	—	—
2028	81	—	—
2029	36	—	—
	<u>3,996</u>	<u>—</u>	<u>—</u>

The Group has not recognised any deferred tax liabilities for taxes that would be payable on the Group's share in unremitted earnings of certain of its subsidiaries because the Group controls when the liability will be incurred and it is probable that the liability will not be incurred in the foreseeable future. The amount of unremitted earnings is ₹ 313,322 million and ₹ 322,395 million (\$ 4,408 million) as at March 31, 2020 and March 31, 2021 respectively.

(d) Non-current tax assets

Non-current tax assets of ₹ 26,455 million and ₹ 27,481 million (\$ 376 million) as at March 31, 2020 and March 31, 2021 respectively mainly represents income tax receivable from Indian tax authorities by Vedanta Limited relating to the refund arising consequent to the Scheme of Amalgamation & Arrangement made effective in August 2013 pursuant to approval by the jurisdiction High Court and receivables relating to matters in tax disputes in Group companies including tax holiday claim.

(e) 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. During the year ended March 31, 2020, based on the favorable orders from Income Tax Appellate Tribunal relating to Assessment Year 09-10 to Assessment Year 12-13, the Commissioner of Income Tax (Appeals) has allowed these claims for Assessment Year 14-15 to Assessment Year 15-16, which were earlier disallowed and has granted refund of amounts deposited under protest. Against the Tribunal order, 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. Due to this there is a strong prima facie case that Tribunal order will stand confirmed and department's appeal would be dismissed. The amount involved in this dispute as of March 31, 2021 is ₹ 112,710 million (US\$ 1,541 million) (March 31, 2020: ₹ 105,658 million) plus applicable interest upto the date of settlement of the dispute.



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10. The Group presents the consolidated statements of profit or loss by disclosing expenses by function. The consolidated statements of profit or loss disclosing expenses by nature is presented below:

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

For the year ended March 31,	Notes	2019 (₹ in million)	2020 (₹ in million)	2021 (₹ in million)	2021 (US dollars in million)
Revenue	6	909,012	835,446	868,630	11,876
Other operating income**		15,468	9,863	13,094	179
Investment and other income	7	31,540	25,714	32,177	440
Total Income		956,020	871,023	913,901	12,495
(Decrease)/increase in inventories of finished goods and work-in-progress		1,614	(13,690)	(7,662)	(104)
Raw materials and other consumables used*		(614,583)	(549,936)	(524,019)	(7,165)
Employee costs		(30,230)	(26,920)	(28,632)	(391)
Other costs***		(42,530)	(46,185)	(50,941)	(697)
Depreciation and amortisation		(96,146)	(100,490)	(81,178)	(1,110)
Impairment (charge) / reversal		2,611	(148,022)	—	—
Asset under construction written off		—	—	(2,440)	(33)
Finance and other costs	8	(59,026)	(54,557)	(52,955)	(724)
Profit / (loss) before tax		117,730	(68,777)	166,074	2,271
Income tax expense	9	(41,501)	26,677	(19,084)	(261)
Profit / (loss) for the year		76,229	(42,100)	146,990	2,010

* includes power and fuel charges, repairs, royalty, cess, mining and other operating expenses.

** includes export incentive and duty drawback amounting to ₹ 4,577 million, ₹ 4,327 million and ₹ 3,162 million (\$ 43 million) for financial year ended March 31, 2019, March 31, 2020 and March 31, 2021 respectively.

*** includes rent for the year ended March 31, 2020 and March 31, 2021 representing expense on short term/ low value leases.

11. Exchange gain/ (loss) recognised in the consolidated statements of profit or loss:

For the year ended March 31,	2019 (₹ in million)	2020 (₹ in million)	2021 (₹ in million)	2021 (US dollars in million)
Cost of sales	(3,006)	(4,268)	(1,937)	(26)
Administration cost (Forex on MAT credit entitlements)	(1,847)	(1,136)	166	2
Investment and other income	(1,351)	2,489	531	7
Finance and other costs	(2,721)	(4,789)	180	3
Total	(8,925)	(7,704)	(1,060)	(14)



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12. Earnings/(Loss) per share (“EPS”)

The following reflects the income and share data used in the basic and diluted earnings per share computations:

Computation of weighted average number of shares

For the year ended March 31,	2019	2020	2021
Weighted average number of ordinary shares for basic earnings per share*	3,705,502,141	3,702,554,614	3,704,196,924
Effect of dilution:			
Potential ordinary shares relating to share option awards	15,947,492	21,220,860 [#]	23,348,057
Adjusted weighted average number of ordinary shares for diluted earnings per share	<u>3,721,449,633</u>	<u>3,702,554,614[#]</u>	<u>3,727,544,981</u>

Computation of basic and diluted earnings per share

Basic earnings/(loss) per share:

For the year ended March 31,	2019	2020	2021	2021
	(₹ in million except EPS data)	(₹ in million except EPS data)	(₹ in million except EPS data)	(US dollars in million except EPS data)
Profit/(Loss) for the year attributable to equity holders of the parent	49,775	(61,248)	112,883	1,544
Weighted average number of ordinary shares for basic earnings per share*	3,705,502,141	3,702,554,614	3,704,196,924	3,704,196,924
Earnings/(Loss) per share (INR / USD)	<u>13.43</u>	<u>(16.54)</u>	<u>30.47</u>	<u>0.42</u>

Diluted earnings/(loss) per share:

For the year ended March 31,	2019	2020	2021	2021
	(₹ in million except EPS data)	(₹ in million except EPS data)	(₹ in million except EPS data)	(US dollars in million except EPS data)
Profit/(Loss) for the year attributable to equity holders of the parent	49,775	(61,248)	112,883	1,544
Adjusted weighted average number of ordinary shares for diluted earnings per share*	3,721,449,633	3,702,554,614 [#]	3,727,544,981	3,727,544,981
Earnings/(Loss) per share[#] (INR / USD)	<u>13.38</u>	<u>(16.54)</u>	<u>30.28</u>	<u>0.41</u>

* After excluding the impact of treasury shares

Potential dilutive shares have been considered as anti dilutive for year ended March 31, 2020.

Nominal value per share is ₹ 1 for the year ended March 31, 2019, 2020 and March 31, 2021.

**13. Dividends**

Each equity share holder is entitled to dividends as and when Vedanta Limited declares and pays dividends after obtaining shareholder approval for final dividend and board approval in case of an interim dividend. Dividends are paid in Indian Rupees. Remittance of dividends outside India is governed by Indian law on foreign exchange and is subject to applicable taxes.

Distributions made and proposed

For the year ended March 31,	2019 (₹ in million)	2020 (₹ in million)	2021 (₹ in million)	2021 (US dollars in million)
Amounts recognised as distributions to equity share holders:				
Equity dividend on ordinary shares:				
Interim dividend for the year: (March 31, 2019: ₹ 17.00/- and ₹ 1.85/- per share, March 31, 2020: ₹ 3.90/- per share, March 31, 2021: ₹ 9.50/- per share) ^{a,b,c}	70,043	14,441	35,187	481
Tax on above ^{a,b,c,e}	14,370	—	—	—
Total	84,413	14,441	35,187	481
Preference dividend on redeemable preference shares^d:				
Preference dividend for the year: Nil (March 31, 2019: 7.5% p.a.)	1,299	—	—	—
Dividend distribution tax on preference dividend	274	—	—	—
Total	1,573	—	—	—

- An interim dividend of ₹ 9.50 per share was declared during the year ended March 31, 2021.
- An interim dividend of ₹ 3.90 per share was declared during the year ended March 31, 2020. The right to interim dividend of ₹ 3.90 per share was waived by ESOP trust.
- Two interim dividends of ₹ 17.00 and ₹ 1.85 per share were declared during the year ended March 31, 2019. This includes interim dividend of ₹ 17.00 per share amounting to ₹ 255 million and dividend distribution tax of ₹ 52 million payable on 14,998,802 equity shares held by Vedanta Limited through ESOP trust for its stock options. The right to second interim dividend of ₹ 1.85 per share was waived by ESOP trust.
- Dividend at the rate of 7.5% p.a. on the redeemable preference shares of face value of ₹ 10/- per preference share for the period April 01, 2018 to October 27, 2018, as per their terms of issuance was declared during the year ended March 31, 2019. The same has been accounted for as interest cost and has been recorded in the Consolidated Statement of Profit or Loss. These preference shares were redeemed, along with dividend on October 26, 2018. (Refer Note 30)
- recognised in consolidated statements of profit or loss.

If profits for a year are insufficient to declare dividends, dividends for that year may be declared and paid out from accumulated profits on the following conditions:

- The rate of dividend declared shall not exceed the average of the rates at which dividend was declared by the company in the three years immediately preceding that year;
- The total amount to be drawn from such accumulated profits shall not exceed one-tenth of the sum of the company's paid-up share capital and free reserves as appearing in the latest audited financial statement;
- The amount so drawn shall first be utilised to set off the losses incurred in the financial year in which dividend is declared before any dividend in respect of equity shares is declared; and
- The balance of reserves after such withdrawal shall not fall below fifteen per cent of the company's paid up share capital as appearing in the latest audited financial statement.



14. Property, plant and equipment and Exploration and evaluation assets –

	Exploration and evaluation assets										
	Mining property ₹ in million	Land and buildings ₹ in million	Plant and equipment ₹ in million	Oil and Gas Properties ₹ in million	Others ₹ in million	ROU assets ₹ in million	Assets under construction ₹ in million	Total ₹ in million	evaluation assets ₹ in million	Total ₹ in million	Total US dollars in million
Gross Block											
As at April 01, 2019	217,672	136,202	846,964	1,305,790	14,429	—	131,301	2,652,358	122,465	2,774,823	
Effects of implementing IFRS 16	—	—	(163)	—	—	5,626	—	5,463	—	5,463	
Additions	14,915	3,667	19,983	32,968	1,487	10,212	28,899	112,131	6,887	119,018	
Transfers/ Reclassification E (12)	6,930	(590)	8,558	2,243	382	0	(16,860)	663	(2,243)	(1,580)	
Disposals/ Adjustments	(1,265)	(65)	(7,578)	(132)	(334)	(2,140)	(10,054)	(21,568)	(476)	(22,044)	
Acquisition through business combination (Refer Note 4(b))	—	192	143	—	—	—	—	335	—	335	
Unsuccessful exploration cost	—	—	—	—	—	—	—	—	(27)	(27)	
Foreign exchange	(4,899)	(362)	(3,660)	108,417	(231)	452	(275)	99,442	9,460	108,902	
As at March 31, 2020	233,353	139,044	864,247	1,449,286	15,733	14,150	133,011	2,848,824	136,066	2,984,890	40,811
Additions	13,011	1,601	15,121	8,813	1,318	1,082	17,248	58,194	7,003	65,197	891
Transfers/ Reclassification	4,569	(1,485)	27,130	(81)	(137)	2,529	(32,634)	(109)	81	(28)	(0)
Disposals/ Adjustments	(47)	(327)	(5,438)	(69)	(391)	(25)	(2,919)	(9,216)	—	(9,216)	(126)
Acquisition through business combination (Refer Note 4(a))	2,202	1,321	—	—	—	—	20	3,543	—	3,543	48
Unsuccessful exploration cost	—	—	—	—	—	—	—	—	(70)	(70)	(1)
Foreign exchange	7,316	1,151	6,932	(29,417)	341	(160)	722	(13,115)	(2,611)	(15,726)	(215)
As at March 31, 2021	260,404	141,305	907,992	1,428,532	16,864	17,576	115,448	2,888,121	140,469	3,028,590	41,408
Accumulated depreciation, depletion, amortisation and impairment											
As at April 01, 2019	150,674	29,944	258,501	1,099,156	7,623	—	15,616	1,561,514	94,505	1,656,019	
Effects of implementing IFRS 16	—	—	(6)	—	—	6	—	—	—	—	
Charge for the year	17,736	5,190	34,816	39,889	1,642	982	—	100,255	—	100,255	
Disposals/ Adjustments	—	(6)	(4,057)	—	(251)	(166)	—	(4,480)	—	(4,480)	
Transfers/ Reclassifications	—	—	(67)	—	67	—	—	—	—	—	
Impairment Charge B,c&d	—	167	5,098	119,299	—	215	6,310	131,089	15,732	146,821	
Foreign exchange	(1,932)	(426)	(2,405)	98,451	(132)	19	—	93,575	7,907	101,482	
As at March 31, 2020	166,478	34,869	291,880	1,356,795	8,949	1,056	21,926	1,881,953	118,144	2,000,097	27,345
Charge for the year	16,745	5,197	35,627	20,516	1,734	1,413	—	81,232	—	81,232	1,111
Disposals/ Adjustments	—	(236)	(4,144)	(69)	(305)	—	(285)	(4,754)	—	(4,754)	(65)
Transfers/ Reclassification	3	—	352	—	(71)	(2)	—	(3)	—	(3)	(0)
Asset under construction written off ^a	—	—	—	—	—	—	2,440	2,440	—	2,440	33
Foreign exchange	3,376	755	4,377	(27,675)	254	(15)	—	(18,928)	(2,217)	(21,145)	(289)
As at March 31, 2021	186,602	40,585	328,092	1,349,567	10,561	2,452	24,081	1,941,940	115,927	2,057,867	28,135

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Net book value / Carrying amount	Mining property ₹ in million	Land and buildings ₹ in million	Plant and equipment ₹ in million	Oil and Gas Properties ₹ in million	Others ₹ in million	ROU assets ₹ in million	Assets under construction ₹ in million	Total ₹ in million	Exploration and evaluation assets ₹ in million	Total ₹ in million	Total US dollars in million
As at April 01, 2019	66,998	106,258	588,463	206,634	6,806	—	115,685	1,090,844	27,960	1,118,804	
As at March 31, 2020	66,875	104,175	572,367	92,491	6,784	13,094	111,085	966,871	17,922	984,793	
As at March 31, 2021	73,802	100,720	579,900	78,965	6,303	15,124	91,367	946,181	24,542	970,723	13,273

Disclosure of Right of Use (ROU) Assets as per IFRS 16 "Leases"

Gross Block	Land & Building ₹ in million	Plant and Equipment ₹ in million	Total ₹ in million	Total ₹ in million	Total US dollars in million
As at April 01, 2019					
Effects of implementing IFRS 16	5,357	269	5,626	—	—
Additions	3,493	6,719	10,212	—	—
Transfers/ Reclassification	—	0	0	—	—
Deductions	2,140	—	2,140	—	—
Foreign exchange	101	351	452	—	—
As at March 31, 2020	6,811	7,339	14,150	14,150	193
Additions	922	160	1,082	—	15
Transfers/ Reclassification	2,533	(4)	2,529	—	35
Deductions	(16)	(9)	(25)	—	(0)
Foreign exchange	(47)	(113)	(160)	—	(2)
As at March 31, 2021	10,203	7,373	17,576	17,576	241
Accumulated depreciation and impairment					
As at April 01, 2019					
Effects of implementing IFRS 16	—	6	6	—	6
Charge for the year	771	211	982	—	982
Disposals/ Adjustments	(166)	—	(166)	—	(166)
Impairment Charge	215	—	215	—	215
Foreign exchange	13	6	19	—	19
As at March 31, 2020	833	223	1,056	1,056	14
Charge for the year	622	791	1,413	—	19
Transfers/ Reclassification	—	(2)	(2)	—	(0)
Disposals/ Adjustments	(0)	(0)	(0)	—	(0)
Foreign exchange	(12)	(3)	(15)	—	(0)
As at March 31, 2021	1,443	1,009	2,452	2,452	33
Net book value / Carrying amount					
As at April 01, 2019	—	—	—	—	—
As at March 31, 2020	5,978	7,116	13,094	—	—
As at March 31, 2021	8,760	6,364	15,124	—	208



A)

- 1) During the year ended March 31, 2021, the Company has recognized a loss of ₹ 1,811 million (\$ 25 million) relating to certain items of Assets under construction at the Aluminium operations, which are no longer expected to be used.
- 2) During the year ended March 31, 2021, ESL Steel Limited conducted a detailed physical verification and evaluation of project equipment and material being carried forward as Assets under construction at a carrying value of ₹ 8,107 million (\$ 111 million) out of total carrying value of ₹ 8,350 million (\$ 114 million). Pending completion of entire exercise, an interim provision of ₹ 629 million (\$ 8 million) has been recognized relating to certain items of Assets under construction, which are no longer expected to be used.

B) During the year ended March 31, 2019 and March 31, 2020 the Group had recognized impairment reversal of ₹ 2,611 million and impairment charge of ₹ 135,031 million respectively, on its assets in the oil and gas segment comprising:

➤ For the year ended March 31, 2020:-

- 1) Impairment charge of ₹ 127,164 million relating to Rajasthan oil and gas block (“RJ CGU”) triggered by the significant fall in the crude oil prices. Of this charge, ₹ 116,748 million impairment charge has been recorded against oil and gas producing facilities and ₹ 10,416 million impairment charge has been recorded against exploration intangible assets under development. The valuation remains dependent on price and further deterioration in long term prices may result in additional impairment.

For oil & gas assets, CGU’s identified are on the basis of a production sharing contract (PSC) level, as it is the smallest group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

The recoverable amount of the RJ CGU, ₹ 105,109 million, was determined based on the fair value less costs of disposal approach, as it more accurately reflects the recoverable amount based on our view of the assumptions that would be used by a market participant. The same was computed using a level-3 valuation technique based on the cash flows expected to be generated by the projected oil and natural gas production profiles up to the expected dates of cessation of production sharing contract (PSC)/cessation of production from each producing field based on the current estimates of reserves and risked resources. Reserves assumptions for fair value less costs of disposal tests consider all reserves that a market participant would consider when valuing the asset, which are usually broader in scope than the reserves used in a value-in-use test. Discounted cash flow analysis used to calculate fair value less costs of disposal use assumption for short-term oil price of \$ 38 per barrel for the next one year and scales up to long-term nominal price of \$ 57 per barrel three years thereafter derived from a consensus of various analyst recommendations. Thereafter, these have been escalated at a rate of 2% per annum. The cash flows are discounted using the post-tax nominal discount rate of 10.35% derived from the post-tax weighted average cost of capital after factoring the risks ascribed to the successful implementation of key growth projects. Additionally, in computing the recoverable value, the effects of market participant’s response on production sharing contract matters have also been appropriately considered. Based on the sensitivities carried out by the Group, change in crude price assumptions by \$ 1/bbl and changes to discount rate by 1% would lead to a change in recoverable value by ₹ 3,370 million and ₹ 4,940 million, respectively.

- 2) Impairment charge of ₹ 2,551 million relating to KG-ONN-2003/1 CGU mainly due to the reduction in crude oil price forecast. The recoverable amount of the CGU, ₹ 1,496 million was determined based on fair value less cost of disposal approach, a level-3 valuation technique in the fair value hierarchy as described in above paragraph. Discounted cash flow analysis used to calculate fair value less costs of disposal use assumption for oil price as described in above paragraph. The cash flows are discounted using the post-tax nominal discount rate of 11.1% derived from the post-tax weighted average cost of capital. The sensitivities around change in crude price and discount rate are not material to the financial statements.
- 3) Impairment charge of ₹ 5,316 million in exploration block KG-OSN-2009/3, was provided for as the Government of India approval on extension and grant of excusable delay is awaited for.

➤ For the year ended March 31, 2019:-

- 1) During the year ended March 31, 2019, the Group has recognized net impairment reversal of ₹ 2,611 million in respect of Oil & Gas Block KG-ONN-2003/1 (CGU) on booking of commercial reserves and subsequent commencement of commercial production. The impairment reversal has been recorded against Oil & Gas producing facilities. The recoverable amount of the Group’s share in KG-ONN-2003/1 (CGU) was determined to be ₹ 2,075 million. The recoverable amount of the KG-ONN-2003/1 CGU was determined based on the fair value less costs of disposal approach, a level- 3 valuation technique in the fair value hierarchy, as it more accurately reflects the recoverable amount based on our view of the assumptions that would be used by a market participant. This is based on the cash flows expected to be generated by the projected oil and natural gas production profiles up to the expected dates of cessation of production sharing contract (PSC)/cessation of production from each producing field based on the current estimates of reserves and risked resources. Reserves assumptions for fair value less costs of disposal tests consider all reserves that a market participant would consider when valuing the asset, which are usually broader in scope than the reserves used in a value-in-use test. Discounted cash flow analysis used to calculate fair value less costs of disposal use assumption for short-term oil price of US \$ 62 per barrel for the year ended March 31, 2019 and scales up to long-term nominal price of US \$ 65 per barrel by year ended March 31, 2022 derived from a consensus of various analyst recommendations. Thereafter, these have been escalated at a rate of 2.5% per annum. The cash flows are discounted using the post-tax nominal discount rate of 11.8% derived from the post-tax weighted average cost of capital. The sensitivities around change in crude price and discount rate are not material to the financial statements.



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- C) During the year ended March 31, 2020, the Group has recognized impairment charge of ₹ 5,098 million on the assets of AvanStrate Inc (ASI) mainly due to the significant changes in the market and economic environment in which ASI operates leading to decrease in demand and profitability in the glass substrate business. The charge relates to ASI business in Japan, Taiwan and Korea classified in the 'others' segment. Given the significant interdependence of these entities on each other, these are considered as a single cash-generating unit.

The net recoverable value of assets and liabilities was assessed at ₹ 15,360 million based on the value in use approach. Based on the sensitivities carried out by the Group, decrease in volume assumptions by 1% would lead to decrease in recoverable value by ₹ 170 million and increase in discount rate by 1% would lead to a decrease in recoverable value by ₹ 480 million.

- D) Refer note 3(c)(I)(vii) relating to assets at copper plant where operations are suspended.

E) **Footnotes:**

- Plant and equipment include refineries, smelters, power plants, aircrafts, ships, river fleets, railway sidings and related facilities.
- Others includes furniture and fixtures, office equipments and vehicles.
- During the year ended March 31, 2019, 2020 and 2021, interest capitalized was ₹ 8,345 million, ₹ 10,169 million and ₹ 3,158 million (\$ 43 million) respectively.
- Certain property, plant and equipment are pledged as collateral against borrowings, the details related to which have been described in Note 22 on "Borrowings".
- Land and building includes 40 quarters at Bidhan Bagh Unit and 300.88 acres of land at Korba and Bidhan Bagh which have been occupied without authorization for which Group is evaluating evacuation options and the Group has filed the civil suits for the same.
- The land transferred to BALCO by National Thermal Power Corporation Ltd. (NTPC) vide agreement dated June 20, 2002 comprising of 171.44 acres land for BALCO's 270 MW captive power plant and it's allied facilities and 34.74 acres land for staff quarters of the said captive power plant is yet to be registered in favour of BALCO due to non-availability of title deeds from NTPC. The arbitration is pending between Balco and NTPC (presently in appeal before Delhi High Court), in which transfer of title deeds is also sub-judice and is posted for hearing on July 27, 2021.
- The Division Bench of the Hon'ble High Court of Chhattisgarh has vide its order dated February 25, 2010, upheld that BALCO is in legal possession of 1,804.67 acres of Government land. Subsequent to the said order, the State Government has decided to issue the lease deed in favour of BALCO after the issue of forest land is decided by the Hon'ble Supreme Court. In the proceedings before the Hon'ble Supreme Court, pursuant to public interest litigations filed, it has been alleged that land in possession of BALCO is being used in contravention of the Forest Conservation Act, 1980 even though the said land has been in its possession prior to the promulgation of the Forest Conservation Act, 1980 on which its Aluminium complex, allied facilities and township were constructed between 1971-76. The Central Empowered Committee of the Supreme Court has already recommended ex-post facto diversion of the forest land in possession of BALCO. BALCO has also filed two IA before the Supreme Court, 1st challenging the order of the Tehsildar Korba whereby he rejected BALCO'S applications for eviction of illegal encroachers on BALCO'S land on the ground that land matter is subjudice before the Supreme Court and the other application whereby BALCO has challenged the state government's action for allotment of land to illegal encroachers under the Rajiv Ashray Yojna. No next date is there and the matter is to be listed in due course.
- Freehold land under "Land and Buildings" includes gross block as at March 31, 2020 ₹ 2,953 million and March 31, 2021 ₹ 2,884 million (\$ 39 million), accumulated amortization as at March 31, 2020 ₹ 2,560 million and March 31, 2021 ₹ 2,545 million (\$ 35 million), which is available for use during the lifetime of the Production Sharing Contract of the respective Oil and Gas blocks and title deed for the same is in the name of the licensee of the block.
- Property, plant and equipment and exploration and evaluation assets net block includes share of jointly owned assets with the joint venture partners of ₹ 116,331 million and ₹ 106,784 million (\$ 1,460 million) as at March 31, 2020 and 2021 respectively.
- Oil and Gas Properties includes development assets under construction of carrying value of ₹ 48,477 million and ₹ 41,324 million (\$ 565 million) as at March 31, 2020 and 2021 respectively.
- Title deeds of land of 264 acres relating to ESL Steel Limited were not available with the Group up to previous year. During the year the Group has got it regularized.
- A parcel of land aggregating to ₹ 1,201 million relating to Iron Ore business had been reclassified during the year ended March 31, 2020, due to existence of litigation, to Financial Assets and later impaired. ₹ 379 million and ₹ 28 million (\$ 0 million) have been transferred to intangible assets from "Asset under construction" for the year ended March 31, 2020 and 2021 respectively.
- TSPL's assets consisting of land (including ROU land), building and plant and machinery having net carrying values as at March 31, 2020 and 2021 of ₹ 3,975 million and ₹ 3,942 million (\$ 54 million), ₹ 1,945 million and ₹ 1,781 million (\$ 24 million) and ₹ 88,619 million and ₹ 84,505 million (\$ 1,155 million) respectively have been given on operating lease (refer note 3(c)(II)(i)).



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14. Reconciliation of depreciation, depletion and amortization expense:

	Year ended March 31,			
	2019	2020	2021	Total
	₹ in million	₹ in million	₹ in million	US dollars in million
Depreciation, depletion and amortization expense on				
Property, plant and equipment	95,718	100,255	81,232	1,111
Intangible assets	812	821	682	9
As per property, plant and equipment and intangibles schedule	96,530	101,076	81,914	1,120
Less: Depreciation capitalized	(100)	—	(498)	(7)
Less: Cost allocated to joint ventures	(284)	(586)	(238)	(3)
Charged to consolidated statement of profit or loss	96,146	100,490	81,178	1,110



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15. Intangible assets

	Port Concession Rights ¹	Software License	Others	Total	Total US dollars in million
	₹ in million	₹ in million	₹ in million	₹ in million	
Gross Block					
As at April 01, 2019	5,962	3,214	2,957	12,133	
Additions	58	202	55	315	
Transfers from Property, Plant and Equipment	—	13	366	379	
Disposals/Adjustments	(7)	—	—	(7)	
Foreign exchange difference	0	150	239	389	
As at March 31, 2020	6,013	3,579	3,617	13,209	181
Additions	15	78	322	415	6
Transfers from Property, Plant and Equipment	—	28	—	28	0
Disposals/Adjustments	—	(64)	—	(64)	(1)
Foreign exchange difference	—	(28)	(107)	(135)	(2)
As at March 31, 2021	6,028	3,593	3,832	13,453	184
Accumulated depreciation, depletion, amortization and impairment					
As at April 01, 2019	1,352	2,655	414	4,421	
Charge for the year	228	306	287	821	
Disposals/Adjustments	(2)	—	—	(2)	
Foreign exchange difference	0	135	44	179	
As at March 31, 2020	1,578	3,096	745	5,419	75
Charge for the year	230	147	305	682	9
Transfers from Property, Plant and Equipment	—	3	—	3	0
Disposals/Adjustments	—	(64)	—	(64)	(1)
Foreign exchange difference	—	(31)	(37)	(68)	(1)
As at March 31, 2021	1,808	3,151	1,013	5,972	82
Net book value / Carrying amount					
As at April 01, 2019	4,610	559	2,543	7,712	
As at March 31, 2020	4,435	483	2,872	7,790	
As at March 31, 2021	4,220	442	2,819	7,481	102

- (1) Vizag General Cargo Berth Private Limited (VGCB), a special purpose vehicle and wholly owned by the Company, was incorporated for the coal berth mechanization and upgradation at Visakhapatnam port.

The project was to be carried out on a design, build, finance, operate, transfer basis and the concession agreement between Visakhapatnam Port Trust ('VPT') and VGCB was signed in June 2010. In October 2010, VGCB was awarded with the concession after fulfilling conditions stipulated as a precedent to the concession agreement. Visakhapatnam port trust has provided, in lieu of license fee an exclusive license to VGCB for designing, engineering, financing, constructing, equipping, operating, maintaining, and replacing the project/project facilities and services. The concession period is 30 years from the date of the award. The upgraded capacity is 10.18 mmtpa and the Visakhapatnam port trust would be entitled to receive 38.10% share of the gross revenue as royalty. VGCB is entitled to recover a tariff from the user(s) of the project facilities and services as per its Tariff Authority for Major Ports (TAMP) notification. The tariff rates are linked to the Wholesale Price Index (WPI) and would accordingly be adjusted as specified in the concession agreement every year. The ownership of all infrastructure assets, buildings, structures, berths, wharfs, equipment and other immovable and movable assets constructed, installed, located, created or provided by VGCB at the project site and/or in the port's assets pursuant to concession agreement would be with VGCB until expiry of this concession agreement. The cost of any repair, replacement or restoration of the project facilities and services shall be borne by VGCB during the concession period. VGCB has to transfer all its rights, titles and interest in the project facilities and services free of cost to VPT at the end of the concession period. Intangible asset port concession rights represents consideration for construction services. No Revenue from construction contract of service concession arrangements on exchanging construction services for the port concession rights was recognized for the year ended March 31, 2019, March 31, 2020 and March 31, 2021.



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16. Financial asset investments

Financial asset investments represent investments classified and accounted for at fair value through profit or loss or through other comprehensive income (Refer Note 25)

Movements for the year ended March 31,	<u>2020</u> (₹ in million)	<u>2021</u> (₹ in million)	<u>2021</u> (US dollars in million)
As at April 01,	48,865	911	12
Purchase/(Sale) of structured investment (Refer Note 35)	(44,847)	—	—
Changes in fair value (including on investments purchased/sold during the year)	(4,362)	621	9
Investment in bonds*	500	—	—
Exchange difference	755	—	—
As at March 31,	911	1,532	21

* Reclassified from short-term investments

Financial asset investment represents quoted investments in equity shares and other investments that present the Group with an opportunity for returns through dividend income and gains in value. These securities are held at fair value. These are classified as non-current as at March 31, 2020 and March 31, 2021.



17. Trade and other receivables and Other non-current assets

	As at March 31,								
	2020 Non-current (₹ in million)	2020 Current (₹ in million)	2020 Total (₹ in million)	2021 Non-current (₹ in million)	2021 Current (₹ in million)	2021 Total (₹ in million)	2021 Non-current (US dollars in million)	2021 Current (US dollars in million)	2021 Total (US dollars in million)
Financial									
Bank Deposits ¹	338	—	338	1,153	—	1,153	16	—	16
Site restoration assets ²	6,199	—	6,199	8,220	—	8,220	112	—	112
Trade receivables ^{3,7}	31,111	26,936	58,047	31,582	34,459	66,041	432	471	903
Others ⁵	11,694	9,279	20,973	15,998	2,395	18,393	219	33	252
Loans to related parties (Refer Note 35)	42	793	835	50,562	20,150	70,712	691	276	967
Receivables from related parties	—	1,180	1,180	—	1,476	1,476	—	20	20
Advance recoverable	—	13,710	13,710	—	39,083	39,083	—	534	534
Total—Financial (A)	49,384	51,898	101,282	107,515	97,563	205,078	1,470	1,334	2,804
Non Financial									
Balance with Government Authorities	5,526	9,765	15,291	6,098	7,294	13,392	83	99	182
Advance for supplies	—	14,005	14,005	—	12,209	12,209	—	167	167
Advance to related party	—	208	208	944	2,271	3,215	13	31	44
Others ^{4,6}	15,448	7,401	22,849	13,170	11,256	24,426	180	154	334
Total—Non Financial (B)	20,974	31,379	52,353	20,212	33,030	53,242	276	451	727
Total (A+B)	70,358	83,277	153,635	127,727	130,593	258,320	1,746	1,785	3,531

- includes ₹ 245 million and ₹ 302 million (\$ 4 million) under lien with banks, ₹ Nil and ₹ 46 million (\$ 1 million) under lien with Others, ₹ 50 million and ₹ 42 million (\$ 1 million) held as margin money and ₹ Nil and ₹ 214 million (\$ 3 million) held as principal reserve created against principal payment on loans from banks as at March 31, 2020 and March 31, 2021 respectively.
- includes deposit in Site Restoration Fund of ₹ 6,199 million and ₹ 8,220 million (\$ 112 million).
- In July 2017, the Appellate Tribunal for Electricity (APTEL) dismissed the appeal filed by one of the Group's subsidiaries, Talwandi Sabo Power Limited (TSPL) with respect to the interpretation of how the calorific value of coal and costs associated with it should be determined. However, APTEL had allowed payment of shunting and unloading charges. TSPL filed an appeal before the Honourable Supreme Court (SC), which by an order dated March 07, 2018 has decided the matter in favour of TSPL. Subsequently, PSPCL has paid ₹ 13,771 million (\$ 188 million) till March 31, 2021. The outstanding dues (including interest receivable) in relation to this dispute is ₹ 3,871 million and ₹ 828 million (\$ 11 million) as at March 31, 2020 and March 31, 2021 respectively.

In another matter relating to assessment of whether there has been a change in law following the execution of the Power Purchase Agreement, the Appellate Tribunal for Electricity has dismissed the appeal in July 2017 filed by TSPL. TSPL filed an appeal before the Honourable Supreme Court to seek relief which is yet to be listed. The outstanding trade receivables in relation to this dispute and other matters is ₹ 12,978 million and ₹ 16,047 million (\$ 219 million) as at March 31, 2020 and March 31, 2021 respectively. The Group, based on external legal opinion and its own assessment of the merits of the case, remains confident that it is highly probable that the Supreme court will uphold TSPL's appeal and has thus continued to treat these balances as recoverable.

Additionally, trade receivables amounting to Rs 13,490 million and ₹ 13,230 million (\$ 181 million) as at March 31, 2020 and March 31, 2021 respectively, withheld by GRIDCO ('GRIDCO' or 'the Customer') on account of certain disputes relating to computation of power tariffs pending adjudication by Appellate Tribunal for Electricity (APTEL), which the Company is confident of recovering fully. The Customer has also raised claims of ₹ 4,130 million on the Company in respect of short supply of power for which a provision of ₹ 2,180 million has been made. Various minutes of meetings were signed with the Customer for computing the short supply claims, which were subject to approval of Odisha State Electricity Regulatory Commission ('OERC'). On June 22, 2020 OERC pronounced its order on computation methodology for short supply claims, basis which both the parties had to recompute the amount of claim and settle the matter in two months from the date of the order. On initial impact assessment of the said Order by the Company, it believes that no further provisioning is required in this regard. Further, the Company filed an appeal before APTEL against the OERC Order. The matter is now listed before registrar court on July 14, 2021. The Customer has also sought review of the OERC Order. The matter has been posted for order by OERC in due course. In the meanwhile, power supply to GRIDCO has resumed and GRIDCO has been making regular payments against monthly energy invoices.



4. Includes claim receivables, advance recoverable (oil and gas business), prepaid expenses, export incentive receivables and receivables from KCM.
5. Includes claims receivables, advance recoverable (oil and gas business) and others. It also includes advance profit petroleum of ₹ 3,219 million and ₹ Nil (\$ Nil) as at March 31, 2020 and March 31, 2021 respectively.
6. As at March 31, 2020 and March 31, 2021, the Company and its subsidiaries have an outstanding receivable equivalent to ₹ 4,374 million (net of provision of ₹ 2,070 million) and ₹ 2,107 million (\$ 29 million) (net of provision of ₹ 4,197 million (\$ 57 million)) respectively from Konkola Copper Mines Plc (KCM), predominantly regarding monies advanced against future purchase of copper cathode/anode.

A provisional liquidator was appointed to manage KCM's affairs on May 21, 2019, after ZCCM Investments Holdings Plc ("ZCCM"), an entity majorly owned by the Government of Zambia and a 20.6% shareholder in KCM, filed a winding up petition against KCM. KCM's majority shareholder, Vedanta Resources Holdings Limited ("VRHL"), and its parent company, Vedanta Resources Limited ("VRL"), are contesting the winding up petition in the Zambian courts. The local Court of Appeal ("CAZ") has ruled in favor of VRHL/VRL, ordering a stay of the winding up proceedings and referring the matter for arbitration. In light of the orders from CAZ, VRL has also filed an application in the High Court of Zambia, asking for directions on the powers of the provisional liquidator and the matter was argued on March 30, 2021. The ruling has been reserved. ZCCM has also appealed the CAZ order before a single judge bench of the Supreme Court of Zambia and the matter was heard on June 04, 2021. Responses were filed on June 11, 2021 and order is awaited.

VRHL and VRL had also commenced arbitration proceedings against ZCCM with seat in Johannesburg consistent with their position that arbitration is the agreed dispute resolution process. The procedural timetable for the arbitration envisages an initial hearing of prioritised issues commencing on May 31, 2021, with the substantive dispute being heard in November 2021 and February 2022. Meanwhile, KCM has not been supplying goods to the Group, which it was supposed to as per the terms of the advance.

The Group has recognised provision of ₹ 2,070 million ₹ 2,127 million (\$ 29 million) during the year ended March 31, 2020 and March 31, 2021 respectively and based on its assessment of the merits of the case backed by legal opinions, the Group is of the view that VRL's contractual position is upheld and continues to be strong on merits.

7. The total trade receivables as at April 01, 2019 were ₹ 76,700 million (net of provision for expected credit loss).

18. Inventories

Inventories consist of the following:

	As at March 31,		
	2020	2021	2021
	(₹ in million)	(₹ in million)	(US dollars in million)
Raw materials and consumables	67,432	60,555	828
Work-in-progress	33,267	30,202	412
Finished goods	12,663	8,752	120
	113,362	99,509	1,360

Inventory held at net realizable value amounted to ₹ 23,576 million and ₹ 23,985 million (\$ 328 million) as at March 31, 2020 and March 31, 2021, respectively. The write down on this inventory amounted to ₹ 1,176 million and ₹ 1,594 million (\$ 22 million) for the year ended March 31, 2020 and March 31, 2021, respectively and this has been charged to the consolidated statements of profit or loss.

**19. Short-term investments**

Short-term investments consist of the following:

	As at March 31,		
	2020 (₹ in million)	2021 (₹ in million)	2021 (US dollars in million)
Bank deposits ¹	80,633	116,730	1,596
Other investments ²	246,577	165,045	2,257
	327,210	281,775	3,853

Bank deposits are made for periods of between three months and one year depending on the cash requirements of the companies within the Group and earn interest at the respective fixed deposit rates.

Other investments include mutual fund investments and investment in bonds which are recorded at fair value with changes in fair value reported through the consolidated statements of profit or loss. These investments do not qualify for recognition as cash and cash equivalents due to their maturity period and risk of change in value of the investments. Refer Note 25 for further details.

- Includes ₹ 2,562 million and ₹ 6,568 million (\$ 90 million) under lien with banks, Nil and ₹ 213 million (\$ 3 million) under lien with others, ₹ 571 million and ₹ 465 million (\$ 6 million) deposit held as collateral in respect of closure cost, ₹ 1,385 million and ₹ 2,726 million (\$ 37 million) held as margin money and ₹ Nil and ₹ 4,603 million (\$ 63 million) held as interest reserve created against interest payment on loans from banks as at March 31, 2020 and March 31, 2021 respectively.
- Includes ₹ 1,013 million and ₹ Nil (\$ Nil) invested in related party as at March 31, 2020 and March 31, 2021 respectively. (Refer Note 35(c))

**20. Restricted cash and cash equivalents**

Restricted cash and cash equivalents consist of the following:

	As at March 31,		
	2020 (₹ in million)	2021 (₹ in million)	2021 (US dollars in million)
Cash at banks ¹	960	1,025	14
	960	1,025	14

1. Cash at banks is restricted in use as it relates to unclaimed dividends of ₹ 941 million and ₹ 1,006 million (\$ 14 million) as at March 31, 2020 and March 31, 2021 respectively. It also includes earmarked escrow amount of ₹ 19 million and ₹ 19 million (\$ 0 million) which relates to unclaimed redeemable preference shares as at March 31, 2020 and March 31, 2021 respectively.

21. Cash and cash equivalents

Cash and cash equivalents consist of the following:

	As at March 31,		
	2020 (₹ in million)	2021 (₹ in million)	2021 (US dollars in million)
Cash at banks and in hand	23,922	26,604	364
Short-term deposits*	26,676	21,933	300
	50,598	48,537	664

- * Short-term deposits are made for periods of between one day and three months, depending on the immediate cash requirements of the respective companies, and earn interest at the respective short-term deposit rates.



22. Borrowings

Current borrowings consist of:

	As at March 31,		
	2020 (₹ in million)	2021 (₹ in million)	2021 (US dollars in million)
Banks and financial institutions	112,710	36,086	493
Current maturities of long-term borrowings	99,521	153,514	2,099
Current borrowings (A)	212,231	189,600	2,592

Non-current borrowings consist of:

	As at March 31,		
	2020 (₹ in million)	2021 (₹ in million)	2021 (US dollars in million)
Banks and financial institutions	294,233	359,164	4,911
Non-convertible debentures	163,874	165,923	2,269
Redeemable preference shares	19	19	0
Non-convertible bonds	1,462	1,565	21
Others	7,177	6,465	89
Non-current borrowings	466,765	533,136	7,290
Less: Current maturities of long-term borrowings	(99,521)	(153,514)	(2,099)
Non-current borrowings, net of current maturities (B)	367,244	379,622	5,191

In the event Vedanta Resources Limited ceases to be the Company's majority shareholder, the Group will be required to immediately repay some of its outstanding long term debt.

The Group facilities are subject to certain financial and non- financial covenants. The primary covenants which must be complied with include interest service coverage ratio, current ratio, debt service coverage ratio, total outside liabilities to tangible net worth, fixed assets coverage ratio, ratio of total term liabilities to tangible net worth, debt to EBITDA ratio and return on fixed assets. The Group has complied with the covenants as per the terms of the loan agreement.



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Details of Non-convertible debentures issued by the Group have been provided below (carrying value)-

	As at March 31,		
	2020 (₹ in million)	2021 (₹ in million)	2021 (US dollars in million)
9.20% due February 2030	20,000	20,000	273
9.20% due December 2022	7,480	7,487	102
8.75% due June 2022	12,682	12,690	174
7.5% due March 2022	—	4,927	67
8.90% due December 2021	8,978	8,991	123
8.75% due September 2021	2,500	2,500	34
5.35% due September 2021	—	35,163	481
9.18% due July 2021	10,000	10,000	137
9.27% due July 2021	9,995	9,999	137
8.50% due June 2021	16,496	16,500	226
8.75% due April 2021	2,500	2,500	34
8.50% due April 2021	23,493	23,500	321
8.55% due April 2021	10,000	10,000	137
0% due March 2022	—	1,666	23
9.00% due November 2020	1,500	—	—
8.25% due September 2020	4,250	—	—
7.85% due August 2020	5,000	—	—
9.45% due August 2020	20,000	—	—
7.90% due July 2020	3,000	—	—
8.70% due April 2020	6,000	—	—
Total	163,874	165,923	2,269



Security Details

The Group has taken borrowings in various countries towards funding of its acquisitions, capital expenditure and working capital requirements. The borrowings comprise funding arrangements from various banks and financial institutions taken by the parent and subsidiaries.

	As at March 31,		
	2020 (₹ in million)	2021 (₹ in million)	2020 (US dollars in million)
Secured borrowings	480,476	487,027	6,659
Unsecured borrowings	98,999	82,195	1,124
Total borrowings	579,475	569,222	7,783

The details of security provided by the Group in various countries, to various banks on the assets of Parent and subsidiaries are as follows:

		As at March 31,		
		2020 (₹ in million)	2021 (₹ in million)	2021 (US dollars in million)
Working capital loans (grouped under banks and financial institutions)	First pari passu charge on current assets of Vedanta Limited	34	6,500	89
	Secured by second pari passu charge on fixed assets of TSPL and first pari passu charge on current assets of the company, both present and future#	2,478	490	7
	Other secured working capital loans	3,740	—	—
External commercial borrowings (grouped under banks and financial institutions)	The facility is secured by first pari passu charge on all movable property, plant and equipments related to power plants and aluminium smelters of BALCO located at Korba both present and future along with secured lenders	3,351	2,188	30
	The facility is secured by first pari passu charge on all movable project assets related to 1200 MW power project and 3.25 LTPA smelter project both present and future along with secured lenders at BALCO	2,762	1,686	23
Non-convertible Debentures	Secured by the whole of the movable fixed assets of (i) Alumina Refinery having output of 1 MTPA along with co-generation captive power plant with an aggregate capacity of 90 MW at Lanjigarh, Odisha and (ii) Aluminium Smelter having output of 1.6 MTPA along with 1215 (9*135) MW CPP at Jharsuguda, Odisha	49,139	54,095	740
	Secured by way of charge against all existing assets of FACOR	—	1,670	23
	Secured by a first pari passu charge on the whole of the present and future of the movable fixed assets of 2400 MW (600 MW*4) Power Plant of Vedanta Limited at Jharsuguda location	39,988	40,000	547



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		As at March 31,		
		2020	2021	2021
		(₹ in million)	(₹ in million)	(US dollars in million)
	Secured by way of first ranking pari passu charge on movable fixed assets in relation to the Lanjigarh Refinery Expansion Project (having capacity beyond 2 MTPA and upto 6 MTPA) situated at Lanjigarh, Odisha. The Lanjigarh Refinery Expansion Project shall specifically exclude the 1 MTPA alumina refinery of Vedanta Limited along with 90 MW power plant in Lanjigarh and all its related capacity expansions	11,000	5,000	68
	Secured by way of first pari passu charge on all present and future of the movable fixed assets of 2400 MW (600 MW*4) Power Plant of Vedanta Limited at Jharsuguda location, as may be identified and notified by the Issuer to the Security Trustee from time to time, with minimum asset coverage of 1 time of the aggregate face value of debentures outstanding at any point of time	10,000	10,000	137
	Secured by first pari passu charge on movable and/or immovable fixed assets of TSPL with a minimum asset cover of 1 time during the tenure of NCD	26,497	20,000	273
	Other secured non-convertible debentures	27,250	—	—
Term Loans (grouped under banks and financial institutions)	Secured by first pari passu charge on fixed assets of TSPL and second pari passu charge on current assets of TSPL, both present and future#	31,903	51,400	702
	First pari passu charge by way of hypothecation/ equitable mortgage on the movable/ immovable assets of the Aluminium division of Vedanta Limited comprising of alumina refinery having output of 1 MTPA along with co-generation captive power plant with an aggregate capacity of 90 MW at Lanjigarh, Odisha; aluminium smelter having output of 1.6 MTPA along with 1215 (9x135) MW CPP at Jharsuguda, Odisha, both present and future	33,842	18,834	257
	Secured by a pari passu charge by way of hypothecation of all the movable fixed assets of Vedanta Limited pertaining to its Aluminium division project consisting of (i) alumina refinery having output of 1 MTPA (Refinery) along with co-generation captive power plant with aggregate capacity of 90 MW at Lanjigarh, Odisha (Power Plant); and (ii) aluminium smelter having output of 1.6 MTPA along with 1215 (9x135) MW CPP at Jharsuguda, Odisha (Smelter) (the Refinery, Power Plant and Smelter). Also, a first pari passu charge by way of equitable mortgage on the land pertaining to the mentioned project of aluminium division	28,851	21,935	300



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	As at March 31,		
	2020 (₹ in million)	2021 (₹ in million)	2021 (US dollars in million)
Secured by a pari passu charge by way of hypothecation on the movable fixed assets of the Lanjigarh Refinery Expansion Project including 210 MW Power Project. Lanjigarh Refinery Expansion Project shall specifically exclude 1 MTPA alumina refinery of Vedanta Limited along with 90 MW power plant in Lanjigarh and all its related expansions	4,582	4,357	60
Secured by a pari-passu charge by way of hypothecation on the movable fixed assets of Vedanta Limited pertaining to its Aluminium division comprising of 1 MTPA alumina refinery plant with 90 MW captive power plant at Lanjigarh, Odisha and 1.6 MTPA aluminium smelter plant with 1215 MW captive power plant at Jharsuguda, Odisha	13,785	12,270	168
First pari passu charge by way of hypothecation/ equitable mortgage on the movable/ immovable assets of the Aluminium division of Vedanta Limited comprising of alumina refinery having output of 1 MTPA along with co-generation captive power plant with an aggregate capacity of 90 MW at Lanjigarh, Odisha; aluminium smelter having output of 1.6 MTPA along with 1215 (9x135) MW CPP at Jharsuguda, Odisha and additional charge on Lanjigarh Expansion project, both present and future	11,370	10,922	149
Secured by a pari passu charge by way of hypothecation/equitable mortgage of the movable/immovable fixed assets of Vedanta Limited pertaining to its Aluminium division comprising of 1 MTPA alumina refinery plant with 90 MW captive power plant at Lanjigarh, Odisha and 1.6 MTPA aluminium smelter plant with 1215 MW captive power plant at Jharsuguda, Odisha	29,849	28,015	383
Secured by (i) floating charge on borrower collection account and associated permitted investments and (ii) corporate guarantee from CEHL and floating charge on collection account and current assets of CEHL	36,919	28,100	384
Pledge of 49% of shares & other securities and rights to any claims held by THL Zinc Limited in and against BMM	4,044	2,198	30
The facility is secured by first pari passu charge on all movable property, plant and equipments related to power plants and aluminium smelters of BALCO located at Korba both present and future along with secured lenders	2,235	1,471	20
Secured by first pari passu charge on all present and future movable fixed assets including but not limited to plant & machinery, spares, tools and accessories of BALCO (excluding coal block assets) by way of a deed of hypothecation	16,150	14,466	198
Secured by first pari passu charge on all present and future movable fixed assets including but not limited to plant & machinery, spares, tools and accessories of BALCO by way of a deed of hypothecation	12,925	10,530	144



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		As at March 31,		
		2020	2021	2021
		(₹ in million)	(₹ in million)	(US dollars in million)
	First ranking pari passu charge by way of hypothecation/mortgage on all fixed/ immovable assets of ESL Steel Limited but excluding any current assets or pledge over any shares	33,725	31,341	429
	Secured by first pari passu charge by way of hypothecation over all the movable assets (save and except Current Assets) of Vedanta Limited, present or future, pertaining to Lanjigarh refinery expansion project beyond 1.7 MTPA to 6.0 MTPA located at Lanjigarh, Odisha including but not limited to plant and machinery, machinery spares, tools and accessories in relation to aforementioned expansion project. Among others, the Lanjigarh Refinery Expansion Project shall specifically exclude the alumina refinery upto 1.7 MTPA of Vedanta Limited along with 90 MW power plant in Lanjigarh and all its related expansions	7,360	6,860	94
	Secured by a first pari passu charge on the identified fixed assets of the Vedanta Limited both present and future, pertaining to its Aluminium business (Jharsuguda Plant, Lanjigarh Plant), 2400 MW power plant assets at Jharsuguda, Copper Plant assets at Silvasa, Iron ore business in the states of Karnataka and Goa, dividends receivable from Hindustan Zinc Limited ("HZL") a subsidiary of Vedanta Limited, and the debt service reserve account to be opened for the facility along with the amount lying to the credit thereof (Refer Note 37(f))	—	85,380	1,167
	Secured by first pari passu charge by the way of whole of the movable fixed assets of (i) Alumina Refinery having output of 1 MTPA along with co-generation captive power plant with an aggregate capacity of 90MW at Lanjigarh, Odisha and (ii) Aluminium Smelter having output of 1.6 MTPA along with a 1,215 (9*135) MW CPP at Jharsuguda, Odisha	14,874	11,478	157
	Other secured term loans	15,414	—	—
Others	Secured by Fixed asset (rare metals) of AvanStrate	5,657	5,361	73
	First charge by way of hypothecation on the entire stocks of raw materials, semi-finished and finished goods, consumable stores and spares and such other movables including book-debts, bills whether documentary or clean, outstanding monies, receivables and all other current assets of Vedanta Limited, both present and future, ranking pari passu with other participating banks	752	480	7
Project buyer' credit from banks (grouped under banks and financial institutions)	Other secured project buyers' credit	—	—	—
	Total	480,476	487,027	6,659

As compared to previous year, TSPL has given an additional charge i.e., second pari passu charge on its current assets on all the working capital loan and second pari passu charge on its fixed assets on rupee term loans outstanding as on March 31, 2021.



Movement in borrowings during the year is provided below:

	<u>Short term borrowings</u> (₹ in million)	<u>Long term borrowings*</u> (₹ in million)	<u>Total</u> (₹ in million)	<u>Total</u> (US dollars in million)
As at April 01, 2019	229,820	432,442	662,262	
Cash flow	(118,151)	28,297	(89,854)	
Other non-cash changes**	570	3,260	3,830	
Foreign currency translation differences	471	2,766	3,237	
As at April 01, 2020	112,710	466,765	579,475	7,923
Cash flow	(82,309)	71,300	(11,009)	(150)
Other non-cash changes**	5,768	(4,444)	1,324	18
Debt on acquisition through business combination	80	—	80	1
Foreign currency translation differences	(163)	(485)	(648)	(9)
As at March 31, 2021	36,086	533,136	569,222	7,783

* including current maturities of long-term borrowings

** Other non-cash changes comprises of amortisation of borrowing costs, foreign exchange difference on borrowings.

23. Acceptances

Acceptances consist of:

	<u>As at March 31,</u>		
	<u>2020</u> (₹ in million)	<u>2021</u> (₹ in million)	<u>2021</u> (US dollars in million)
Payable under trade financing arrangements	101,851	80,891	1,106
	101,851	80,891	1,106

Acceptances are interest-bearing liabilities and are normally settled within a period of twelve months. These represent arrangements whereby operational suppliers are paid by financial institutions, with the Group recognising the liability for settlement with the institutions at a later date. These acceptances carry an interest ranging from 0.4% - 3.5% p.a. for facilities availed in foreign currency from offshore branches of Indian banks or foreign banks and 4.25% - 6.65% p.a. for facilities availed in rupee from domestic banks and are secured by a first pari-passu charge over the present and future current assets of the Group.



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24. Trade and other payables and Other non-current liabilities

As at March 31,									
	2020 Non-Current	2020 Current	2020 Total	2021 Non-current	2021 Current	2021 Total	2021 Non-Current	2021 Current	2021 Total
	(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)	(US dollars in million)	(US dollars in million)	(US dollars in million)
Financial									
Unclaimed/unpaid dividend	—	941	941	—	1,014	1,014	—	14	14
Trade payables	—	79,064	79,064	—	77,731	77,731	—	1,063	1,063
Amount due to related party	—	1,772	1,772	—	4,130	4,130	—	56	56
Liabilities for capital expenditure	8,107	59,112	67,219	9,365	70,088	79,453	128	958	1,086
Profit petroleum payable	—	6,891	6,891	—	14,677	14,677	—	201	201
Security deposit and retentions	—	2,015	2,015	2	2,223	2,225	0	31	31
Other liabilities	2,419	43,695	46,114	847	38,808	39,655	12	530	542
Put option liability with non-controlling interests ¹	2,472	—	2,472	2,633	—	2,633	36	—	36
Lease liability ³	2,033	4,566	6,599	1,603	4,808	6,411	22	66	88
Total – Financial	15,031	198,056	213,087	14,450	213,479	227,929	198	2,919	3,117
Non Financial									
Statutory Liabilities	—	31,318	31,318	—	31,461	31,461	—	430	430
Amount payable to owned post employment benefit trust	—	506	506	—	321	321	—	5	5
Advances from customers ²	1,683	78,887	80,570	—	62,330	62,330	—	852	852
Advance from related party	—	214	214	—	—	—	—	—	—
Other payables	18	1,679	1,697	—	1,840	1,840	—	25	25
Total – Non Financial	1,701	112,604	114,305	—	95,952	95,952	—	1,312	1,312
	16,732	310,660	327,392	14,450	309,431	323,881	198	4,231	4,429

Trade payables are majorly non-interest bearing and are normally settled upto 180 days terms.

The fair value of trade and other payables is not materially different from the carrying value presented.

- The non-controlling shareholders of ASI have an option to offload their shareholding to the Group. The option is exercisable at any time within the period of three years following the fifth anniversary of the date of shareholders' agreement (December 22, 2017) at a price higher of ₹ 52 (\$ 0.757 per share) and the fair market value of the share. Therefore, the liability is carried at higher of the two. Subsequent changes to the put option liability are treated as equity transaction and hence accounted for in equity.
- Advance from customers are contract liabilities to be settled through delivery of goods. The amount of such balances as at April 01, 2018 was ₹ 49,442 million, as at April 01, 2019 was ₹ 91,949 million and as at April 01, 2020 was ₹ 80,570 million. The Group has refunded ₹ 10,460 million, ₹ 6,499 million and ₹ 45 million (\$ 1 million) to the customers and recognised revenue of ₹ 37,867 million, ₹ 84,886 million and ₹ 78,782 million (\$ 1,077 million) during the year ended March 31, 2019, March 31, 2020 and March 31, 2021 respectively. All other changes are either due to receipt of new advances or exchange differences.



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3 Movement in lease liabilities is as follows:

	As at March 31,		
	2020 (₹ in million)	2021 (₹ in million)	2020 (US dollars in million)
As at April 01	1,390	6,599	90
Additions during the year	10,212	3,611	49
Interest on lease liabilities	247	278	4
Payments made	(3,164)	(3,380)	(34)
Deletions	(2,086)	(697)	(21)
As at March 31,	6,599	6,411	88

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25. Financial instruments

A. Financial assets and liabilities:

The following tables present the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2020 and March 31, 2021.

As at March 31, 2020:

	(₹ in million)					
	Fair value through profit or loss	Fair value through other comprehensive income	Derivatives designated as hedging instruments	Amortised cost	Total carrying value	Total fair value
Financial assets						
Financial assets investments						
—at fair value	500	411	—	—	911	911
Other non—current assets	—	—	—	49,384	49,384	49,384
Trade and other receivable	506*	—	—	51,392	51,898	51,898
Short term investments						
—Bank deposits	—	—	—	80,633	80,633	80,633
—Other investments	246,577	—	—	—	246,577	246,577
Financial instruments (derivatives)	2,760	—	4,187	—	6,947	6,947
Cash and cash equivalents	—	—	—	50,598	50,598	50,598
Restricted cash and cash equivalents	—	—	—	960	960	960
Total	250,343	411	4,187	232,967	487,908	487,908

* Under IFRS 9, provisionally priced receivables are fair valued at each reporting date.

As at March 31, 2020:

	(₹ in million)					
	Fair value through profit or loss	Derivatives designated as hedging instrument	Amortised cost	Others*	Total carrying value	Total fair value
Financial liabilities						
Borrowings	—	—	579,475	—	579,475	580,521
Acceptances	—	—	101,851	—	101,851	101,851
Trade and other payables***	5,170**	—	205,445	2,472	213,087	213,087
Financial instruments (derivatives)	464	947	—	—	1,411	1,411
Total	5,634	947	886,771	2,472	895,824	896,870

* Includes put option liability accounted for at fair value (Refer Note 24)

** Under IFRS 9, provisionally priced payables are fair valued at each reporting date.

*** Includes lease liability of ₹ 6,599 million.



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As at March 31, 2021:

	(₹ in million)					(US dollars in million)		
	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	Total carrying value	Total fair value
Financial assets								
Financial assets investments								
—at fair value	500	1,032	—	—	1,532	1,532	21	21
Other non—current assets	—	—	—	107,515	107,515	112,534	1,470	1,539
Trade and other receivable	1,633*	—	—	95,930	97,563	97,711	1,334	1,336
Short term investments								
—Bank deposits	—	—	—	116,730	116,730	116,730	1,596	1,596
—Other investments	165,044	—	—	—	165,044	165,044	2,257	2,257
Financial instruments (derivatives)	129	—	572	—	701	701	10	10
Cash and cash equivalents	—	—	—	48,537	48,537	48,537	664	664
Restricted cash and cash equivalents	—	—	—	1,025	1,025	1,025	14	14
Total	167,306	1,032	572	369,737	538,647	543,814	7,366	7,437

* Under IFRS 9, provisionally priced receivables are fair valued at each reporting date.

As at March 31, 2021:

	(₹ in million)				(US dollars in million)			
	Fair value through profit or loss	Derivatives designated as hedging instrument	Amortised cost	Others*	Total carrying value	Total fair value	Total carrying value	Total fair value
Financial liabilities								
Borrowings	—	—	569,222	—	569,222	565,941	7,783	7,738
Acceptances	—	—	80,891	—	80,891	80,891	1,106	1,106
Trade and other payables	7,066**	—	218,230	2,633	227,929	227,929	3,117	3,117
Financial instruments (derivatives)	933	2,618	—	—	3,551	3,551	48	48
Total	7,999	2,618	868,343	2,633	881,593	878,312	12,054	12,009

* Includes put option liability accounted for at fair value (Refer Note 24)

** Under IFRS 9, provisionally priced payables are fair valued at each reporting date.

*** Includes lease liability of ₹ 6,411 million (\$ 88 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)



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The below table summarizes the categories of financial assets and liabilities as at March 31, 2020 and March 31, 2021 measured at fair value:

As at March 31, 2020	(Level 1)	(Level 2)	(Level 3)			
	(₹ in million)			(Level 1)	(Level 2)	(Level 3)
				(US dollars in million)		
Financial assets						
At fair value through profit or loss						
— Investments	75,975	170,602	500			
— Derivatives financial assets	—	2,760	—			
— Trade and other receivables	—	506	—			
At fair value through other comprehensive income						
— Financial asset investments held at fair value	304	—	107			
Derivatives designated as hedging instruments						
— Derivatives financial assets	—	4,187	—			
	76,279	178,055	607			
Financial liabilities						
At fair value through profit or loss						
— Derivatives financial liabilities	—	464	—			
Trade payable	—	5,170	—			
Derivatives designated as hedging instruments						
— Derivatives financial liabilities	—	947	—			
Trade and other payables- Put option liability with non controlling interest (Refer Note 24)	—	—	2,472			
	—	6,581	2,472			
As at March 31, 2021						
	(Level 1)	(Level 2)	(Level 3)	(Level 1)	(Level 2)	(Level 3)
	(₹ in million)			(US dollars in million)		
Financial assets						
At fair value through profit or loss						
— Investments	63,183	101,861	500	864	1,393	7
— Derivatives financial assets	—	129	—	—	2	—
— Trade and other receivables	—	1,633	—	—	22	—
At fair value through other comprehensive income						
— Financial asset investments held at fair value	925	—	107	13	—	1
Derivatives designated as hedging instruments						
— Derivatives financial assets	—	572	—	—	8	—
	64,108	104,195	607	877	1,425	8
Financial liabilities						
At fair value through profit or loss						
— Derivatives financial liabilities	—	933	—	—	13	—
Trade payable	—	7,066	—	—	97	—
Derivatives designated as hedging instruments						
— Derivatives financial liabilities	—	2,618	—	—	36	—
Trade and other payables- Put option liability with non controlling interest (Refer Note 24)	—	—	2,633	—	—	36
	—	10,617	2,633	—	146	36



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The below table summarizes the fair value of trade receivables, other non-current assets and borrowings which are carried at amortised cost as at March 31, 2020 and March 31, 2021:

As at March 31, 2020	(Level 2)	
	(₹ in million)	
Financial Liabilities		
- Borrowings		580,521
		580,521
As at March 31, 2021	(Level 2)	(Level 2)
	(₹ in million)	(US dollars in million)
Financial Assets		
-Other non-current assets*	112,534	1,539
-Trade receivables*	97,711	1,336
	210,245	2,875
Financial Liabilities		
-Borrowings	565,941	7,738
	565,941	7,738

* Refer note 35(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 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 cash and cash equivalents (including restricted cash and cash equivalents), bank deposits, financial liabilities forming part of trade and other payables, acceptances and short-term borrowings being carried at amortised cost. The fair value approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Non-current fixed-rate and variable-rate borrowings: Fair value has been determined by the Group based on parameters such as interest rates, specific country risk factors, and the risk characteristics of the financed project.
- Quoted financial asset investments: Fair value is derived from quoted market prices in active markets.
- Unquoted financial asset investments: Fair value of unquoted securities are determined by reference to discounted cash flows model.
- 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).
- Other non-current 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.

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 March 31, 2020 and March 31, 2021 have been measured as at that date. As such, the fair values of these financial instruments subsequent to reporting date may be different than the amounts reported at each year-end.



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

Risk management framework

The Group's businesses are subject to several risks and uncertainties including financial risks.

The Group's documented risk management policies act as an effective tool in mitigating the various financial risks to which the businesses are exposed to in the course of their daily operations. The risk management policies cover areas such as liquidity risk, commodity price risk, foreign exchange risk, interest rate risk, counterparty credit risk and capital management.

Risks are identified at both the corporate and individual subsidiary level with active involvement of senior management. Each operating subsidiary in the Group has in place risk management processes which are in line with the Group's policy. Each significant risk has a designated 'owner' within the Group at an appropriate senior level. The potential financial impact of the risk and its likelihood of a negative outcome are regularly updated.

The risk management process is coordinated by the Management Assurance function and is regularly reviewed by the Group's Audit Committee. The Audit Committee is aided by the other committees of the Board including the Risk Management Committee, which meets regularly to review risks as well as the progress against the planned actions. Key business decisions are discussed at the periodic meetings of the Executive Committee. The overall internal control environment and risk management programme including financial risk management is reviewed by the Audit Committee on behalf of the Board.

The risk management framework aims to:

- improve financial risk awareness and risk transparency
- identify, control and monitor key risks
- identify risk accumulations
- provide management with reliable information on the Group's risk situation
- improve financial returns

Treasury management

Treasury management focuses on liability management, capital protection, liquidity maintenance and yield maximization. The treasury policies are approved by the Committee of the Board. Daily treasury operations of the subsidiary companies are managed by their respective finance teams within the framework of the overall Group treasury policies. Long-term fund raising including strategic treasury initiatives are managed jointly by the business treasury team and the central team at corporate treasury while short-term funding for routine working capital requirements is delegated to subsidiary companies. A monthly reporting system exists to inform senior management of investments and debt position, exposure to currency, commodity and interest rate risk and their mitigants including the derivative position. The Group has a strong system of internal control which enables effective monitoring of adherence to Group's policies. The internal control measures are effectively supplemented by regular internal audits.

The Group uses derivative instruments to manage the exposure in foreign currency exchange rates, interest rates and commodity prices. The Group does not acquire or issue derivative financial instruments for trading or speculative purposes. The Group does not enter into complex derivative transactions to manage the treasury and commodity risks. Both treasury and commodities derivative transactions are normally in the form of forward contracts, interest rate and currency swaps and these are in line with the Group's policies.

Commodity price risk

The Group is exposed to the movement of base metal commodity prices on the London Metal Exchange. Any decline in the prices of the base metals that the Group produces and sells will have an immediate and direct impact on the profitability of the businesses. As a general policy, the Group aims to sell the products at prevailing market prices. The commodity price risk in import of input commodity such as Copper Concentrate & Alumina, for our copper and aluminium business respectively, is hedged on back-to back basis ensuring no price risk for the business. Hedging is used primarily as a risk management tool and, in some cases, to secure future cash flows in cases of high volatility by entering into forward contracts or similar instruments. The hedging activities are subject to strict limits set out by the Board and to a strictly defined internal control and monitoring mechanism. Decisions relating to hedging of commodities are taken at the Executive Committee level, basis clearly laid down guidelines.

Whilst the Group aims to achieve average LME prices for a month or a year, average realised prices may not necessarily reflect the LME price movements because of a variety of reasons such as uneven sales during the year and timing of shipments.

The Group is also exposed to the movement of international crude oil price and the discount in the price of Rajasthan crude oil to Brent price.



Financial instruments with commodity price risk are entered into in relation to following activities:

- economic hedging of prices realised on commodity contracts
- cash flow hedging of revenues, forecasted highly probable transactions

Aluminum

The requirement of the primary raw material, alumina, is partly met from own sources and the rest is purchased primarily on negotiated price terms. Sales prices are linked to the LME prices. At present, the Group on selective basis hedges the aluminium content in outsourced alumina to protect its margins.

The Group also enters into hedging arrangements for its aluminium sales to realise average month of sale LME prices.



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Copper

The Group's custom smelting copper operations at Tuticorin is benefitted by a natural hedge except to the extent of a possible mismatch in quotational periods between the purchase of concentrate and the sale of finished copper. The Group's policy on custom smelting is to generate margins from Treatment charges/Refining charges or "Tc/Rc", improving operational efficiencies, minimising conversion cost, generating a premium over LME on sale of finished copper, sale of by-products and from achieving import parity on domestic sales. Hence, mismatches in quotational periods are managed to ensure that the gains or losses are minimised. The Group hedges this variability of LME prices through forward contracts and tries to make the LME price a pass-through cost between purchases of copper concentrate and sales of finished products, both of which are linked to the LME price.

Tc/Rcs are a major source of income for the Indian copper smelting operations. Fluctuations in Tc/Rcs are influenced by factors including demand and supply conditions prevailing in the market for mine output. The Group's copper business has a strategy of securing a majority of its concentrate feed requirement under long-term contracts with mines.

Zinc, Lead and Silver

The sales prices are linked to the LME prices. The Group also enters into hedging arrangements for its Zinc, Lead and Silver sales to realise average month of sale LME prices.

Zinc International

Raw material for zinc and lead is mined in South Africa with sales prices linked to the LME prices.

Iron ore

The Group sells its Iron Ore production from Goa on the prevailing market prices and from Karnataka through e-auction route as mandated by State Government of Karnataka in India.

Oil and gas

The prices of various crude oils are based upon the price of the key physical benchmark crude oil such as Dated Brent, West Texas Intermediate, and Dubai/Oman etc. The crude oil prices move based upon market factors like supply and demand. The regional producers price their crude basis these benchmark crude with a premium or discount over the benchmark based upon quality differential and competitiveness of various grades.

Natural gas markets are evolving differently in important geographical markets. There is no single global market for natural gas. This could be owing to difficulties in large-scale transportation over long distances as compared to crude oil. Globally, there are three main regional hubs for pricing of natural gas, which are USA (Henry Hub Prices), UK (NBP Price) and Japan (imported gas price, mostly linked to crude oil).

Provisionally priced financial instruments

The value of net financial liabilities linked to commodities (excluding derivatives) accounted for on provisional prices was ₹ 4,664 million and ₹ 5,440 million (\$ 74 million) as at March 31, 2020 and March 31, 2021 respectively. These instruments are subject to price movements at the time of final settlement and the final price of these instruments will be determined in the financial year beginning April 01, 2021.

Set out below is the impact of 10% increase in LME prices on pre-tax profit/(loss) for the year and pre-tax equity as a result of changes in the value of the Group's commodity financial instruments:



	(₹ in million)		
	Total exposure	Effect on pre-tax profit/(loss) of a 10% increase in the LME	Effect on pre-tax equity of a 10% increase in the LME
For the year ended March 31, 2020			
Copper	(10,279)	(1,028)	—
For the year ended March 31, 2021			
Copper	(10,016)	(1,002)	—
For the year ended March 31, 2021			
	(US dollars in million)		
	Total exposure	Effect on pre-tax profit/(loss) of a 10% increase in the LME	Effect on pre-tax equity of a 10% increase in the LME
Copper	(137)	(14)	—

The above sensitivities are based on volumes, costs, exchange rates and other variables and provide the estimated impact of a change in LME prices on profit and equity assuming that all other variables remain constant. A 10% decrease in LME prices would have an equal and opposite effect on the Group's financial statements.

The impact on pre-tax profit/(loss) mentioned above includes the impact of a 10% increase in closing copper LME for provisionally priced copper concentrate purchased at Copper division custom smelting operations in India of ₹ 790 million loss and ₹ 874 million loss (\$ 12 million loss) for the year ended March 31, 2020 and March 31, 2021 respectively, which is pass through in nature and as such will not have any impact on the profitability.

Financial risk

The Group's Board approved financial risk policies include monitoring, measuring and mitigating the liquidity, currency, interest rate and counterparty risk. The Group does not engage in speculative treasury activity but seeks to manage risk and optimize interest and commodity pricing through proven financial instruments.

(a) Liquidity

The Group requires funds both for short-term operational needs as well as for long-term investment programmes mainly in growth projects. The Group generates sufficient cash flows from the current operations which together with the available cash and cash equivalents short-term investments and structured investment net of deferred consideration payable for such investments provide liquidity both in the short-term as well as in the long-term.

Anticipated future cash flows, together with undrawn fund based committed facilities of ₹ 114,117 million (\$ 1,560 million), and cash and short-term investments of ₹ 326,138 million (\$ 4,459 million) as at March 31, 2021, are expected to be sufficient to meet the liquidity requirement of the Group in the near future.

The Group has been rated by CRISIL Limited (CRISIL) and India Ratings and Research Private Limited (India Rating) for its capital market issuance in the form of CPs and NCDs and for its banking facilities in line with Basel II norms.

In May 2020, India Ratings downgraded its ratings on the Company's long-term facilities to 'IND AA-' from 'IND AA' with a negative outlook on account of higher expected balance sheet leverage and elevated refinancing risk in risk averse debt markets in COVID environment. CRISIL also downgraded its rating on the company's long-term facilities and its Non-current Debentures (NCD) programme to 'CRISIL AA-' from 'CRISIL AA' in October 2020 while revising the outlook to 'Stable' from 'Negative' on expectation of higher financial leverage and cash outflow from VEDL towards debt maturities at VRL post failure of take private transaction.

In February 2021, India Ratings revised its outlook to 'Stable' from 'Negative' while affirming the long-term issuer ratings at 'IND AA-'. The outlook revision reflects the Group's improved liquidity position, supported by the moderated refinancing risks at VRL.

Vedanta Limited has the highest short-term rating on its working capital and Commercial Paper Programme at A1+ from CRISIL and India Ratings.

The Group remains committed to maintaining a healthy liquidity, a low gearing ratio, deleveraging and strengthening Group's balance sheet.

The maturity profile of the Group's financial liabilities based on the remaining period from the balance sheet date to the contractual maturity date is given in the table below. The figures reflect the contractual undiscounted cash obligation of the Group:



As at March 31, 2020

Payment due by year	<1 year	1 - 3 years	3 - 5 years	>5 years	Total
	(₹ in million)				
Acceptances*	102,759	—	—	—	102,759
Lease Liability*	4,566	950	404	679	6,599
Trade and other payables**	180,679	11,339	1	—	192,019
Bank and other borrowings***	259,161	244,823	95,469	115,365	714,818
Derivative financial liabilities	960	451	—	—	1,411
	548,125	257,563	95,874	116,044	1,017,606

* Includes committed interest payments

** Includes both Non-current and current financial liabilities and committed interest payment, as applicable. Excludes interest accrued on borrowings.

*** Includes Non-current borrowings, current borrowings, committed interest payments on borrowings and interest accrued on borrowings.

As at March 31, 2021

Payment due by year	<1 year	1 - 3 years	3 - 5 years	>5 years	Total
	(₹ in million)				
Acceptances*	81,381	—	—	—	81,381
Lease Liability*	4,808	601	220	782	6,411
Trade and other payables**	198,192	11,153	0	—	209,345
Bank and other borrowings***	234,645	220,879	116,726	155,035	727,285
Derivative financial liabilities	2,786	764	—	—	3,550
	521,812	233,397	116,946	155,817	1,027,972
US dollars in million	7,134	3,191	1,599	2,130	14,055

* Includes committed interest payments

** Includes both Non-current and current financial liabilities and committed interest payment, as applicable. Excludes interest accrued on borrowings.

*** Includes Non-current borrowings, current borrowings, committed interest payments on borrowings and interest accrued on borrowings.

The Group had access to following funding facilities:

As at March 31, 2020

Funding facility	Total facility (₹ in million)	Drawn (₹ in million)	Un drawn (₹ in million)
Fund/ Non-fund based	637,259	526,107	111,152

As at March 31, 2021

Funding facility	Total facility (₹ in million)	Drawn (₹ in million)	Un drawn (₹ in million)
Fund/ Non-fund based	727,522	562,322	165,200

As at March 31, 2021

Funding facility	Total facility (US dollars in million)	Drawn (US dollars in million)	Un draw (US dollars in million)
Fund/ Non-fund based	9,947	7,688	2,259



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Collateral

The Group has pledged financial instruments with carrying amount of ₹ 215,949 million and ₹ 219,900 million (\$ 3,007 million) as at March 31, 2020 and March 31, 2021 respectively and inventories with carrying amount of ₹ 85,138 million and ₹ 76,541 million (\$ 1,046 million) as at March 31, 2020 and March 31, 2021 respectively as per the requirements specified in various financial facilities in place. The counterparties have an obligation to release the securities to the Group when financial facilities are surrendered.

(b) Foreign currency risk

Fluctuations in foreign currency exchange rates may have an impact on the consolidated statements of profit or loss, the consolidated statements of change in equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the respective consolidated entities.

Considering the countries and economic environment in which the Group operates, its operations are subject to risks arising from the fluctuations primarily in the US dollar, Australian dollar, Namibian dollar, AED, ZAR, GBP, INR, JPY and Euro against the functional currencies of its Group.

Exposures on foreign currency loans are managed through the Group wide hedging policy, which is reviewed periodically to ensure that the results from fluctuating currency exchange rates are appropriately managed. The Group strives to achieve asset liability offset of foreign currency exposures and only the net position is hedged.

The Group's presentation currency is Indian Rupee. The majority of the assets are located in India and the Indian Rupee is the functional currency for the Indian operating subsidiaries except for Oil and Gas business. Natural hedges available in the business are identified at each entity level and hedges are placed only for the net exposure. Short-term net exposures are hedged progressively based on their maturity. A more conservative approach has been adopted for project expenditures to avoid budget overruns, where cost of the project is calculated taking into account the hedge cost. The hedge mechanisms are reviewed periodically to ensure that the risk from fluctuating currency exchange rates is appropriately managed.

The following analysis is based on the gross exposure as at the reporting date which could affect the consolidated statements of profit or loss. The exposure summarised below is mitigated by some of the derivative contracts entered into by the Group as disclosed under the section on "Derivative financial instruments"

The carrying amount of the Group's financial assets and liabilities in different currencies are as follows:

	As at March 31, 2020		As at March 31, 2021		As at March 31, 2021	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities	Financial assets	Financial liabilities
	(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)	(US dollars in million)	(US dollars in million)
INR	353,005	605,410	402,393	636,589	5,508	8,704
USD	127,624	267,061	128,023	219,817	1,750	3,004
Others	7,279	23,353	8,231	25,187	113	344
Total	487,908	895,824	538,647	881,593	7,371	12,052

The Group's exposure to foreign currency arises where a Group company holds monetary assets and liabilities denominated in a currency different to the functional currency of that entity, with USD (US Dollar) being the major non-functional currency of the Group's main operating subsidiaries.

The foreign exchange rate sensitivity is calculated by the aggregation of the net foreign exchange rate exposure with a simultaneous parallel foreign exchange rates shift in the currencies by 10 % against the functional currencies of the respective entities.



Set out below is the impact of a 10% strengthening in the functional currencies of the respective entities on pre-tax profit/(loss) and pre-tax equity arising as a result of the revaluation of the Group's foreign currency monetary financial assets/liabilities:

For the year ended March 31, 2020		Effect of 10% strengthening of functional currency on pre-tax profit/(loss) (₹ in million)	Effect of 10% strengthening of foreign currency on equity (pre-tax) (₹ in million)
USD		13,207	0
INR		276	—

For the year ended March 31, 2021		Effect of 10% strengthening of functional currency on pre-tax profit/(loss) (₹ in million)	Effect of 10% strengthening of foreign currency on equity (pre-tax) (₹ in million)	Effect of 10% strengthening of functional currency on pre-tax profit/(loss) (US dollars in million)	Effect of 10% strengthening of foreign currency on equity (pre-tax) (US dollars in million)
USD		11,325	—	155	—
INR		(3,072)	—	(42)	—

A 10% weakening of the functional currencies of respective businesses would have an equal and opposite effect on the Group's financial statements.

*(c) Interest rate risk*

The Group's net debt of ₹ 201,900 million and ₹ 243,084 million (\$ 3,324 million) as at March 31, 2020 and March 31, 2021 respectively, comprises debt of ₹ 579,475 million and ₹ 569,222 million (\$ 7,783 million) as at March 31, 2020 and March 31, 2021 respectively, offset by cash, cash equivalents, short term investments of ₹ 377,575 million (net of deferred consideration payable for such investments) and ₹ 326,138 million (\$ 4,459 million) as at March 31, 2020 and March 31, 2021 respectively.

The Group is exposed to interest rate risk on short-term and long-term floating rate instruments and on the refinancing of fixed rate debt. The Group's policy is to maintain a balance of fixed and floating interest rate borrowings and the proportion of fixed and floating rate debt is determined by current market interest rates.

The borrowings of the Group are principally denominated in Indian Rupees and US dollars with mix of fixed and floating rates of interest. The USD floating rate debt is linked to US dollar LIBOR and INR floating rate debt to Bank's base rate. The Group has a policy of selectively using interest rate swaps, option contracts and other derivative instruments to manage its exposure to interest rate movements. These exposures are reviewed by appropriate levels of management on a monthly basis.

The Group invests cash and liquid investments in short-term deposits and debt mutual funds, some of which generate a tax-free return, to achieve the Group's goal of maintaining liquidity, carrying manageable risk and achieving satisfactory returns.

Floating rate financial assets are largely mutual fund investments which have debt securities as underlying assets. The returns from these financial assets are linked to market interest rate movements; however, the counterparty invests in the agreed securities with known maturity tenure and return and hence has manageable risk.

The exposure of the Group's financial assets as at March 31, 2020 to interest rate risk is as follows:

	<u>Floating rate financial assets</u> (₹ in million)	<u>Fixed rate financial assets</u> (₹ in million)	<u>Non-interest bearing financial assets</u> (₹ in million)	<u>Total financial assets</u> (₹ in million)
Financial assets	121,046	244,344	122,518	487,908
	121,046	244,344	122,518	487,908

The exposure of the Group's financial liabilities as at March 31, 2020 to interest rate risk is as follows:

	<u>Floating rate financial liabilities</u> (₹ in million)	<u>Fixed rate financial liabilities</u> (₹ in million)	<u>Non-interest bearing financial liabilities</u> (₹ in million)	<u>Total financial liabilities</u> (₹ in million)
Financial liabilities	312,971	374,148	208,705	895,824
	312,971	374,148	208,705	895,824



The exposure of the Group's financial assets as at March 31, 2021 to interest rate risk is as follows:

	Floating rate financial assets (₹ in million)	Fixed rate financial assets (₹ in million)	Non-interest bearing financial assets (₹ in million)	Total financial assets (₹ in million)
Financial assets	113,318	270,601	154,728	538,647
	113,318	270,601	154,728	538,647
(US dollars in million)	1,549	3,700	2,116	7,365

The exposure of the Group's financial liabilities as at March 31, 2021 to interest rate risk is as follows:

	Floating rate financial liabilities (₹ in million)	Fixed rate financial liabilities (₹ in million)	Non-interest bearing financial liabilities (₹ in million)	Total financial liabilities (₹ in million)
Financial liabilities	322,843	329,629	229,121	881,593
	322,843	329,629	229,121	881,593
(US dollars in million)	4,414	4,507	3,133	12,054

Considering the net debt position as at March 31, 2021 and the investment in bank deposits, corporate bonds and debt mutual funds, any increase in interest rates would result in a net loss and any decrease in interest rates would result in a net gain. The sensitivity analysis below has been determined based on the exposure to interest rates for financial instruments at the balance sheet date.

The table below illustrates the impact of a 0.5% to 2.0% movement in interest rates on floating rate financial assets/ liabilities (net) on profit/(loss) and equity assuming that the changes occur at the reporting date and has been calculated based on risk exposure outstanding as of date. The year end balances are not necessarily representative of the average debt outstanding during the year. This analysis also assumes that all other variables, in particular foreign currency rates, remain constant.

Increase in interest rates
Year ended March 31,

	2020 (₹ in million)	2021 (₹ in million)	2021 (US dollars in million)
0.50%	(960)	(1,048)	(14)
1.00%	(1,919)	(2,095)	(29)
2.00%	(3,838)	(4,191)	(57)

An equivalent reduction in interest rates would have an equal and opposite effect on the Group's financial statements.

(d) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Group is exposed to credit risk from trade receivables, contract assets, cash and cash equivalents, short term investments and other financial instruments.

Credit risk on receivables is limited as almost all credit sales are against letters of credit and guarantees of banks of national standing. Moreover, given the diverse nature of the Group's businesses trade receivables are spread over a number of customers with no significant concentration of credit risk. The history of trade receivables shows a negligible provision for bad and doubtful debts. Therefore, the Group does not expect any material risk on account of non-performance by any of the Group's counterparties.



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With respect to loans to related parties, as described in note 35(b), credit risk is adequately considered and no deterioration has happened or is expected to happen in the credit profile of the borrowers since the grant of the loans. Accordingly, the Group does not foresee any significant credit risk with respect to such loans.

The Group has clearly defined policies to mitigate counterparty risks. For short-term investments, counterparty limits are in place to limit the amount of credit exposure to any one counterparty. This, therefore, results in diversification of credit risk for our mutual fund and bond investments. For derivative and financial instruments, the Group attempts to limit the credit risk by only dealing with reputable banks and financial institutions.

The carrying value of the financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk as at March 31, 2020 and March 31, 2021 is ₹ 487,908 million and ₹ 538,647 million (\$ 7,365 million) respectively.

The maximum credit exposure on financial guarantees given by the Group for various financial facilities is described in Note 33 on "Commitments, contingencies, and guarantees".

None of the Group's cash equivalents, including time deposits with banks, are past due or impaired. Regarding trade and other receivables, and other non-current assets, there were no indications as at March 31, 2021, that defaults in payment obligations will occur except as described in movement in allowance for impairment for financial assets given below.



Of the year end trade and other receivables, the following are expected to be realised in the normal course of business and hence not considered impaired:

As at March 31	2020 (₹ in million)	2021 (₹ in million)	2021 (US dollars in million)
Neither impaired nor past due	29,702	134,386	1,837
Past due but not impaired			
Due Less than 1 month	7,941	6,116	84
Due Between 1 - 3 months	14,271	2,763	38
Due Between 3 - 12 months	16,858	8,419	115
Due Greater than 12 months	25,973	44,016	602
	94,745	195,700	2,676

Receivables are deemed to be past due or impaired with reference to the Group's normal terms and conditions of business. These terms and conditions are determined on a case to case basis with reference to the customer's credit quality and prevailing market conditions. Receivables that are classified as 'past due' in the above table are those that have not been settled within the terms and conditions that have been agreed with that customer.

The credit quality of the Group's customers is monitored on an ongoing basis. Where receivables have been impaired, the Group actively seeks to recover the amounts in question and enforce compliance with credit terms.

Movement in allowances for Financial Assets (trade and other receivables and other non-current assets)

Movements for the year ended March 31,	2020 (₹ in million)	2021 (₹ in million)	2021 (US dollars in million)
As at April 01,	10,451	13,050	178
Allowance made during the year	2,576	2,969	41
Reversals during the year	(354)	(592)	(8)
Exploration cost written off	—	22	0
Foreign Exchange difference	377	(116)	(1)
As at March 31,	13,050	15,333	210

Derivative financial instruments

The Group uses derivative instruments as part of its management of exposure to fluctuations in foreign currency exchange rates, interest rates and commodity prices. The Group does not acquire or issue derivative financial instruments for trading or speculative purposes. The Group does not enter into complex derivative transactions to manage the treasury and commodity risks. Both treasury and commodities derivative transactions are normally in the form of forward contracts and these are subject to the Group guidelines and policies.

The fair values of all derivatives are separately recorded in the consolidated statements of financial position within current and non-current assets and liabilities. Derivatives that are designated as hedges are classified as current or non-current depending on the maturity of the derivative.



The use of derivatives can give rise to credit and market risk. The Group tries to control credit risk as far as possible by only entering into contracts with reputable banks and financial institutions. The use of derivative instruments is subject to limits, authorities and regular monitoring by appropriate levels of management. The limits, authorities and monitoring systems are periodically reviewed by management and the Board. The market risk on derivatives is mitigated by changes in the valuation of the underlying assets, liabilities or transactions, as derivatives are used only for risk management purposes.

Cash flow hedges

The Group enters into forward exchange and commodity price contracts for hedging highly probable forecast transaction and account for them as cash flow hedges and states them at fair value. Subsequent changes in fair value are recognized in the consolidated statements of comprehensive income until the hedged transaction occurs, at which time, the respective gain or losses are reclassified to the consolidated statements of profit or loss. These hedges have been effective for the year ended March 31, 2020 and March 31, 2021.

The Group uses foreign exchange contracts from time to time to optimize currency risk exposure on its foreign currency transactions. The Group hedged part of its foreign currency exposure on capital commitments during the year ended 2021. Fair value changes on such forward contracts are recognized in the consolidated statements of comprehensive income.

The majority of cash flow hedges taken out by the Group during the year comprise non-derivative hedging instruments for hedging the foreign exchange rate of highly probable forecast transactions and commodity price contracts for hedging the commodity price risk of highly probable forecast transactions.

The cash flows related to above are expected to occur during the year ended March 31, 2022 and consequently may impact the consolidated statements of profit or loss for that year depending upon the change in the commodity prices and foreign exchange rates movements. For cash flow hedges regarded as basis adjustments to initial carrying value of the property, plant and equipment, the depreciation on the basis adjustments made is expected to affect the consolidated statements of profit or loss over the expected useful life of the property, plant and equipment.

Fair value hedges

The fair value hedges relate to forward covers taken to hedge currency exposure and commodity price risks.

The Group's sales are on a quotational period basis, generally one month to three months after the date of delivery at a customer's facility. The Group enters into forward contracts for the respective quotational period to hedge its commodity price risk based on average LME prices. Gains and losses on these hedge transactions are substantially offset by the amount of gains or losses on the underlying sales. Net gains and losses are recognized in the consolidated statements of profit or loss.

The Group uses foreign exchange contracts from time to time to optimize currency risk exposure on its foreign currency transactions. Fair value changes on such forward contracts are recognized in the consolidated statements of profit or loss.

Non-designated economic hedges

The Group enters into derivative contracts which are not designated as hedges for accounting purposes, but provide an economic hedge of a particular transaction risk or a risk component of a transaction. Hedging instruments include copper, aluminium future contracts on the LME and certain other derivative instruments. Fair value changes on such derivative instruments are recognized in the consolidated statements of profit or loss.



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The fair value of the Group's derivative positions recorded under derivative financial assets and derivative financial liabilities are as follows:

	As at March 31, 2020		As at March 31, 2021			
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
	(₹ in million)		(US dollars in million)			
Current						
<i>Cash flow hedges*</i>						
— Commodity contracts	1,036	—	27	550	0	8
— Forward foreign currency contracts	0	—	—	—	—	—
— Interest rate swap	—	26	—	50	—	1
<i>Fair value hedges</i>						
— Commodity contracts	1,001	110	406	91	6	1
— Forward foreign currency contracts	2,125	360	139	1,163	2	16
<i>Non — qualifying hedges</i>						
— Commodity contracts	61	201	5	22	0	0
— Forward foreign currency contracts	2,694	248	124	911	2	12
— Other (Foreign currency swap)	5	15	—	—	—	—
Non Current						
<i>Cash flow hedge*</i>						
— Interest rate swap	—	77	—	51	—	1
<i>Fair value hedges</i>						
— Forward foreign currency contracts	25	374	—	713	—	10
Total	6,947	1,411	701	3,551	10	49

* Refer consolidated statements of comprehensive income and consolidated statements of change in equity for the change in the fair value of cash flow hedges.

26. Provisions

	As at March 31,								
	2020 Non-Current	2020 Current	2020 Total	2021 Non-Current	2021 Current	2021 Total	2021 Non-Current	2021 Current	2021 Total
	(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)	(US dollars in million)	(US dollars in million)	(US dollars in million)
Provision for employee benefits	91	1,742	1,833	117	1,545	1,662	2	21	23
Provision for restoration, rehabilitation and environmental costs	26,572	188	26,760	29,737	275	30,012	406	4	410
Other provisions	—	541	541	(0)	558	558	(0)	8	8
Total	26,663	2,471	29,134	29,854	2,378	32,232	408	33	441



	Restoration, rehabilitation and environmental costs (a) (₹ in million)	Others (b) (₹ in million)
As at April 01, 2019	24,532	521
Additions	694	14
Utilised	(143)	—
Unused amounts reversed	962	—
Unwinding of discount	(499)	—
Revision in estimates	—	6
Exchange differences	1,214	—
As at March 31, 2020	26,760	541

	Restoration, rehabilitation and environmental costs (a) (₹ in million)	Others (b) (₹ in million)	Restoration, rehabilitation and environmental costs (US dollars in million)	Others (US dollars in million)
As at April 01, 2020	26,760	541	366	8
Additions	2,701	17	37	0
Utilised	(24)	—	0	—
Unused amounts reversed	(243)	—	(4)	—
Unwinding of discount	721	—	10	—
Revision in estimates	(122)	—	(2)	—
Exchange differences	219	—	3	—
As at March 31, 2021	30,012	558	410	8

(a) Restoration, rehabilitation and environmental costs

The provisions for restoration, rehabilitation and environmental liabilities represent the management's best estimate of the costs which will be incurred in the future to meet the Group's obligations under existing Indian, Australian, Namibian, South African and Irish law and the terms of the Group's exploration and other licences and contractual arrangements.

Within India, the principal restoration and rehabilitation provisions are recorded within Oil & Gas division where a legal obligation exists relating to the oil and gas fields, where costs are expected to be incurred in restoring the site of production facilities at the end of the producing life of an oil field. The Group recognises the full cost of site restoration as a liability when the obligation to rectify environmental damage arises.

These amounts are calculated by considering discount rates within the range of 2% to 10% and become payable on closure of mines and are expected to be incurred over a period of one to thirty years. The lower range of discount rate is at Cairn India & Zinc International operations in Ireland and higher range is at Zinc International operations in African Countries.

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the development or ongoing production from a producing field.

(b) Other provisions

Other provisions include provision for disputed cases and claims.

**27. Retirement benefits**

The Group participates in defined contribution and benefit plans, the assets of which are held (where funded) in separately administered funds.

For defined contribution plans the amount charged to the consolidated statements of profit or loss is the total amount of contributions payable in the year.

For defined benefit plans, the cost of providing benefits under the plans is determined by actuarial valuation separately each year for each plan using the projected unit credit method by independent qualified actuaries as at the year end. Remeasurement gains and losses arising in the year are recognised in full in Consolidated Statement of Comprehensive Income for the year.

(i) Defined contribution plans

The Group contributed a total of ₹ 722 million, ₹ 840 million and ₹ 1,190 million (\$ 16 million) for the years ended March 31, 2019, 2020 and 2021 respectively, to the following defined contribution plans.

	Year ended March 31, 2019 (₹ Million)	Year ended March 31, 2020 (₹ Million)	Year ended March 31, 2021 (₹ Million)	Year ended March 31, 2021 (US dollars in million)
Employer's contribution to recognised provident fund and family pension fund	553	630	978	13
Employer's contribution to superannuation	169	210	208	3
Employer's contribution to National Pension Scheme	—	—	4	0
	722	840	1,190	16

*Indian pension plans**Central recognised provident fund*

In accordance with the 'The Employees' Provident Funds and Miscellaneous Provisions Act, 1952', employees are entitled to receive benefits under the Provident Fund. Both the employee and the employer make monthly contributions to the plan at a predetermined rate (12% for the year ended March 31, 2020 and March 31, 2021) of an employee's basic salary. All employees have an option to make additional voluntary contributions. These contributions are made to the fund administered and managed by the Government of India (GOI) or to independently managed and approved funds. The Group has no further obligations under the fund managed by the GOI beyond its monthly contributions which are charged to the consolidated statements of profit or loss in the year they are incurred.

Family Pension Fund

The Pension Fund was established in 1995 and is managed by the Government of India. The employee makes no contribution to this fund, but the employer makes a contribution of 8.33% of salary each month subject to a specified ceiling per employee. This is provided for every permanent employee on the payroll.

At the age of superannuation, contributions cease and the individual receives a monthly payment based on the level of contributions through the years, and on their salary scale at the time they retire, subject to a maximum ceiling of salary level. The Government funds these payments, thus the Group has no additional liability beyond the contributions that it makes, regardless of whether the central fund is in surplus or deficit.

Superannuation

Superannuation, another pension scheme applicable in India, is applicable only to executives above certain grade. However, in case of oil & gas (applicable from the second year of employment) and Iron Ore Segment, the benefit is applicable to all executives. Vedanta Limited and each relevant Indian subsidiary holds policy with the Life Insurance Corporation of India ("LIC"), to which each of these entities contributes a fixed amount relating to superannuation and the pension annuity is met by the LIC as required, taking into consideration the contributions made. The Group has no further obligations under the scheme beyond its monthly contributions which are charged to the consolidated statements of profit or loss in the year they are incurred.



National Pension Scheme

National Pension Scheme is a retirement savings account for social security and welfare applicable for executives covered under the superannuation benefit of Vedanta Limited and each relevant Indian subsidiary, on a choice basis. It was introduced to enable employees to select the treatment of superannuation component of their fixed salaries and avail the benefits offered by National Pension Scheme launched by Government of India. Vedanta Limited and each relevant entity holds a corporate account with one of the pension fund managers authorized by the Government of India to which each of the entity contributes a fixed amount relating to superannuation and the pension annuity will be met by the fund manager as per rules of National Pension Scheme. The Group has no further obligations under the scheme beyond its monthly contributions which are charged to the consolidated statement of profit and loss in the year they are incurred.

Australian pension scheme

The Group also participates in defined contribution superannuation schemes in Australia. The contribution of a proportion of an employee's salary into a superannuation fund is a compulsory legal requirement in Australia. The employer contributes, into the employee's fund of choice 9.5% of the employee's gross remuneration where the employee is covered by the industrial agreement and 12.50% of the basic remuneration for all other employees. All employees have an option to make additional voluntary contributions. The Group has no further obligations under the scheme beyond its monthly contributions which are charged to the consolidated statements of profit or loss in the year they are incurred.

Skorpion Zinc Provident Fund, Namibia

The Skorpion Zinc Provident Fund is a defined contribution fund and is compulsory to all full time employees under the age of 60. The contribution to the fund is a fixed percentage of 9% per month of pensionable salary, whilst the employee contributes 7% with the option of making additional contributions, over and above the normal contribution, up to a maximum of 12%.

Normal retirement age is 60 years and benefit payable is the member's fund credit which is equal to all employer and employee contributions plus interest. The same applies when an employee resigns from Skorpion Zinc. The Fund provides disability cover which is equal to the member's fund credit and a death cover of 2 times annual salary in the event of death before retirement.

The Group has no additional liability beyond the contributions that it makes. Accordingly, this scheme has been accounted for on a defined contribution basis and contributions are charged directly to the consolidated statements of profit or loss in the year they are incurred.

Black Mountain (Pty) Limited, South Africa Pension and Provident Funds

Black Mountain Mining (Pty) Ltd has two retirement funds, both administered by Alexander Forbes, a registered financial service provider. The purpose of the funds is to provide retirement and death benefits to all eligible employees.

Group contributes at a fixed percentage of 10.5% for up to supervisor grade and 15% for others.

Membership of both funds is compulsory for all permanent employees under the age of 60 years.

The Group has no additional liability beyond the contributions that it makes. Accordingly, this scheme has been accounted for on a defined contribution basis and contributions are charged directly to the consolidated statements of profit or loss in the year they are incurred.

(ii) Defined benefit plans

(a) Contribution to provident fund trust (the "trusts") of Iron ore division, Bharat Aluminium Company Limited (BALCO), Hindustan Zinc Limited (HZL), Sesa Resources Limited (SRL) and Sesa Mining Corporation Limited (SMCL)

The provident funds of Iron ore division, BALCO, HZL, SRL and SMCL are exempted under section 17 of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952. Conditions for grant of exemption stipulates that the employer shall make good deficiency, if any, between the return guaranteed by the statute and actual earning of the Fund. Based on actuarial valuation in accordance with IAS 19 and Guidance note issued by Institute of Actuaries of India for interest rate guarantee of exempted provident fund liability of employees, there is no interest shortfall that is required to be met by Iron ore division, BALCO, HZL, SRL and SMCL as at March 31, 2020 and March 31, 2021. Having regard to the assets of the fund and the return on the investments, the Group does not expect any deficiency in the foreseeable future.

The Group contributed a total of ₹ 678 million, ₹ 471 million, ₹ 482 million (\$ 7 million) for the years ended March 31, 2019, March 31, 2020 and March 31, 2021 respectively in relation to the independently managed and approved funds and has recognised the same as expense in the consolidated statement of Profit or loss. The present value of obligation and the fair value of plan assets of the trust are summarized below.



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	As at March 31, 2019 (₹ Million)	As at March 31, 2020 (₹ Million)	As at March 31, 2021 (₹ Million)	As at March 31, 2021 (US dollars in million)
Fair value of plan assets of trusts	21,949	23,437	24,213	331
Present value of defined benefit obligations	(21,159)	(22,990)	(23,751)	(325)
Net liability arising from defined benefit obligation	Nil	Nil	Nil	Nil

Percentage allocation of Plan assets of the trust

	As at March 31, 2019	As at March 31, 2020	As at March 31, 2021
Assets by category			
Government Securities	65.66	61.68	63.19
Debentures/Bonds	33.09	36.67	34.36
Equity	1.25	1.65	1.63
Money Market Instruments	—	—	0.82

The rereasurement loss of ₹ 1,524 million and ₹ 55 million (\$ 1 million) has been charged to other comprehensive income (OCI) for the year ended March 31, 2020 and March 31, 2021 respectively.

(b) Post-Retirement Medical Benefits:

The Group has a scheme of medical benefits for employees at BMM and BALCO subsequent to their retirement on completion of tenure including retirement on medical grounds and voluntary retirement on contributory basis. The scheme includes employee's spouses as well. Based on an actuarial valuation conducted as at year-end, a provision is recognised in full for the benefit obligation. The obligation relating to post-retirement medical benefits as at March 31, 2020 and March 31, 2021 was ₹ 786 million and ₹ 861 million (\$ 12 million) respectively. The obligation under this plan is unfunded. The Group considers these amounts as not material and accordingly has not provided further disclosures as required by IAS 19 "Employee benefits". The current service cost of ₹ 11 million, ₹ 13 million and ₹ 10 million (\$ 0 million) for the years ended March 31, 2019, March 31, 2020 and March 31, 2021 respectively has been recognised in consolidated statement of profit or loss. The rereasurement loss / (gain) on the obligation of post-retirement medical benefits of ₹ 14 million, ₹ 150 million, ₹ (23) million (\$ 0 million) for the years ended March 31, 2019, March 31, 2020 and March 31, 2021 respectively have been recognised in other comprehensive income. Net interest cost on the obligation of post-retirement medical benefits of ₹ 48 million, ₹ 61 million and ₹ 64 million (\$ 1 million) for the years ended March 31, 2019, March 31, 2020 and March 31, 2021 respectively have been recognized in finance costs.

Other Post employment Benefits:

India - Gratuity plan

In accordance with the Payment of Gratuity Act of 1972, Vedanta Limited and its Indian subsidiaries contribute to a defined benefit plan (the "Gratuity Plan") covering certain categories of employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, disability or termination of employment being an amount based on the respective employee's last drawn salary and the number of years of employment with the Group.

Based on actuarial valuations conducted as at year end using the projected unit credit method, a provision is recognised in full for the benefit obligation over and above the funds held in the Gratuity Plan. For entities where the plan is unfunded, full provision is recognised in the consolidated statements of financial position.

The iron ore and oil & gas division of the Company, SRL, SMCL, HZL and FACOR have constituted a trust recognised by Indian Income Tax Authorities for gratuity to employees, contributions to the trust are funded with Life Insurance Corporation of India (LIC), ICICI Prudential Life Insurance Company Limited and HDFC Life Insurance Company Limited.



Principal actuarial assumptions

Principal actuarial assumptions used to determine the present value of the Other post-employment benefit plan obligation are as follows:

	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2021
Discount rate	7.8%	6.8%	6.9%
Expected rate of increase in compensation level of covered employees	2% to 15%	2% to 15%	2% to 15%
Mortality table	IALM (2006-08)	IALM (2012-14)	IALM (2012-14)

Amount recognised in the consolidated statements of financial position consists of:

	As at March 31, 2019 (₹ Million)	As at March 31, 2020 (₹ Million)	As at March 31, 2021 (₹ Million)	As at March 31, 2021 (US dollars in million)
Fair value of plan assets	3,868	4,418	4,009	55
Present value of defined benefit obligations	(5,890)	(6,310)	(5,748)	(79)
Net liability arising from defined benefit obligations	(2,022)	(1,892)	(1,739)	(24)

Amounts recognised in consolidated statements of profit or loss in respect of Other post-employment benefit plan are as follows:

	Year ended March 31, 2019 (₹ Million)	Year ended March 31, 2020 (₹ Million)	Year ended March 31, 2021 (₹ Million)	Year ended March 31, 2021 (US dollars in million)
Current service cost	389	411	395	5
Past service cost	3	—	—	—
Net Interest cost	162	151	130	2
Total charge to consolidated statements of profit or loss	554	562	525	7

Amounts recognised in the consolidated statements of comprehensive income in respect of Other post-employment benefit plan are as follows:

	Year ended March 31, 2019 (₹ Million)	Year ended March 31, 2020 (₹ Million)	Year ended March 31, 2021 (₹ Million)	Year ended March 31, 2021 (US dollars in million)
Remeasurements of the net defined benefit obligation:-				
Actuarial losses / (gains) arising from changes in financial assumptions	(64)	283	11	0
Actuarial losses/(gains) arising from experience adjustments	409	163	(104)	(1)
Actuarial (gains)/losses arising from changes in demographic assumptions	15	(14)	(2)	(0)
Actuarial losses on Plan assets (excluding amounts included in net interest cost)	29	12	58	1
Remeasurement of the net defined benefit liability	389	444	(37)	(0)

The movement of the present value of Other post-employment benefit plan obligation is as follows:

	Year ended March 31, 2019 (₹ in Million)	Year ended March 31, 2020 (₹ in Million)	Year ended March 31, 2021 (₹ in Million)	Year ended March 31, 2021 (US dollars in million)
At 1 April	(5,464)	(5,890)	(6,310)	(86)
Acquired in business combination	(154)	—	(177)	(2)
Current service cost	(389)	(411)	(395)	(5)
Past service cost	(3)	—	—	—
Benefits paid	899	875	1,475	20
Interest cost of scheme liabilities	(419)	(452)	(436)	(6)
Actuarial (losses)/gains arising from change in assumptions	(360)	(432)	95	1
At March 31,	(5,890)	(6,310)	(5,748)	(78)



The movement in the fair value of Other post-employment benefit plan assets is as follows:

	Year ended March 31, 2019 (₹ in Million)	Year ended March 31, 2020 (₹ in Million)	Year ended March 31, 2021 (₹ in Million)	Year ended March 31, 2021 (US dollars in million)
At 1 April	3,391	3,868	4,418	60
Acquired in business combination	164	—	160	2
Contributions received	822	859	184	3
Benefits paid	(737)	(598)	(1,001)	(14)
Remeasurement gain / (loss) arising from return on plan assets	(29)	(12)	(58)	(1)
Interest income	257	301	306	4
At March 31,	3,868	4,418	4,009	54

All the above plan assets of the Group have been invested in the qualified insurance policies.

The actual return on plan assets was ₹ 228 million, ₹ 289 million and ₹ 248 million, (\$ 3 million) for the years ended March 31, 2019, March 31, 2020 and March 31, 2021 respectively.

The weighted average duration of the defined benefit obligation is 14.7 years, 14.3 years and 14.0 years as at March 31, 2019, March 31, 2020 and March 31, 2021 respectively.

The Group expects to contribute ₹ 524 million (\$ 7 million) to the funded Gratuity plan during the year ending March 31, 2022.

Sensitivity analysis for defined benefit plans

Below is the sensitivity analysis determined for significant actuarial assumptions for the determination of defined benefit obligations and based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period while holding all other assumptions constant.

	Increase / (Decrease) in defined benefit obligation		Increase / (Decrease) in defined benefit obligation
	Year ended March 31, 2020 (₹ in million)	Year ended March 31, 2021 (₹ in million)	Year ended March 31, 2021 (US dollars in million)
Discount rate			
Increase by 0.50%	(213)	(213)	(3)
Decrease by 0.50%	227	231	3
Expected rate of increase in compensation level of covered employees			
Increase by 0.50%	200	208	3
Decrease by 0.50%	(198)	(199)	(3)

The above sensitivity analysis may not be representative of the actual benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

In presenting the above sensitivity analysis, the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of reporting period, which is the same as that applied in calculating the defined obligation liability recognised in the consolidated statements of financial position.



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Risk analysis

Group is exposed to a number of risks in the defined benefit plans. Most significant risks pertaining to defined benefits plans and management estimation of the impact of these risks are as follows:

Investment risk

Most of the Indian defined benefit plans are funded with Life Insurance Corporation of India (LIC), ICICI Prudential Life Insurance Company Limited (ICICI) and HDFC Life Insurance Company Limited (HDFC). Group does not have any liberty to manage the fund provided to LIC, ICICI HDFC.

The present value of the defined benefit plan obligation is calculated using a discount rate determined by reference to Government of India bonds for Group's Indian operations. If the return on plan asset is below this rate, it will create a plan deficit.

Interest risk

A decrease in the interest rate on plan assets will increase the net plan obligation.

Longevity risk/ Life expectancy

The present value of the defined benefit plan obligation is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan obligation.

Salary growth risk

The present value of the defined benefit plan obligation is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan obligation.

Code on Social Security, 2020

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

28. Employee costs

For the year ended March 31,	2019	2020	2021	2021
	(₹ in million)	(₹ in million)	(₹ in million)	(US dollars in million)
Salaries and wages	33,657	30,217	31,260	427
Contributions to provident and other funds	1,803	1,735	2,077	28
Share based payments	1,176	727	597	8
JV Employee cost allocation	(6,406)	(5,759)	(5,302)	(72)
	30,230	26,920	28,632	391

29. Share-Based Compensation Plans

The Company offers equity based and cash based option plans to its employees, officers and directors through the Company's stock option plan introduced in 2016 and Cairn India's stock option plan now administered by the Company pursuant to merger with the Company.

The Vedanta Limited Employee Stock Option Scheme (ESOS) 2016

The Company introduced an Employee Stock Option Scheme 2016 ("ESOS"), which was approved by the Vedanta Limited shareholders to provide equity settled incentive to all employees of the Company including subsidiary companies. The ESOS scheme includes tenure based, business performance based, sustained individual performance based and market performance based stock options. The maximum value of options that can be awarded to members of the wider management group is calculated by reference to the grade average cost-to-company ("CTC") and individual grade of the employee. The performance conditions attached to the option is measured by comparing Company's performance in terms of Total Shareholder Return ("TSR") over the performance period with the performance of two group of comparator companies (i.e., Indian and global comparator companies) defined in the scheme. The extent to which an option vests will depend on the Company's TSR rank against a group or groups of peer companies at the end of the performance period and as moderated by the Remuneration Committee. The ESOS schemes are administered through VESOS trust and have underlying Vedanta Limited equity shares.



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Options granted during the year ended March 31, 2021 includes business performance based, sustained individual performance based, management discretion and fatality multiplier based stock options. Business performances will be measured using Volume, Cost, Net Sales Realisation, EBITDA, ESG & Carbon footprint or a combination of these for the respective business/ SBU entities.

Options granted during the year ended March 31, 2020 includes business performance based, sustained individual performance based and market performance based stock options. Business performances will be measured using Volume, Cost, Net Sales Realisation, EBITDA, free cash flow or a combination of these for the respective business/ SBU entities.

The exercise price of the options is ₹ 1 per share and the performance period is three years, with no re-testing being allowed.

The details of share options for the year ended March 31, 2020 is presented below:

Financial Year of Grant	Exercise Period	Options outstanding April 1, 2019	Options granted during the year	Options transferred from Parent/ fellow subsidiaries	Options forfeited during the year	Options exercised during the year *	Options expired during the year	Options outstanding March 31, 2020	Options exercisable March 31, 2020
2016-17	December 15, 2019-June 14, 2020	6,508,226	—	—	4,819,269	620,441	—	1,068,516	1,068,516
2017-18	September 1, 2020-February 28, 2021	8,274,393	—	—	1,246,468	—	—	7,027,925	—
2017-18	October 16, 2020-April 15, 2021	11,126	—	—	—	—	—	11,126	—
2017-18	November 1, 2020-April 30, 2021	27,638	—	—	27,638	—	—	—	—
2018-19	November 1, 2021-April 30, 2022	13,566,200	—	—	2,146,154	—	—	11,420,046	—
2018-19	Cash settled	1,047,660	—	211,170	189,674	—	—	1,069,156	—
2019-20	November 29, 2022-May 28, 2023	—	16,713,640	—	832,310	—	—	15,881,330	—
2019-20	Cash settled	—	2,037,690	—	140,990	—	—	1,896,700	—
		29,435,243	18,751,330	211,170	9,402,503	620,441	—	38,374,799	1,068,516

* excludes 58,420 options exercised during the year regarding which the transaction could not be completed before March 31, 2020 and hence, the corresponding shares were held by the Group.



The details of share options for the year ended March 31, 2021 is presented below:

Financial Year of Grant	Exercise Period	Options outstanding April 1, 2020	Options granted during the year	Options transferred from Parent/ fellow subsidiaries	Options forfeited during the year	Options exercised during the year *	Options expired during the year	Options outstanding March 31, 2021	Options exercisable March 31, 2021
2016-17	December 15, 2019-June 14, 2020	1,068,516	—	—	8,648	1,059,868	—	—	—
2017-18	September 1, 2020-February 28, 2021	7,027,925	—	—	5,514,169	1,136,816	—	376,940	376,940
2017-18	October 16, 2020-April 15, 2021	11,126	—	—	11,126	—	—	—	—
2018-19	November 1, 2020-April 30, 2021	11,420,046	—	—	1,507,806	—	—	9,912,240	—
2018-19	Cash settled	1,069,156	—	—	340,300	—	—	728,856	—
2019-20	November 29, 2022-May 28, 2023	15,881,330	—	—	2,309,052	—	—	13,572,278	—
2019-20	Cash settled	1,896,700	—	—	1,019,249	—	—	877,451	—
2020-21	November 06, 2023 - May 05, 2024	—	12,711,112	—	—	—	—	12,711,112	—
2020-21	Cash settled	—	880,000	—	—	—	—	880,000	—
		38,374,799	13,591,112	—	10,710,350	2,196,684	—	39,058,877	376,940

The fair value of all options has been determined at the date of grant of the option allowing for the effect of any market-based performance conditions. This fair value, adjusted by the Group's estimate of the number of options that will eventually vest as a result of non-market conditions, is expensed over the vesting period.

Business Performance-Based and Sustained Individual Performance-Based Options:

The fair value of stock options following these types of vesting conditions have been estimated using the Black-Scholes-Merton Option Pricing model. The value arrived at under this model has been then multiplied by the expected % vesting based on business performance conditions (only for business performance-based options) and the expected multiplier on account of sustained individual performance (for both type of options). The inputs used in the Black-Scholes-Merton Option Pricing model include the share price considered as of the valuation date, exercise price as per the scheme/ plan of the options, expected dividend yield (estimated based on actual/ expected dividend trend of the company), expected tenure (estimated as the remaining vesting period of the options), the risk-free rate (considered as the zero coupon yield as of the valuation date for a term commensurate with the expected tenure of the options) and expected volatility (estimated based on the historical volatility of the return in company's share prices for a term commensurate with the expected tenure of the options). The exercise period of 6 months post vesting period has not been considered as the options are expected to be exercised immediately post the completion of the vesting period.

Total Shareholder Returns-Based Options:

The fair value of stock options following this type of vesting condition has been estimated using the Monte Carlo Simulation method. This method has been used to simulate the expected share prices for Vedanta Limited and the companies of the comparator group over the vesting period of the options. Based on the simulated prices, the expected pay-off at the end of the vesting period has been estimated and present valued to the valuation date. Further, based on the simulated share prices and expected dividends the relative rank of Vedanta Limited's share price return has been estimated vis-à-vis the Indian and Global Group of the Comparator Group. This rank has been used to estimate expected % vesting of the options under this type of vesting condition. The inputs to the monte carlo simulation method include expected tenure (estimated as the remaining vesting period of the options), the risk-free rate (considered as the zero coupon yield as of the valuation date for a term commensurate with the expected tenure of the options), expected dividend yield (estimated based on the actual dividend trend of the companies), expected volatility (estimated based on the historical volatility of the return in the company's share prices for a term commensurate with the expected tenure of the options). The exercise period of 6 months post the vesting period has not been considered as the options are expected to be exercised immediately post the completion of the vesting period.



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The assumptions used in the calculations of the charge in respect of the ESOS options granted during the year ended March 31, 2020 and March 31, 2021 are set out below:

Particulars	Year ended March 31, 2020		Year ended March 31, 2021	
	ESOS 2019		ESOS 2020	
Number of Options	2,037,690 (cash settled) / 16,713,640 (equity settled)		880,000 (cash settled) / 12,711,112 (equity settled)	
Exercise Price	₹ 1		₹ 1	
Share Price at the date of grant	₹ 144.60		₹ 228.75	
Contractual Life	3 years		2 years and 7 months	
Expected Volatility	36.64%		49.28%	
Expected option life	3 years		2 years and 7 months	
Expected dividends	7.96%		6.80%	
Risk free interest rate	5.68%		4.84%	
Expected annual forfeitures	10% p.a.		10% p.a.	
Fair value per option granted (Non-market performance based)	₹ 102.30		₹ 150.73	
Fair value per option granted (Market performance based)	₹ 72.12		NA	

Weighted average share price at the date of exercise of stock options was ₹ 126.02 and ₹ 131.08 for the year ended March 31, 2020 and March 31, 2021 respectively.

The weighted average remaining contractual life for the share options outstanding was 2.28 years and 2.03 years for the year ended March 31, 2020 and March 31, 2021 respectively.

The Company recognized total expense of ₹ 822 million, ₹ 754 million and ₹ 575 million (\$ 8 million) related to equity settled share-based payment transactions for the year ended March 31, 2019, March 31, 2020 and March 31, 2021 respectively. The total expense recognised on account of cash settled share based plan during the year ended March 31, 2020 was ₹ 5 million and for the year ended March 31, 2021 was ₹ 63 million (\$ 1 million). The carrying value of cash settled share based compensation liability as at March 31, 2020 was ₹ 13 million and as at March 31, 2021 was ₹ 72 million (\$ 1 million).

Employee stock option plans of erstwhile Cairn India Limited:

The Company has provided CIESOP share based payment scheme to its employees.

CIESOP plan

There are no specific vesting conditions under CIESOP plan other than completion of the minimum service period of 3 years from the date of grant. Phantom options are exercisable proportionate to the period of service rendered by the employee subject to completion of one year. The exercise period is 7 years from the vesting date.

Details of employees stock option plans is presented below

CIESOP Plan	Year ended March 31, 2020		Year ended March 31, 2021	
	Number of options	Weighted average exercise price in ₹	Number of options	Weighted average exercise price in ₹
Outstanding at the beginning of the year	6,477,059	279.2	5,341,740	288.2
Granted during the year	Nil	NA	Nil	NA
Expired during the year	(658,663)	200.1	(1,082,229)	291.3
Exercised during the year	Nil	NA	Nil	NA
Forfeited / cancelled during the year	(476,656)	288.1	(944,337)	288.0
Outstanding at the end of the year	5,341,740	288.2	3,315,174	287.3
Exercisable at the end of the year	5,341,740	288.2	3,315,174	287.3



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Scheme	Range of exercise price in ₹	Weighted average remaining contractual life of options (in years)	Weighted average exercise price in ₹
The details of exercise price for stock options outstanding as at March 31, 2020 are:			
CIESOP Plan	286.85-291.25	1.46	288.2
The details of exercise price for stock options outstanding as at March 31, 2021 are:			
CIESOP Plan	<u>286.85-287.75</u>	<u>0.80</u>	<u>287.3</u>

Employee share option plan of Vedanta Resources Limited (earlier known as Vedanta Resources Plc)

During the year ended March 31, 2019, in respect of one of the Company's subsidiary, i.e., BMM, the Group has awarded certain cash settled share based options indexed to Parents' shares (Vedanta Resources Limited shares) and shares of any of its subsidiaries. The total expense recognised on account of cash settled share based plan during the year ended March 31, 2020 and March 31, 2021 is ₹ 221 million and ₹ 221 million (\$ 3 million) respectively and the carrying value of cash settled share based compensation liability as at March 31, 2020 and March 31, 2021 is ₹ 511 million and ₹ 860 million (\$ 12 million) respectively

Out of the total expense of ₹ 980 million and ₹ 859 million (\$ 12 million) pertaining to equity settled options and cash settled options for the year ended March 31, 2020 and March 31, 2021 respectively, the Group has capitalised ₹ 253 million and ₹ 262 million (\$ 4 million) expense for the year ended March 31, 2020 and March 31, 2021 respectively.



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30. Shareholders' equity

	As at March 31, 2020 (in Million)	As at March 31, 2020 (₹ Million)	As at March 31, 2021 (in Million)	As at March 31, 2021 (₹ Million)	As at March 31, 2021 (US dollars in million)
Authorised Share Capital:					
Opening and closing balance (equity shares of ₹ 1 each with voting rights) ^a	44,020	44,020	44,020	44,020	602
Authorised preference share capital:					
Opening and closing balance (preference shares of ₹ 10 each)	3,010	30,100	3,010	30,100	412
Issued, subscribed and paid up					
Equity shares of ₹ 1 each with voting right ^{a,b,c,d}	3,718	3,718	3,718	3,718	51

- a) The Company has one class of equity shares having a par value of ₹ 1 per share. Each shareholder is eligible for one vote per share held and dividend as and when declared by the Company.
- b) This includes 261,780,208 equity shares in the form of 65,445,052 American Depository Shares (ADS) and 160,903,244 equity shares in the form of 40,225,811 American Depository Shares (ADS) as at March 31, 2020 and March 31, 2021, respectively.
- c) Includes 308,232 equity shares as at March 31, 2020 and 308,232 equity shares as at March 31, 2021 kept in abeyance. These shares are not part of listed equity capital and pending allotment as they are sub-judice.
- d) Includes 14,378,261 equity shares as at March 31, 2020 and 12,193,159 equity shares as at March 31, 2021 held by Vedanta Limited ESOS Trust.

Securities premium

Securities premium is created to record amounts received in excess of the par value of shares in separate account as required by the Indian Companies Act. The securities premium account may be applied by the company towards the issue of unissued shares of the company to the members of the company as fully paid bonus shares, writing off the preliminary expenses of the company, writing off the expenses of, or the commission paid or discount allowed on any issue of shares or debentures of the company, providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the company; or for the purchase of its own shares or other securities.

Retained earnings includes amongst others, general reserve, debenture redemption reserve, capital reserve and preference share redemption reserve.

General reserve

Under the erstwhile Indian Companies Act, 1956, a general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10.0% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatory transfer a specified percentage of the net profit to general reserve has been withdrawn. The balance in general reserves, as determined in accordance with applicable regulations, was ₹ 160,950 million and ₹ 160,950 million (\$ 2,201 million) as at March 31, 2020 and March 31, 2021 respectively.



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Debenture redemption reserve

As per the earlier provision under the Indian Companies Act, companies that issue debentures were required to create debenture redemption reserve from annual profits until such debentures are redeemed. Companies are required to maintain 25% as a reserve of outstanding redeemable debentures. The amounts credited to the debenture redemption reserve may not be utilized except to redeem debentures. The MCA vide its Notification dated August 16, 2019, had amended the Companies (Share Capital and Debenture) Rules, 2014, wherein the requirement of creation of Debenture Redemption Reserve has been exempted for certain class of companies, hence, in view of the same, Vedanta Limited is not required to create Debenture Redemption Reserve. Retained earnings include ₹ 11,115 million and ₹ 5,835 million (\$ 80 million) of debenture redemption reserve as at March 31, 2020 and March 31, 2021 respectively.

Preference share redemption reserve

The Indian Companies Act provides that companies that issue preference shares may redeem those shares from profits of the Company which otherwise would be available for dividends, or from proceeds of a new issue of shares made for the purpose of redemption of the preference shares. If there is a premium payable on redemption, the premium must be provided, either by reducing the additional paid in capital (securities premium account) or out of profits, before the shares are redeemed.

If profits are used to redeem preference shares, the value of the nominal amount of shares redeemed should be transferred from profits (retained earnings) to the preference share redemption reserve account. This amount should then be utilised for the purpose of redemption of redeemable preference shares. This reserve can be used to issue fully paid-up bonus shares to the shareholders of Vedanta Limited. Retained earnings include ₹ 30,869 million and ₹ 30,869 million (\$ 422 million) of preference share redemption reserve as at March 31, 2020 and March 31, 2021 respectively.

Capital reserve

The balance in capital reserve as at March 31, 2020 and March 31, 2021 is ₹ 184,328 million and ₹ 182,697 million (\$ 2,498 million) respectively. The balance in capital reserve has mainly arisen pursuant to extinguishment of non-controlling interests of erstwhile Cairn India Limited and acquisition of ASI. Further, changes in capital reserve are due to recognition/derecognition of put option liability and non-controlling interests pertaining to ASI.

31. Non-controlling Interests ('NCI')***Details of subsidiaries that have material non-controlling interests***

The Group consists of a parent company, Vedanta Limited, incorporated in India and a number of subsidiaries held directly and indirectly by the Group which operate and are incorporated around the world. Note 34 to the financial statements lists the details of shareholdings in the subsidiaries.

The Non-controlling interests that are material to the Group relate to Hindustan Zinc Limited (HZL) and Bharat Aluminium Company Limited (BALCO) as at March 31, 2020 and March 31, 2021.

As at March 31, 2020, NCIs hold an economic interest by virtue of their shareholding of 35.08%, 49.00%, 26.00%, 48.37% and 4.51% in HZL, BALCO, BMM, ASI and ESL respectively. As at March 31, 2021, these holdings are 35.08%, 49.00%, 26.00%, 48.37%, 4.51% and 10% in HZL, BALCO, BMM, ASI, ESL and FPL respectively.

The principal place of business of HZL, BALCO, ESL and FPL is in India, BMM is in South Africa and ASI is in Japan, South Korea and Taiwan.



The table below shows summarized financial information of subsidiaries of the Group that have material non-controlling interests. The amounts are presented before inter-company eliminations.

	As at March 31, 2020			
	(₹ in million)			
	HZL	BALCO	Others	Total
Current assets	248,153	27,235	33,886	309,274
Non-current assets	213,673	113,872	99,626	427,171
Current liabilities	53,035	62,034	31,544	146,613
Non-current liabilities	1,842	32,992	74,411	109,245
Equity attributable to equity holders of the Parent	264,198	23,501	27,514	315,213
Non-controlling interests*	142,751	22,580	4,043	169,374

* ₹ 4,000 million (\$ 53 million) (loss) attributable to NCI of ASI transferred to put option liability as at March 31, 2020

	As at March 31, 2021			
	(₹ in million)			
	HZL	BALCO	Others	Total
Current assets	245,694	28,748	41,604	316,046
Non-current assets	203,262	110,396	134,990	448,648
Current liabilities	77,512	53,990	37,575	169,077
Non-current liabilities	45,043	28,874	77,778	151,695
Equity attributable to equity holders of the Parent	211,900	28,703	59,236	299,839
Non-controlling interests*	114,501	27,577	7,374	149,452

* ₹ 5,369 million (\$ 73 million) (loss) attributable to NCI of ASI transferred to put option liability as at March 31, 2021.

	As at March 31, 2021			
	(US dollars In Million)			
	HZL	BALCO	Others	Total
Current assets	3,359	393	569	4,321
Non-current assets	2,779	1,509	1,846	6,134
Current liabilities	1,060	738	514	2,312
Non-current liabilities	616	395	1,063	2,074
Equity attributable to equity holders of the Parent	2,897	392	810	4,099
Non-controlling interests	1,565	377	101	2,043



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For the Year Ended March 31, 2019

	₹ In Million			
	HZL	BALCO	Others	Total
Revenue	208,336	100,491	62,660	371,487
Expenses	(130,710)	(100,287)	(61,384)	(292,381)
Profit / (loss) for the year	77,626	204	1,276	79,106
Profit / (loss) attributable to equity holders of the Parent	50,396	104	2,152	52,652
Profit / (loss) attributable to non-controlling interests	27,230	100	(876)	26,454
Profit / (loss) for the year	77,626	204	1,276	79,106
Other comprehensive income / (loss) attributable to the equity holders of the Parent	246	(182)	(2,298)	(2,234)
Other comprehensive income / (loss) attributable to non-controlling interests	136	(174)	(795)	(833)
Other comprehensive income / (loss) during the year	382	(356)	(3,093)	(3,067)
Total comprehensive income / (loss) attributable to the equity holders of the Parent	50,642	(78)	(146)	50,418
Total comprehensive income / (loss) attributable to non-controlling interests	27,366	(74)	(1,671)	25,621
Total comprehensive income / (loss) during the year	78,008	(152)	(1,817)	76,039
Dividends paid / payable to non-controlling interests, including dividend tax	(35,739)	—	—	(35,739)
Net cash inflow from operating activities	87,806	20,610	14,272	122,688
Net cash (outflow) / inflow from investing activities	(10,917)	(5,735)	(19,027)	(35,679)
Net cash (outflow) / inflow from financing activities	(96,301)	(11,552)	6,712	(101,141)
Net cash (outflow) / inflow	(19,412)	3,323	1,957	(14,132)

For the Year Ended March 31, 2020

	₹ In Million			
	HZL	BALCO	Others	Total
Revenue	183,321	87,465	65,667	336,453
Expenses	(115,651)	(89,262)	(74,126)	(279,039)
Profit / (loss) for the year	67,670	(1,797)	(8,459)	57,414
Profit / (loss) attributable to equity holders of the Parent	43,933	(916)	(4,751)	38,266
Profit / (loss) attributable to non-controlling interests	23,737	(881)	(3,708)	19,148
Profit / (loss) for the year	67,670	(1,797)	(8,459)	57,414
Other comprehensive income / (loss) attributable to the equity holders of the Parent	(649)	19	(2,102)	(2,732)
Other comprehensive income / (loss) attributable to non-controlling interests	(351)	18	(947)	(1,280)
Other comprehensive income / (loss) during the year	(1,000)	37	(3,049)	(4,012)
Total comprehensive income / (loss) attributable to the equity holders of the Parent	43,284	(897)	(6,853)	35,534
Total comprehensive income / (loss) attributable to non-controlling interests	23,386	(863)	(4,655)	17,868
Total comprehensive income / (loss) during the year	66,670	(1,760)	(11,508)	53,402
Net cash inflow / (outflow) from operating activities	74,282	1,069	7,017	82,368
Net cash (outflow) / inflow from investing activities	(36,247)	(1,904)	(6,204)	(44,355)
Net cash (outflow) / inflow from financing activities	(19,276)	(886)	(4,186)	(24,348)
Net cash inflow / (outflow)	18,759	(1,721)	(3,373)	13,665



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For the Year Ended March 31, 2021

	(₹ In Million)			
	HZL	BALCO	Others	Total
Revenue	220,704	96,879	77,202	394,785
Expenses	(141,492)	(86,221)	(43,423)	(271,136)
Profit / (loss) for the year	79,212	10,658	33,779	123,649
Profit / (loss) attributable to equity holders of the Parent	51,424	5,436	32,682	89,542
Profit / (loss) attributable to non-controlling interests	27,788	5,222	1,097	34,107
Profit / (loss) for the year	79,212	10,658	33,779	123,649
Other comprehensive income / (loss) attributable to the equity holders of the Parent	(28)	(235)	2,866	2,603
Other comprehensive income / (loss) attributable to non-controlling interests	(15)	(225)	1,180	940
Other comprehensive income / (loss) during the year	(43)	(460)	4,046	3,543
Total comprehensive income / (loss) attributable to the equity holders of the Parent	51,396	5,201	35,548	92,145
Total comprehensive income / (loss) attributable to non-controlling interests	27,773	4,997	2,277	35,047
Total comprehensive income / (loss) during the year	79,169	10,198	37,825	127,192
Dividends paid / payable to non-controlling interests, including dividend tax	(56,029)	—	—	(56,029)
Net cash inflow from operating activities	191,094	13,996	12,708	217,798
Net cash (outflow) / inflow from investing activities	(111,459)	(3,083)	(5,337)	(119,879)
Net cash (outflow) / inflow from financing activities	(95,286)	(11,463)	(6,763)	(113,512)
Net cash (outflow) / inflow	(15,651)	(550)	608	(15,593)

For the Year Ended March 31, 2021

	(US dollars in million)			
	HZL	BALCO	Others	Total
Revenue	3,018	1,325	1,056	5,399
Expenses	(1,935)	(1,179)	(594)	(3,708)
Profit / (loss) for the year	1,083	146	462	1,691
Profit / (loss) attributable to equity holders of the Parent	703	74	448	1,225
Profit / (loss) attributable to non-controlling interests	380	72	14	466
Profit / (loss) for the year	1,083	146	462	1,691
Other comprehensive income / (loss) attributable to the equity holders of the Parent	(0)	(3)	39	36
Other comprehensive income / (loss) attributable to non-controlling interests	(0)	(3)	16	13
Other comprehensive income / (loss) during the year	(0)	(6)	55	49
Total comprehensive income / (loss) attributable to the equity holders of the Parent	703	71	487	1,261
Total comprehensive income / (loss) attributable to non-controlling interests	380	68	31	479
Total comprehensive income / (loss) during the year	1,083	139	518	1,740
Dividends paid / payable to non-controlling interests, including dividend tax	(766)	—	—	(766)
Net cash inflow / (outflow) from operating activities	2,613	191	174	2,978
Net cash (outflow) / inflow from investing activities	(1,524)	(42)	(73)	(1,639)
Net cash (outflow) / inflow from financing activities	(1,303)	(157)	(92)	(1,552)
Net cash inflow / (outflow)	(214)	(8)	9	(213)



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The effect of changes in ownership interests in subsidiaries that did not result in a loss of control is as follows:

	For the Year Ended March 31, 2019			
	(₹ In Million)			
	HZL	BALCO	Others	Total
Changes in NCI	—	—	—	—

	For the Year Ended March 31, 2020			
	(₹ In Million)			
	HZL	BALCO	Others	Total
Changes in NCI	—	—	(2,342)	(2,342)

	For the Year Ended March 31, 2021			
	(₹ In Million)			
	HZL	BALCO	Others	Total
Changes in NCI	—	—	—	—

	For the Year Ended March 31, 2021			
	(US Dollars In Million)			
	HZL	BALCO	Others	Total
Changes in NCI	—	—	—	—



32. Capital management

The Group's objectives when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth. The Group's overall strategy remains unchanged from previous year.

The Group sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments. The funding requirements are met through a mixture of equity, internal fund generation and other borrowings. The Group's policy is to use current and non-current borrowings to meet anticipated funding requirements.

The Group monitors capital on the basis of the net gearing ratio which is Net debt / Total Capital (equity + net debt). The Group is not subject to any externally imposed capital requirements.

Net debt are non-current and current debt as reduced by cash and cash equivalents, other bank balances, current investments. Equity comprises all components including other comprehensive income.

The following table summarizes the capital of the Group:

As at March 31,	2020	2021	2021
	(₹ in million)	(₹ in million)	(US dollars in million)
Equity	681,895	734,049	10,036
Cash and cash equivalents ^a	50,598	48,537	664
Short term investments ^a	326,639	276,494	3,780
Non-current bank deposits ^b	338	1,107	15
Total cash (a)	377,575	326,138	4,459
Current borrowings (Note 22)	212,231	189,600	2,592
Non-current borrowings (Note 22)	367,244	379,622	5,191
Total debt (b)	579,475	569,222	7,783
Net debt (c=(b-a))	201,900	243,084	3,324
Total capital (equity+net debt) (d)	883,795	977,133	13,360
Gearing ratio (c/d)	0.2	0.2	0.2

- a) The constituents of 'total cash' for the purpose of capital management disclosure includes only those amounts of restricted funds that are corresponding to liabilities (e.g. margin money deposits). Consequently, restricted funds of ₹ 1,530 million and ₹ 6,352 million (\$ 87 million) as at March 31, 2020 and March 31, 2021 respectively have been excluded from 'total cash' in the capital management disclosures. Till March 31, 2020 such restricted balance were also included in total cash. (Refer notes 19, 20 and 17).
- b) Additionally, Non-current bank deposits of ₹ 338 million and ₹ 1,107 million (\$ 15 million) as at March 31, 2020 and March 31, 2021 respectively have been included to form part of 'total cash' in the capital management disclosures.



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33. Commitments, guarantees, contingencies and other disclosures

In the normal course of business, the Group enters into certain capital commitments and also gives certain financial guarantees.

A. Capital commitments

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

- Exploratory mining commitments;
- Oil & gas commitments;
- Mining commitments arising under production sharing agreements; and
- Completion of the construction of certain assets.

Estimated amount of contracts remaining to be executed on capital accounts and not provided for:

	As at,		
	March 31, 2020	March 31, 2021	March 31, 2021
	(₹ in million)	(₹ in million)	(US dollars in million)
Oil & Gas sector			
Cairn Oil & Gas	31,464	15,547	213
Aluminium sector			
Lanjigarh Refinery (Phase II)	15,728	11,877	162
Jharsuguda 1.25 MTPA smelter	4,140	4,630	63
Zinc sector			
Zinc India (mines expansion, solar and smelter)	9,123	3,625	50
Gamsberg mining & milling project	1,306	938	13
Copper sector			
Tuticorin Smelter 400 KTPA*	27,913	29,951	410
Others	16,112	18,722	256
Total	105,786	85,290	1,167

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

Committed work programme (Other than capital commitment):

	As at,		
	March 31, 2020	March 31, 2021	March 31, 2021
	(₹ in million)	(₹ in million)	(US dollars in million)
Oil & Gas sector			
Cairn India (OALP - Oil and Gas blocks)	58,409	56,254	769



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Other Commitments

- (i) Power Division of the Company has signed a long term power purchase agreement (PPA) with Gridco Limited for supply of 25% of power generated from the power station with additional right to purchase power at (5%/7%) at variable cost as per the conditions referred to in PPA. The PPA has a tenure of twenty five years, expiring in FY2037.
- (ii) TSPL has signed a long term power purchase agreement (PPA) with Punjab State Power Corporation Limited (PSPCL) [formerly known as Punjab State Electricity Board (PSEB)] for supply of power generated from the power plant. The PPA has tenure of twenty five years, expiring in FY2042.

B. Guarantees

The aggregate amount of indemnities and other guarantees on which the Group does not expect any material losses, was ₹ 64,878 million and ₹ 62,810 million (\$ 860 million) as at March 31, 2020 and March 31, 2021 respectively.

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 ₹ 4,713 million and ₹ 6,477 million (\$ 89 million) as at March 31, 2020 and March 31, 2021 respectively 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 ₹ 29,059 million and ₹ 28,888 million (\$ 395 million) as at March 31, 2020 and March 31, 2021 respectively.
- Guarantees of ₹ 537 million and ₹ 794 million (\$ 11 million) issued under bid bond for placing bids as at March 31, 2020 and March 31, 2021 respectively.
- Bank guarantees of ₹ 1,150 million and ₹ 1,150 million (\$ 16 million) outstanding as at March 31, 2020 and March 31, 2021 respectively has been provided by the Group on behalf of Volcan Investments Limited to Income tax department, India as a collateral in respect of certain tax disputes.
- Other guarantees of ₹ 29,419 million and ₹ 25,501 million (\$ 349 million) as at March 31, 2020 and March 31, 2021 respectively 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.

C. Export Obligations

The Indian entities of the Group have export obligations of ₹ 38,269 million and ₹ 21,653 million (\$ 296 million) as at March 31, 2020 and March 31, 2021 respectively on account of concessional rates of import duty paid on capital goods under the Export Promotion Capital Goods Scheme and under the Advance License 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 ₹ 6,072 million and ₹ 3,534 million (\$ 48 million) as at March 31, 2020 and March 31, 2021 respectively, plus applicable interest.

The Group has given bonds of ₹ 16,950 million and ₹ 17,750 million (\$ 243 million) as at March 31, 2020 and March 31, 2021 respectively to custom authorities against these export obligations.

**D. Contingencies**

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

Hindustan Zinc Limited: Department of Mines and Geology

The Department of Mines and Geology of the State of Rajasthan issued several show cause notices to HZL in August, September and October 2006, aggregating ₹ 3,339 million (\$ 46 million) as at March 31, 2020 and March 31, 2021 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.

Vedanta Limited: Income tax

Vedanta Limited (notice was served on Cairn India Limited which subsequently merged with Vedanta Limited, accordingly now referred to as Vedanta Limited/Company) received a demand totalling ₹ 204,947 million (\$ 2,802 million) (including interest of ₹ 102,473 million (\$ 1,401 million)) holding the Company as 'assessee in default' as per Section 201 of Indian Income Tax Act. The Group has challenged the said order and presently pending before the Income Tax Appellate Tribunal (ITAT). The Group also filed a writ petition before the Delhi High Court wherein it has raised several grounds against the order said order. The matter came up for hearing on February 05, 2020 before Delhi High Court but adjourned and the next date of hearing is July 29, 2021. Separately, Vedanta Resources Limited has filed a Notice of Claim against the Government of India ('GOI') under the UK-India Bilateral Investment Treaty (the BIT). Hearing already concluded in May 2019 and award awaited. Separately Cairn UK Holdings Limited ("CUHL"), on whom the primary liability of income tax lies, had received an Order from the ITAT in the financial year 2016-17 holding that the transaction is taxable in view of the clarificatory amendment in the law but also acknowledged that amendment being a retrospective transaction, interest would not be levied. Hence affirming a demand of ₹ 102,473 million (\$ 1,401 million) excluding the interest portion that had previously been claimed. Against this demand Tax authorities have recovered ₹ 58,680 million (\$ 802 million) from the CUHL. Vedanta has also paid interim dividend of ₹ 50 million (\$ 1 million) to the Tax authorities and thus reducing the liability to ₹ 43,840 million (\$ 598 million).

In related proceedings, the International Arbitration Tribunal ruled unanimously in the case of Cairn Energy Plc that India had breached its obligations under the BIT. The Company understands that Government of India has challenged the ruling before the International Court of Justice at The Hague. As the Cairn Energy Plc Arbitration award received on December 23, 2020 regarding retrospective tax will have a direct influence upon the Group's case, due to the fact that primary liability of paying the income tax is CUHL's and in this case there is expected to be no income tax liability in the hands of CUHL, the claim of amounts assessed as in default against the Group should be eliminated. Further going by the recent ruling of Supreme court in an another unrelated matter, it was held that person under Section 195 cannot be held responsible to do impossible in case of retrospective act. Thus, it was impossible for Vedanta Limited (successor in the business of Cairn India Limited) to deduct income tax and can't be held responsible for default under Section 201. The Group believes that owing to the similarity in the facts of the case it has a good case to argue and accordingly it is unlikely that any liability will devolve upon the group.

Ravva Joint Venture arbitration proceedings***ONGC Carry***

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

**Base Development Cost**

Ravva joint operations had received a claim from the Ministry of Petroleum and Natural Gas, Government of India (GOI) for the period from 2000-2005 for ₹ 9,455 million (\$ 129 million) for an alleged underpayment of profit petroleum (by recovering higher Base Development Costs (“BDC”) against the cap imposed in the PSC) to the Government of India (GOI), out of which, Vedanta Limited’s (Cairn India Limited which subsequently merged with Vedanta Limited, accordingly now referred to as Vedanta Limited) share will be ₹ 2,126 million (\$ 29 million) plus interest. Joint venture partners initiated the arbitration proceedings and Arbitration Tribunal published the Award in January 2011 allowing claimants (including Vedanta Limited) to recover the development costs spent to the tune of ₹ 20,377 million (\$ 278 million) and disallowed over run of ₹ 1,613 million (\$ 22 million) spent in respect of BDC along with 50% legal costs.

Finally, the Supreme Court of India on September 16, 2020 pronounced the order in favour of Vedanta, rejecting all objections of the GOI and allowed enforcement of the Arbitration Award. With the Supreme Court order the Ravva BDC Matter stands closed.

In connection with the above two matters, the Company has received an order dated October 22, 2018 from the GOI directing oil marketing companies (OMCs) who are the offtakers of Ravva Crude to divert the sale proceeds to Government’s account. GOI alleges that the Ravva Joint Operations (consisting of four joint venture partners) has short paid profit petroleum of ₹ 23,015 million (US\$ 314 million) (the Company’s share approximately - ₹ 6,817 million (US\$ 93 million)) on account of the two disputed issues of ONGC Carry and BDC matters, out of which ₹ 4,691 Crore (US\$ 64 million) pertains to ONGC Carry and ₹ 2,126 Crore (US\$ 29 million) pertains to BDC Matter. Against an interim application, filed by Vedanta Limited along with one of its joint venture partner, for seeking stay of such action from GOI, before the Delhi High Court, the Court directed the OMCs to deposit above sums to the Delhi High Court for both BDC and ONGC Carry matters. However, Vedanta Limited (and other joint venture partner) has been given the liberty to seek withdrawal of the amounts from the Court upon furnishing a bank guarantee of commensurate value. On the basis of the above direction, the customers have deposited ₹ 6,817 million (\$ 93 million) out of which ₹ 6,157 million (\$ 84 million) has been withdrawn post submission of bank guarantee.

The Hon’ble Delhi High Court (HC) vide its order dated May 28, 2020 read with order dated June 4, 2020 has directed that all future sale proceeds of Ravva Crude w.e.f. June 5, 2020 be paid directly to Vedanta Limited by the OMCs. In view of the closure of the BDC matter, the Company has also filed an application in HC on September 22, 2020 seeking refund of remaining ₹ 660 million (US\$ 9 million) and release of Bank guarantees submitted in Court pertaining to the BDC matter. The high court has since released bank guarantees of ₹ 1,466 million (US\$ 20 million).

During the proceedings of the above matter, the GOI has also filed an interim application seeking deposit by the said OMCs of an amount of ₹ 6,377 million (\$ 87 million) (Vedanta’s share of ₹ 4,105 million (\$ 56 million) towards interest on the alleged short payment of profit petroleum by the petitioners, i.e., Vedanta Limited (and other joint venture partner). The matter is pending before the Delhi High Court along with ONGC carry case.

While the Company 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, the Company would be liable for approximately ₹ 6,958 million plus interest and ₹ 4,691 million (\$ 64 million) plus interest as at March 31, 2020 and March 31, 2021 respectively.

Proceedings related to the Imposition of Entry Tax

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

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

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

On October 09, 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 August 22, 2016, exempted the entry tax levy on SEZ operations.

The total claims against Vedanta Limited and its subsidiaries are ₹ 13,664 million and ₹ 14,119 million (\$ 193 million) net of provisions made as at March 31, 2020 and March 31, 2021 respectively.

**BALCO: Challenge against imposition of Energy Development Cess**

BALCO challenged the imposition of Energy Development Cess levied on generators and distributors of electrical energy at 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 are required to pay at the rate of 10 paise while the State Electricity Board is required to pay at 5 paise. The High Court of Chhattisgarh by order dated December 15, 2006 declared the provisions imposing ED Cess on CPPs as discriminatory and therefore ultra vires the Constitution. BALCO has sought refund of Cess paid till March 2006 amounting to ₹ 345 million (\$ 5 million).

The State of Chhattisgarh moved a Special Leave Petition in the 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 of 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 ₹ 8,407 million and ₹ 9,304 million (\$ 127 million) as at March 31, 2020 and March 31, 2021 respectively. Accordingly, the total exposure on the Group would be ₹ 8,752 million and ₹ 9,650 million (\$ 132 million) as at March 31, 2020 and March 31, 2021 respectively.

Miscellaneous disputes- Income tax

The Group is involved in various tax disputes amounting to ₹ 19,093 million and ₹ 19,442 million (\$ 266 million) as at March 31, 2020 and March 31, 2021 respectively relating to income tax. It also includes similar matters where initial assessment is pending for subsequent periods and where the Group has made claims and assessments are in progress. These mainly relate to the disallowance of tax holiday for 100% Export Oriented Undertaking under section 10B of the Income Tax Act, 1961, disallowance of tax holiday benefit on production of gas under section 80IB of the Income Tax Act, 1961, on account of depreciation disallowances under the Income Tax Act and interest thereon which are pending at various appellate levels. Interest and penalty, if any would be additional. Refer note 9(e) for other income tax disputes.

The Group believes that these disallowances are not tenable and accordingly no provision is considered necessary.

Miscellaneous other disputes

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

The approximate value of claims (excluding the items as set out separately above) against the Group companies total ₹ 39,960 million and ₹ 47,820 million (\$ 654 million) as at March 31, 2020 and March 31, 2021 respectively.

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

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

34. Interest in Other entities**a) Subsidiaries**

The Group's subsidiaries as at March 31, 2021 are as follows:

Subsidiaries	Principal activities	Country of Incorporation	Immediate holding company	The Company's / Immediate holding Company's percentage holding (in %) as at March 31, 2020	The Company's / Immediate holding Company's percentage holding (in %) as at March 31, 2021
Cairn Energy India Pty Limited ²	Oil and gas exploration, development and production	Australia	Cairn India Holdings Limited	100.00	—
Copper Mines of Tasmania Pty Limited ("CMT")	Copper mining	Australia	Monte Cello BV	100.00	100.00
Thalanga Copper Mines Pty Limited ("TCM")	Copper mining	Australia	Monte Cello BV	100.00	100.00
Bharat Aluminium Company Limited ("BALCO")	Aluminium mining and smelting	India	Vedanta Limited	51.00	51.00



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<u>Subsidiaries</u>	<u>Principal activities</u>	<u>Country of Incorporation</u>	<u>Immediate holding company</u>	<u>The Company's / Immediate holding Company's percentage holding (in %) as at March 31, 2020</u>	<u>The Company's / Immediate holding Company's percentage holding (in %) as at March 31, 2021</u>
Electrosteel Steels Limited	Manufacturing of Steel & DI Pipe	India	Vedanta Limited	95.49	95.49
Goa Sea Port Private Limited	Infrastructure	India	Sterlite Ports Limited	100.00	100.00
Hindustan Zinc Limited ("HZL")	Zinc mining and smelting	India	Vedanta Limited	64.92	64.92
MALCO Energy Limited ("MEL")	Power generation	India	Vedanta Limited	100.00	100.00
Maritime Ventures Private Limited	Infrastructure	India	Sterlite Ports Limited	100.00	100.00
Paradip Multi Cargo Berth Private Limited	Infrastructure	India	Vedanta Limited	100.00	100.00
Sesa Mining Corporation Limited	Iron ore mining	India	Sesa Resources Limited	100.00	100.00
Sesa Resources Limited ("SRL")	Iron ore mining	India	Vedanta Limited	100.00	100.00
Sterlite Ports Limited	Infrastructure	India	Vedanta Limited	100.00	100.00
Talwandi Sabo Power Limited ("TSPL")	Power generation	India	Vedanta Limited	100.00	100.00
Vizag General Cargo Berth Private Limited	Infrastructure	India	Vedanta Limited	100.00	100.00
Killoran Lisheen Finance Limited (a)	Investment company	Ireland	Vedanta Lisheen Holdings Limited	100.00	100.00
Killoran Lisheen Mining Limited	Development of a Zinc and lead mine	Ireland	Vedanta Lisheen Holdings Limited	100.00	100.00
Lisheen Milling Limited	Manufacturing ³	Ireland	Vedanta Lisheen Holdings Limited	100.00	100.00



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<u>Subsidiaries</u>	<u>Principal activities</u>	<u>Country of Incorporation</u>	<u>Immediate holding company</u>	<u>The Company's / Immediate holding Company's percentage holding (in %) as at March 31, 2020</u>	<u>The Company's / Immediate holding Company's percentage holding (in %) as at March 31, 2021</u>
Lisheen Mine Partnership	Development and operation of a zinc/lead mine	Ireland	50% each held by Killoran Lisheen Mining Limited & Vedanta Lisheen Mining Limited	100.00	100.00
Vedanta Exploration Ireland Limited ^(a)	Exploration company	Ireland	Vedanta Lisheen Holdings Limited	100.00	100.00
Vedanta Lisheen Holdings Limited	Investment company	Netherlands	THL Zinc Holding BV	100.00	100.00
Vedanta Lisheen Mining Limited	Zinc and lead mining	Ireland	Vedanta Lisheen Holdings Limited	100.00	100.00
AvanStrate Inc. ('ASI')	Holding Company	Japan	Cairn India Holdings Limited	51.63	51.63
Cairn India Holdings Limited	Investment company	Jersey	Vedanta Limited	100.00	100.00
Western Cluster Limited	Iron ore mining	Liberia	Bloom Fountain Limited	100.00	100.00
Bloom Fountain Limited	Operating (Iron ore) and Investment Company	Mauritius	Vedanta Limited	100.00	100.00
CIG Mauritius Holdings Private Limited ^(a)	Investment Company	Mauritius	Cairn Energy Hydrocarbons Limited	100.00	100.00
CIG Mauritius Private Limited ^(a)	Investment Holding Company and to provide services and resources relevant to oil & gas exploration, production and development	Mauritius	CIG Mauritius Holdings Private Limited	100.00	100.00
THL Zinc Limited	Investment company	Mauritius	THL Zinc Ventures Ltd	100.00	100.00
THL Zinc Ventures Limited	Investment company	Mauritius	Vedanta Limited	100.00	100.00
Amica Guesthouse (Proprietary) Limited	Accommodation and catering services	Namibia	SZPL	100.00	100.00
Namzinc (Proprietary) Limited	Owns and operates zinc refinery	Namibia	SZPL	100.00	100.00
Skorpion Mining Company (Proprietary) Limited ('NZ')	Exploration, development, treatment production and sale of zinc ore	Namibia	SZPL	100.00	100.00
Skorpion Zinc (Proprietary) Limited ('SZPL')	Operating (Zinc) and Investment Company	Namibia	VNHL	100.00	100.00
THL Zinc Namibia Holdings (Proprietary) Limited ('VNHL')	Mining and Exploration and Investment company	Namibia	THL Zinc Ltd	100.00	100.00



Subsidiaries	Principal activities	Country of Incorporation	Immediate holding company	The Company's / Immediate holding Company's percentage holding (in %) as at March 31, 2020	The Company's / Immediate holding Company's percentage holding (in %) as at March 31, 2021
Lakomasko BV	Investment company	Netherlands	THL Zinc Holding BV	100.00	100.00
Monte Cello BV ("MCBV")	Holding company	Netherlands	Vedanta Limited	100.00	100.00
THL Zinc Holding BV	Investment company	Netherlands	Vedanta Limited	100.00	100.00
Cairn Energy Discovery Limited ²	Oil and gas exploration, development and production	Scotland	Cairn India Holdings Limited	100.00	—
Cairn Energy Gujarat Block 1 Limited	Oil and gas exploration, development and production	Scotland	Cairn India Holdings Limited	100.00	100.00
Cairn Energy Hydrocarbons Limited	Oil and gas exploration, development and production	Scotland ^(b)	Cairn India Holdings Limited	100.00	100.00
Cairn Exploration (No. 2) Limited ²	Oil and gas exploration, development and production	Scotland	Cairn India Holdings Limited	100.00	—
Black Mountain Mining (Proprietary) Limited	Exploration, development, production and sale of zinc, lead, copper and associated mineral concentrates	South Africa	THL Zinc Ltd	74.00	74.00
Cairn South Africa Pty Limited ⁴	Oil and gas exploration, development and production	South Africa	Cairn Energy Hydrocarbons Limited	100.00	100.00
AvanStrate Korea Inc	Manufacturer of LCD glass substrate	South Korea	Avanstrate (Japan) Inc.	100.00	100.00
Cairn Lanka Private Limited	Oil and gas exploration, development and production	Sri Lanka	CIG Mauritius Private Limited	100.00	100.00
AvanStrate Taiwan Inc	Manufacturer of LCD glass substrate	Taiwan	Avanstrate (Japan) Inc.	100.00	100.00
Fujairah Gold FZC	Manufacturing of Copper Rod and Refining of Precious Metals (Gold & Silver)	United Arab Emirates	Malco Energy Limited	100.00	100.00
Sterlite (USA) Inc. ^(a)	Investment company	United States of America	Vedanta Limited	100.00	100.00
Ferro Alloy Corporation Limited (FACOR) ^(c)	Manufacturing of Ferro Alloys and Mining	India	Vedanta Limited	—	100.00
FACOR Alloys corporation Limited ^(c)	Real estate	India	FACOR	—	100.00
FACOR Power Limited ^(c)	Power Generation	India	FACOR	—	90.00

(a) Under liquidation

(b) Principal place of business is in India

(c) Acquired with effect from September 21, 2020

1) The Group also has interest in certain trusts which are neither significant nor material to the Group.

2) Cairn Exploration (No. 2) Limited and Cairn Energy Discovery Limited have been dissolved w.e.f. September 22, 2020. Cairn Energy India (Pty) Ltd. deregistered on August 26, 2020.

3) Activity of the company ceased in February 2016.

4) deregistered w.e.f. April 06, 2021.



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b) Joint Operations

The Group participates in several unincorporated joint operations which involve the joint control of assets used in oil and gas exploration and producing activities which are as follows:

Operating Blocks	Area	Participating Interest (%)	
		As at March 31, 2020	As at March 31, 2021
India:			
Ravva block – Exploration and production	Krishna Godavari	22.50	22.50
CB-OS/2 – Exploration	Cambay Offshore	60.00	60.00
CB-OS/2 – Development & production	Cambay Offshore	40.00	40.00
RJ-ON-90/1 – Exploration	Rajasthan Onshore	100.00	100.00
RJ-ON-90/1 – Development & production	Rajasthan Onshore	70.00	70.00
KG-OSN-2009/3 – Exploration	Krishna Godavari Offshore	100.00	100.00
Non-Operating Blocks			
India:			
KG-ONN-2003/1	Krishna Godavari Onshore	49.00	49.00

(1) South Africa Block1-Exploration was relinquished on September 10, 2019.



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35. Related party transactions**List of related parties and relationships –****A) Entities Controlling the Company (Holding Companies)**

- Volcan Investments Limited ('Volcan')
- Volcan Investments Cyprus Limited

Intermediate Holding Companies

- Vedanta Resources Limited (formerly Vedanta Resources Plc)
- Vedanta Resources Holdings Limited
- Twin Star Holdings Limited
- Finsider International Company Limited
- Westglobe Limited
- Welter Trading Limited
- Richter Holdings Limited
- Vedanta Resources Finance Limited
- Vedanta Resources Cyprus Limited
- Vedanta Holdings Mauritius II Limited ^(c)

B) Fellow subsidiaries (with whom transactions have taken place)

- Konkola Copper Mines ^(a)
- Sterlite Technologies Limited
- Sterlite Power Transmission Limited
- Sterlite Iron and Steel Company Limited
- Sterlite Power Grid Ventures Limited
- Twin Star Technologies Limited

C) Post Retirement Benefit Plan

- Balco Employees Provident Fund Trust
- Hindustan Zinc Ltd Employees Contributory Provident Fund Trust
- Sesa Group Employees Provident Fund Trust
- Sesa Mining Corporation Limited Employees Provident Fund Trust
- Sesa Resources Limited Employees Provident Fund Trust
- HZL Employee group Gratuity Trust
- Sesa Group Employees Gratuity Fund and Sesa Group Executives Gratuity Fund
- Sesa Resources Limited Employees Gratuity Fund
- Sesa Mining Corporation Limited Employees Gratuity Fund
- HZL Superannuation Trust
- Sesa Group Executives Superannuation scheme Fund
- Sesa Resources Limited and Sesa Mining Corporation Limited Employees Superannuation Fund
- FACOR Superannuation Trust ^(d)
- FACOR Employees Gratuity Scheme ^(d)

D) Associates and Joint Ventures (with whom transactions have taken place)

- RoshSkor Township (Pty) Ltd
- Goa Maritime Private Limited



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E) Other Related Parties (with whom transactions have taken place)**I) Enterprises over which key management personnel/their relatives have control or significant influence**

- Vedanta Medical Research Foundation
- Vedanta Foundation
- Cairn Foundation
- Sesa Community Development Foundation
- Janhit Electoral Trust
- Fujairah Gold Ghana
- Runaya Refinery LLP
- Minova Runaya Private Limited

II) Enterprises which are Associates/Joint Ventures of entities under common control

- India Grid trust ^(b)

(a) *Konkola Copper Mines Plc (KCM) ceased to be a related party w.e.f. May 21, 2019. The Company had total receivable of - ₹ 4,374 million (net of provision of ₹ 2,070 million) as at 31 March 2020 and ₹ 2,107 million (\$ 29 million) (net of provision of ₹ 4,234 million (\$ 58 million)) as at 31 March 2021.*

(b) *Ceased to be related party during the year ended March 31, 2020.*

(c) *On December 24, 2020, Vedanta Holdings Mauritius II Limited purchased shares of Vedanta Limited.*

(d) *Acquired during the year.*

Ultimate controlling party

Vedanta Limited is a majority-owned and controlled subsidiary of Vedanta Resources Limited ('VRL'). Volcan Investments Limited ('Volcan') and its wholly owned subsidiary together hold 100 % of the share capital and 100 % of the voting rights of VRL. Volcan is 100 % beneficially owned and controlled by the Anil Agarwal Discretionary Trust ('Trust'). Volcan Investments Limited, Volcan Investments Cyprus Limited and other intermediate holding companies (except VRL) do not produce Group financial statements.



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A summary of significant related party transactions for the year ended March 31, 2019, March 31, 2020 and March 31, 2021 are noted below:

		For the Year ended March 31, 2019			
		Entities controlling the company/ Fellow Subsidiaries (₹ in million)	Associates/ Joint Ventures (₹ in million)	Others (₹ in million)	Total (₹ in million)
Income:					
(i)	Sales	9,184	—	—	9,184
(ii) Other Income					
a)	Interest income /guarantee commission	394	—	—	394
b)	Outsourcing Service Income	30	—	—	30
c)	Dividend Income	162	—	—	162
Expenditure and other transactions:					
(i)	Purchases of goods/services	4,036	—	9	4,045
(ii)	Long Term Incentive Plan expense	148	—	—	148
(iii)	Management and brand fees expenses	3,389	—	—	3,389
(iv)	Reimbursement of other expenses (net of recovery)	(21)	—	—	(21)
(v)	Corporate Social Responsibility Expenditure / donation	—	—	1,329	1,329
(vi)	Contribution to Post retirement employee benefit trust	—	—	714	714
(vii)	Remuneration to relative of Key Managerial Personnel	—	—	151	151
(viii) Commission/Sitting Fees					
	-To Independent directors	—	—	42	42
	-To key management personnel	—	—	10	10
	-To relatives of key management personnel	—	—	3	3
(ix) Dividend paid.					
	-To Holding companies	35,126	—	—	35,126
	-To key management personnel	—	—	0	0
	-To relatives of key management personnel	—	—	4	4
Transactions during the year:					
(i)	Loans given / (repaid)	—	(15)	—	(15)
(ii)	Guarantee given / (taken)	(8,735)	—	687	(8,048)
(iii)	Guarantee relinquished	8,735	—	524	9,259
(iv)	Investment made/(redeemed)	(1,992)	—	—	(1,992)
(v)	Investments Purchased from	38,124	—	—	38,124



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For the Year ended March 31, 2020

	Entities controlling the company/ Fellow Subsidiaries (₹ in million)	Associates/ Joint Ventures (₹ in million)	Others (₹ in million)	Total (₹ in million)	
Income:					
(i)	Sales	8,554	—	22	8,576
(ii) Other Income					
a)	Interest income /guarantee commission	423	—	—	423
b)	Outsourcing Service Income	30	—	—	30
c)	Dividend Income	17	—	39	56
Expenditure and other transactions:					
(i)	Purchases of goods/services	581	—	67	648
(ii)	Long Term Incentive Plan (Recovery)	(4)	—	(2)	(6)
(iii)	Management and brand fees expenses	5,257	—	—	5,257
(iv)	Reimbursement of other expenses (net of recovery)	479	—	1	480
(v)	Corporate Social Responsibility Expenditure / donation	—	—	1,110	1,110
(vi)	Contribution to Post retirement employee benefit trust	—	—	1,117	1,117
(vii)	Remuneration to relative of Key Managerial Personnel	—	—	169	169
(viii) Commission/Sitting Fees					
	-To Independent directors	—	—	42	42
	-To key management personnel	—	—	40	40
	-To relatives of key management personnel	—	—	3	3
(ix) Dividend paid.					
	-To Holding companies	7,267	—	—	7,267
	-To key management personnel	—	—	0	0
	-To relatives of key management personnel	—	—	1	1
Transactions during the year:					
(i)	Loans given / (repaid)	0	(3)	—	(3)
(ii)	Financial guarantee given	—	—	2	2
(iii)	Financial guarantee relinquished	—	—	255	255
(iv)	Investment made/(redeemed) (Refer Note 35 (f))	(44,847)	—	—	(44,847)



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		As at March 31, 2020			
		Entities controlling the company/ Fellow Subsidiaries (₹ in million)	Associates/ Joint Ventures (₹ in million)	Others (₹ in million)	Total (₹ in million)
Balances as at year end:					
(i)	Trade Receivables	30	—	—	30
(ii)	Loans	793	42	—	835
(iii)	Receivable from	1,325	10	23	1,358
(iv)	Trade Payables	1,143	—	67	1,210
(v)	Payable to	601	—	681	1,282
(vi)	Investments	1,013	—	—	1,013
(vii)	Guarantees outstanding given	—	—	255	255
(viii)	Banking Limits assigned/utilised/renewed to/for group companies (Refer Note 35 (d))	1,150	—	—	1,150
(ix)	Remuneration, Commission and consultancy fees payable to KMP and their relatives	—	—	63	63



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For the Year ended March 31, 2021

	Entities controlling the company/ Fellow Subsidiaries (₹ in million)	Associates/ Joint Ventures (₹ in million)	Others (₹ in million)	Total (₹ in million)	Total (US dollars in million)	
Income:						
(i)	Sales	7,357	—	37	7,394	101
(ii)	Other Income					
a)	Interest income /guarantee commission (Refer Note 35 (b))	6,697	—	—	6,697	92
b)	Outsourcing Service Income	36	—	—	36	0
c)	Dividend Income	17	—	—	17	0
Expenditure and other transactions:						
(i)	Purchases of goods/services	760	—	546	1,306	18
(ii)	Long Term Incentive Plan (Recovery)	—	—	—	—	—
(iii)	Management and brand fees expenses (Refer Note 35 (e))	9,855	—	—	9,855	135
(iv)	Reimbursement of other expenses (net of recovery)	904	—	(1)	903	12
(v)	Corporate Social Responsibility Expenditure / donation	—	—	629	629	9
(vi)	Contribution to Post retirement employee benefit trust	—	—	585	585	8
(vii)	Remuneration to relative of Key Managerial Personnel	—	—	127	127	2
(viii)	Commission/Sitting Fees					
	-To Independent directors	—	—	35	35	0
	-To key management personnel	—	—	15	15	0
	-To relatives of key management personnel	—	—	3	3	0
(ix)	Dividend paid.					
	-To Holding companies	17,703	—	—	17,703	242
	-To key management personnel	—	—	0	0	0
	-To relatives of key management personnel	—	—	2	2	0
(x)	Guarantee Commission Expense. (Refer Note 35 (a))	1,332	—	—	1,332	18
Transactions during the year:						
(i)	Loans given (Net of repayment of ₹ 11,170 million) (\$ 153 million) (Refer Note 35 (b))	71,654	—	—	71,654	980
(ii)	Financial guarantee given (Refer Note 35 (b))	31,468	—	—	31,468	430
(iii)	Financial guarantee relinquished (Refer Note 35 (b))	31,458	—	115	31,573	432



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As at March 31, 2021

	Entities controlling the company/ Fellow Subsidiaries (₹ in million)	Associates/ Joint Ventures (₹ in million)	Others (₹ in million)	Total (₹ in million)	Total (US dollars in million)	
Balances as at year end:						
(i)	Trade Receivables	466	—	466	6	
(ii)	Loans (Refer Note 35 (b))	70,663	49	70,712	970	
(iii)	Receivable from (Including brand fee prepaid) (Refer Note 35 (a,e,f))	9,271	10	23	9,304	127
(iv)	Trade Payables	973	—	215	1,188	16
(v)	Payable to (Including brand fee payable) (Refer note 35(e))	2,078	—	866	2,943	40
(vi)	Guarantees outstanding given (Refer Note 35 (a))	10	—	47	57	1
(vii)	Banking Limits assigned/utilised/renewed to/for group companies (Refer Note 35 (d))	1,150	—	—	1,150	16
(viii)	Remuneration, Commission and consultancy fees payable to KMP and their relatives	—	—	61	61	1

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**Remuneration of key management personnel**

The remuneration of the key management personnel of the Group are set out below in aggregate for each of the categories specified in IAS 24 Related party disclosures.

	Year ended March 31,			
	2019 (₹ in million)	2020 (₹ in million)	2021 (₹ in million)	2021 (US dollars in million)
Short term employee benefits	413	396*	277	4
Post-employment benefits**	14	79	10	0
Share based payments	45	12	2	0
Total	472	487	289	4

* This includes reimbursement to the parent company for remuneration paid to the then CEO and Whole Time Director of the Company aggregating to ₹ 115 million (USD 2 million) for the year ended March 31, 2020.

** Does not include the provision made for gratuity and leave benefits, as they are determined on an actuarial basis for all the employees together.



a) Vedanta Resources Limited (“VRL”), as a parent company, has provided financial and performance guarantee to the Government of India for erstwhile Cairn India group’s (“Cairn”) obligations under the Production Sharing Contract (“PSC”) provided for onshore block RJ-ON-90/1, for making available financial resources equivalent to Cairn’s share for its obligations under the PSC, personnel and technical services in accordance with industry practices and any other resources in case Cairn is unable to fulfil its obligations under the PSC.

During the current year, the Board of Directors of the Company has approved a consideration to be paid for this guarantee at an annual charge of 1.2% of net exploration and development spend, subject to a minimum annual fee of ₹ 366 million (\$ 5 million), applicable from April 2020 onwards to be paid in ratio of participating interests held equally by the Company and its step-down subsidiary, Cairn Energy Hydrocarbons Ltd (“CEHL”).

Similarly, VRL has also provided financial and performance guarantee to the Government of India for the Company’s obligations under the Revenue Sharing Contract (“RSC”) in respect of 51 Blocks awarded under the Open Acreage Licensing Policy (“OALP”) by the Government of India. During the current year, the Board of Directors of the Company has approved a consideration to be paid for this guarantee consisting of one-time charge of ₹ 1,829 million (\$ 25 million), i.e., 2.5% of the total estimated cost of initial exploration phase of approx. ₹ 73,140 million (\$ 1 billion) and an annual charge of 1% of spend, subject to a minimum fee of ₹ 731 million (\$ 10 million) and maximum fee of ₹ 1,463 million (\$ 20 million) per annum.

Accordingly, the Company has recorded a guarantee commission expense of ₹ Nil and ₹ 1,332 million (\$ 18 million) for the year ended March 31, 2020 and 2021 respectively and ₹ Nil and ₹ 1,610 million (\$ 22 million) is outstanding as a pre-payment at March 31, 2020 and March 31, 2021 respectively.

b) In June 2020, as part of its cash management activities, the Company through its overseas subsidiaries extended certain loans and guarantee facilities, for a period upto 12 months, to Vedanta Resources Limited (“VRL”) and its subsidiaries (collectively “the VRL group”) which were drawn over a period of time carrying interest ranging from 3% to 7% and guarantee fee at 1%. In October 2020, certain terms of the loan facilities were modified primarily comprising extension of the tenor, increase in quantum and making it repayable in instalments by December 2023, which resulted in substantial modification of the instruments. Further, the guarantee was also extinguished. The difference in the fair value of the loan and guarantee was debited to equity as a transaction with the shareholder. The provisions of IFRS 9 – ‘Financial Instruments’ as applicable for assets which are credit impaired on initial recognition were applicable to loans aggregating to ₹ 8,923 million (US\$ 122 million) to one of the subsidiaries of VRL.

Subsequently, in February 2021, the contractual rate of interest on these instruments were increased with retrospective effect to 14% to 17.5% to enable the Group to earn the fair market rate of interest, as was determined on the date of the origination of the transaction with an understanding to revise it further based on prevailing market conditions. Thereafter, in March 2021, since the credit default swap rates had stabilized, the Group revised the interest rate to 9.6% using a level 2 valuation approach by applying the prevailing US Dollar treasury rates and the company specific credit default swaps. The Group also benchmarked the said rate to the coupon rate on bonds issued to non-related third parties by the VRL group during the same period. As per the accounting requirements of IFRS 9 with respect to modification of loans, the net excess of loan amount over the present value of the modified contractual cash flows discounted at the original effective interest rate aggregating to ₹ 5,361 million (US\$ 73 million) is reflected in the statements of changes in equity and cash flow as a transaction with the shareholder. The accounting effects of these transactions have been recorded for the first time in these financial statements and were not recorded in the interim financial statements of the Group as at and for the six months ended September 30, 2020.

As of March 31, 2021, loans of ₹ 70,653 million (US\$ 966 million) are outstanding. The loans are now entirely held by a single subsidiary of VRL, which holds 37.1% shares (increased to 43.6% subsequent to the year-end) in the Company and is required to maintain the said level of shareholding during the tenure of the loans. The said entity also has a contractual ceiling on its borrowings, which is lower than the market value of its investments and other assets. Further, an accretive interest of ₹ 146 million (US\$ 2 million) over and above the contractual interest has been accounted for in the statement of profit and loss.

Subsequent to the year end, in April 2021, the VRL group has repaid ₹ 15,140 Million (US\$ 207 million) of the aforesaid loans. In May 2021, the overseas subsidiaries of the Company, entered into a novation agreements with the said subsidiary of VRL and agreed to novate ₹ 21,942 million (US\$ 300 million) to another subsidiary of VRL with a revised rate of interest of 10.1%. Being a non-adjusting post balance sheet event, accounting effects of the same have not been recorded.

c) Cairn India Holdings Limited held bonds issued by Vedanta Resources Limited, the carrying value of which at the start of the year was ₹ 2,110 million (US\$ 31 million), which have maturities ranging from June 2021 to May 2023 at coupon ranging from 7.13% to 8.25% p.a. During the year, investments have been disposed off in open market for a consideration of ₹ 2,117 million (\$ 29 million).

d) Bank guarantee given by Vedanta Limited on behalf of Volcan Investments Limited in favour of Income Tax department, India as collateral in respect of certain tax disputes of Volcan Investments Limited.



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e) In 2017, the Group had executed a three-year brand license agreement (“the Agreement”) with Vedanta Resources Ltd (‘VRL’) for the use of brand ‘Vedanta’ which envisaged payment of brand fee to VRL at 0.75% of turnover of the Company. Later, certain subsidiaries of the Company executed similar agreements with VRL to pay brand fee ranging between 0.75% - 1.50 % of their respective turnover. During the current year, the Agreement with the Company and some of its subsidiaries was renewed and certain additional services were also agreed to be provided by VRL. Based on updated benchmarking analysis conducted by independent experts, the brand and strategic service fee was re-negotiated at 2% of the turnover, while for the remaining subsidiaries the previous rates remain unchanged. Accordingly, the Group has recorded an expense of ₹ 3,130 million and ₹ 9,390 million (\$ 128 million) for the year ended March 31, 2020 and 2021 respectively. The Group pays such fee in advance, at the start of the year based on estimated annual turnover.

f) During the financial year ended March 31, 2019, as part of its cash management activities, CIHL purchased an economic interest in a structured investment for the equity shares of Anglo American Plc (“AA Plc”), a company listed on the London Stock Exchange, from Volcan for a total consideration of ₹ 38,124 million (GBP 428 million, USD 541 million) determined based on an independent third-party valuation. In July 2019, the transaction was unwound and the investments were redeemed for a total consideration of ₹ 44,847 million (GBP 519 million, USD 639 million), representing the actual price Volcan realised from selling the shares of AA Plc. CIHL was informed that the said realization was net of applicable transaction costs of ₹ 926 million (GBP 10 million, USD 12 million), which in January 2021, CIHL agreed to bear. Accordingly, this amount has been recorded in the consolidated statements of profit or loss in the current year.

g) Loan balances outstanding from Sterlite Iron and Steel Company Limited and Twin Star Holding Limited of ₹ 49 million (USD 1 million) & ₹ 49 million (USD 1 million) and ₹ 748 million (USD 10 million) and ₹ 730 million (USD 10 million) as at March 31, 2020 and March 31, 2021 respectively, including accrued interest of ₹ 200 million (\$ 3 million) has been provided for during the year ended March 31, 2021.

**36. Subsequent Events**

- a) As per the information received from Vedanta Resources Limited (“VRL” or “Acquirer”), VRL together with Twin Star Holdings Limited, Vedanta Holdings Mauritius Limited and Vedanta Holdings Mauritius II Limited, as persons acting in concert with the Acquirer (“PACs”), have acquired 374,231,161 equity shares of the Company under the voluntary open offer (“Open Offer”) made to the public shareholders of the Company in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (“Takeover Regulations”) and thereby increasing their shareholding in the Company from the current 55.1% to 65.18%.
- b) The Government of Rajasthan launched an Amnesty Scheme in respect of settlement of Entry Tax disputes in February 2021. The scheme was subsequently modified in April 2021 by significantly increasing the rebate limits. Whereafter, the Group has opted for the same for one of its subsidiary, HZL. Consequentially, a charge of ₹ 1,342 million (\$ 18 million) will get recorded in the subsequent period financial statements.

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

37. Other matters**(a) i. Call option — HZL**

Pursuant to the Government of India’s policy of disinvestment, the Company in April 2002 acquired 26% equity interest in Hindustan Zinc Limited (HZL) from the Government of India. Under the terms of the Shareholder’s Agreement (‘SHA’), the Company had two call options to purchase all of the Government of India’s shares in HZL at fair market value. The Group also acquired an additional 20% of the equity capital in HZL through an open offer. The Group exercised the first call option on August 29, 2003 and acquired an additional 18.9% of HZL’s issued share capital, increasing its shareholding to 64.9%. The second call option provides the Company the right to acquire the Government of India’s remaining 29.5% share in HZL. This call option was subject to the right of the Government of India to sell 3.5% of HZL shares to HZL employees. The Company exercised the second call option on July 21, 2009. The Government of India disputed the validity of the call option and refused to act upon the second call option. Consequently, the Company invoked arbitration which is in the early stages. The next date of hearing is to be notified. The Government of India without prejudice to the position on the Put / Call option issue has received approval from the Cabinet for divestment and the Government is looking to divest through the auction route. Meanwhile, the Supreme Court has, in January 2016, directed status quo pertaining to disinvestment of Government of India’s residual shareholding in a public interest petition filed which is currently pending and sub-judice.

ii. Call option — BALCO

Pursuant to the Government of India’s policy of divestment, the Company in March 2001 acquired 51% equity interest in BALCO from the Government of India. Under the terms of the SHA, the Company had a call option to purchase the Government of India’s remaining ownership interest in BALCO at any point from March 02, 2004. The Company exercised this option on March 19, 2004. However, the Government of India contested the valuation and validity of the option and contended that the clauses of the SHA violate the erstwhile Companies Act, 1956 by restricting the rights of the Government of India to transfer its shares and that as a result such provisions of the SHA were null and void. In the arbitration filed by the Company, the arbitral tribunal by a majority award rejected the claims of the Company on the ground that the clauses relating to the call option, the right of first refusal, the “tag along” rights and the restriction on the transfer of shares violate the erstwhile Companies Act, 1956 and are not enforceable.

The Company has challenged the validity of the majority award before the Hon’ble High Court at Delhi and sought for setting aside the arbitration award to the extent that it holds these clauses ineffective and inoperative. The Government of India also filed an application before the High Court to partially set aside the arbitral award in respect of certain matters involving valuation. The matter is currently scheduled for hearing by the Delhi High Court on August 11, 2020. Meanwhile, the Government of India without prejudice to its position on the Put / Call option issue has received approval from the Cabinet for divestment and the Government is looking to divest through the auction route.

On January 09, 2012, the Company offered to acquire the Government of India’s interests in HZL and BALCO for US\$ 2,071 and US\$ 238 respectively. This offer was separate from the contested exercise of the call options, and Company proposed to withdraw the ongoing litigations in relation to the contested exercise of the options should the offer be accepted. To date, the offer has not been accepted by the Government of India and therefore, there is no certainty that the acquisition will proceed.



In view of the lack of resolution on the options, the non-response to the exercise and valuation request from the Government of India, the resultant uncertainty surrounding the potential transaction and the valuation of the consideration payable, the Company considers the strike price of the options to be at the fair value, which is effectively nil, and hence the call options have not been recognised in the financial statements.

(b) The Scheme of Amalgamation and Arrangement amongst Sterlite Energy Limited ('SEL'), Sterlite Industries (India) Limited ('Sterlite'), Vedanta Aluminium Limited ('VAL'), Ekaterina Limited ('Ekaterina'), Madras Aluminium Company Limited ('Malco') and the Company (the "Scheme") had been sanctioned by the Honourable High Court of Madras and the Honourable High Court of Judicature of Bombay at Goa and was given effect to in the year ended March 31, 2014.

Subsequently the above orders of the honourable High Court of Bombay and Madras have been challenged by Commissioner of Income Tax, Goa and Ministry of Corporate Affairs through a Special Leave Petition before the honourable Supreme Court and also by a creditor and a shareholder of the Company. The said petitions are currently pending for hearing.

(c) The Company is purchasing bauxite under long term linkage arrangement with Orissa Mining Corporation Ltd (hereafter referred as OMC) at provisional prices of ₹ 1,000/MT from October 2020 onwards (based on interim order dated October 08, 2020 of the Hon'ble high court of Odisha), which is subject to final outcome of the writ petition filed by the company as mentioned below. The last successful e-auction based price discovery was done by OMC in April 2019 at ₹ 673/MT and supplied bauxite at this rate from Sep 2019 to Sep 2020 against an undertaking furnished by the Company to compensate any differential price discovered through future successful national e-auctions. Though the OMC conducted the next e-auction on August 31, 2020 with floor price of ₹ 1,707/MT determined on the basis of Rule 45 of Minerals (Other than Atomic and Hydro Carbons Energy Minerals) Concession Rules, 2016 (hereafter referred as the Rules), no bidder at that floor price participated and hence, the auction was not successful. However, OMC raised demand of ₹ 2,810 million (\$ 38 million) on the Company towards differential pricing and interest for bauxite supplied till September 2020 considering the auction base price of INR 1,707/MT.

The Company had then filed a writ petition before Hon'ble High Court of Odisha in September 2020 for resumption of bauxite supply in accordance with applicable Government of Odisha Gazette notification dated February 24, 2018. Hon'ble High Court has issued interim Order dated October 8, 2020 directing that the petitioner shall be permitted to lift the quantity of bauxite mutually agreed under the terms of the long term linkage arrangement for the remaining period of the financial year 2020-21 on payment of ₹ 1,000/MT and furnishing an undertaking for the differential amount with the floor price arrived at by OMC under the rules, along with applicable interest, subject to final outcome of the writ petition.

OMC re-conducted e-auction on March 9, 2021 with floor price of ₹ 2,011/MT determined on the basis of the Rules. However, again as no bidder participated at that floor price, the auction was not successful. On March 18, 2021, Cuttack High Court issued an order disposing off the writ petition, directing that the current arrangement of bauxite price at 1000/T will continue for the FY 2021-22.

Supported by legal opinions obtained and its own internal legal analysis the Company does not anticipate any additional material liability other than what it has already paid to the OMC and recorded as an expense in these financial statements.

(d) The Department of Mines and Geology (DMG) of the State of Rajasthan initiated the royalty assessment process from Jan 2008 to 2019 and issued a show cause notice vide an office order dated January 31, 2020 amounting to ₹ 19,250 million, further an additional demand was issued vide an office order dated December 14, 2020 for ₹ 3,110 million (\$ 43 million) on similar questions of law. The Group has challenged the show cause notice and computation mechanism of the royalty on the ground that the State has not complied with the previous orders of Rajasthan High Court where a similar computation mechanism was challenged and Court had directed DMG to reassess basis the judicial precedents and mining concession rules. Pending compliance of previous orders, High Court has granted a stay on the notice and directed DMG not to take any coercive action. State Government has also been directed to not take any coercive action in order to recover such miscomputed dues. Based on the opinion of external counsel, the Group believes that it has strong grounds of a successful appeal, and the chances of an outcome which is not in favour of the Group is remote.

(e) In terms of various notifications issued by the Ministry of Environment, Forest and Climate Change (MoEF&CC), ash produced from thermal power plant is required to be disposed of by the Group in the manner specified in those notifications. However, compliance with manner of disposal as specified in those notifications is not fully achieved due to lack of demand from user agencies. Consequently, the Group is storing some of the ash produced in ash dyke in accordance with conditions of the Environmental Clearance & Consent to Operate granted by the MOEF&CC & Odisha State Pollution Control Board & Chhattisgarh Environment Conservation Board (OSPCB & CECB) respectively while giving preference to supplying the same to user agencies. Management believes storage of ash in ash dykes/ ash pond in accordance with environmental clearances received by the Group are sufficient compliance with the applicable notifications issued by MoEF&CC which is supported by a legal opinion obtained.



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VEDANTA 20-F - IFRS	Donnelley Financial	VDI-W7-PF3-0531 21.6.2.0	HKR duras0dc	07-Jul-2021 15:46 EST	165852 FIN 134	8*
VEDANTA 20-F - IFRS	None		SNG		HTM ESS	0C

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The National Green Tribunal (NGT) has also taken cognizance of the matter and vide its order dated February 12, 2020 has ordered for levy of environmental compensation on generating companies on account of their failure to comply the aforesaid notifications. The Group has filed Special Leave Petitions (SLP) before the Hon'ble Supreme Court of India challenging the order of the NGT the same was heard by the Court on September 11, 2020 and granted an ad interim stay against recoveries in pursuance of NGT order. Management believes that the outcome of the appeal will not have any significant adverse financial impact on the Group which is supported by a legal opinion obtained.

(f) During the current year, the Company executed a ₹ 100,000 million (\$ 1,367 million) long-term syndicated loan facility agreement. This loan is secured by the way of pledge over the shares held by the Company in Hindustan Zinc Limited (HZL) representing 14.82% of the paid up share capital of HZL along-with a non-disposal undertaking in respect of its shareholding in HZL to the extent of 50.1% of the paid up share capital of HZL. As at March 31, 2021, the principal amount participated for and outstanding under the facility is ₹ 86,500 million (\$ 1,183 million) and carrying value of facility is ₹ 85,380 million (\$ 1,152 million) (net of unamortised cost ₹ 1,120 million (\$ 15 million)).

(g) Flue-gas desulfurization (FGD) implementation:

Ministry of Environment, Forest and Climate Change (MOEF&CC) has revised emission norms for coal-based power plants in India. Accordingly, both captive and independent coal-based power plants in India are required to comply with these revised norms for reduction of sulphur oxide (SOx) emissions for which the current plant infrastructure is to be modified or new equipment have to be installed. Timelines for compliance to the revised norm for various plants in the Group range from December 2023 to December 2024. Different power plants are at different stages of the implementation process.

Ministry of Power issued notification dated July 02, 2020 to restrict imports from China. Power China SEPCO1 has communicated their inability to execute the FGD project quoting aforementioned notification and prevailing COVID situation in India. TSPL is proceeding with further steps for retendering the FGD project.

TSPL filed a petition before Punjab State Electricity Regulatory Commission (PSERC) for approval of MoEF notification as change in law in terms of Article 13 of PPA on June 30, 2017. PSERC vide its order dated December 21, 2018 has held that MoEF notification is not a change in law as it does not impose any new requirements. TSPL had filed an appeal before Hon'ble Appellate Tribunal for Electricity (APTEL) challenging the said order of PSERC. APTEL has pronounced the order August 28, 2020 in favour of TSPL allowing the cost pass through. PSPCL has filed an appeal against this order in Supreme Court.



Supplementary Information on Oil and Gas Exploration and Production (Unaudited)

In accordance with Codification Topic 932 - Extractive Activities - Oil and gas, this section provides supplemental information on oil and gas exploration and producing activities of the Company for the years ended March 31, 2021, 2020 and 2019. The information included in items (i) through (iii) provides historical cost information pertaining to costs incurred in exploration, property acquisition and development, capitalized costs and results of operations. The information included in items (iv) and (v) present information on our estimated net proved reserve quantities, standardized measure of estimated discounted future net cash flows related to proved reserves, and changes in estimated discounted future net cash flows. Activities not directly associated with oil and gas producing activities are excluded from all aspects of this supplemental information.

Method of accounting for costs incurred in oil and gas producing activities and manner of disposing of capitalized costs relating to those activities

We follow a successful efforts based accounting policy for oil and gas assets.

Costs incurred prior to obtaining the legal rights to explore an area are expensed immediately to the Income Statement.

Expenditure incurred on the acquisition of a license interest is initially capitalised on a license by license basis. Costs are held, un-depleted, within intangible exploration/appraisal assets until such time as the exploration phase on the license area is complete or commercial reserves have been discovered.

Exploration expenditure incurred in the process of determining oil and gas exploration targets is capitalised initially within intangible exploration/appraisal assets and subsequently allocated to drilling activities. Exploration/appraisal drilling costs are initially capitalised on a well-by-well basis until the success or otherwise of the well has been established. The success or failure of each exploration/appraisal effort is judged on a well-by-well basis. Drilling costs are written off on completion of a well unless the results indicate that hydrocarbon reserves exist and there is a reasonable prospect that these reserves are commercial.

Following appraisal of successful exploration wells, if commercial reserves are established and technical feasibility for extraction demonstrated, then the related capitalised intangible exploration/appraisal costs are transferred into a single field cost center within property, plant and equipment - development/producing assets after testing for impairment. Where results of exploration drilling indicate the presence of hydrocarbons which are ultimately not considered commercially viable, all related costs are written off to the Income Statement.

All costs incurred after the technical feasibility and commercial viability of producing hydrocarbons has been demonstrated are capitalised within property, plant and equipment - development/producing assets on a field-by-field basis. Subsequent expenditure is capitalised only where it either enhances the economic benefits of the development/producing asset or replaces part of the existing development/producing asset. Any remaining costs associated with the part replaced are expensed.

Net proceeds from any disposal of an intangible exploration/appraisal asset are initially credited against the previously capitalised costs. Any surplus proceeds are credited to the Income Statement. Net proceeds from any disposal of development/producing assets are credited against the previously capitalised cost. A gain or loss on disposal of a development/producing asset is recognised in the Income Statement to the extent that the net proceeds exceed or are less than the appropriate portion of the net capitalised costs of the asset.



Supplementary Information on Oil and Gas Exploration and Production (Unaudited)

(i) Capitalized costs relating to oil and gas producing activities

The following table summarizes capitalized costs for oil and gas exploration and production activities with the related accumulated depreciation, depletion and amortization, and asset retirement obligation assets:

	India (₹ in millions)	Sri Lanka (₹ in millions)	South Africa (₹ in millions)
March 31, 2021			
Unproved oil and gas properties	37,333	57,766	2,668
Proved oil and gas properties	1,521,179	—	—
Support equipment	6,657	—	—
Gross Capitalized costs	1,565,170	57,766	2,668
Accumulated depreciation, depletion, and amortization, and valuation allowances (including impairment loss)	(1,456,963)	(57,766)	(2,673)
Net Capitalized costs	108,207	—	(5)
March 31, 2020			
Unproved oil and gas properties	33,033	58,959	2,728
Proved oil and gas properties	1,542,710	—	—
Support equipment	6,553	—	—
Gross Capitalized costs	1,582,296	58,959	2,728
Accumulated depreciation, depletion, and amortization, and valuation allowances (including impairment loss)	(1,465,495)	(58,959)	(2,728)
Net Capitalized costs	116,801	—	—
March 31, 2019			
Unproved oil and gas properties	26,311	54,514	2,522
Proved oil and gas properties	1,386,994	—	—
Support equipment	5,231	—	—
Gross Capitalized costs	1,418,536	54,514	2,522
Accumulated depreciation, depletion, and amortization, and valuation allowances (including impairment loss)	(1,183,462)	(54,514)	(2,522)
Net Capitalized costs	235,073	—	—



Supplementary Information on Oil and Gas Exploration and Production (Unaudited)

(ii) Costs incurred in oil and gas property acquisition, exploration and development activities

Costs incurred are summarized below and include both amounts expensed and capitalized:

	<u>India</u> (₹ in millions)	<u>Sri Lanka</u> (₹ in millions)	<u>South Africa</u> (₹ in millions)
March 31, 2021			
Acquisition of properties			
Proved			
Unproved			
Exploration costs	6,168	1	—
Development costs	8,640	—	—
Total	14,808	1	—
March 31, 2020			
Acquisition of properties			
Proved			
Unproved			
Exploration costs	3,061	4	1
Development costs	41,677	—	—
Total	44,738	4	1
March 31, 2019			
Acquisition of properties			
Proved			
Unproved			
Exploration costs	(37,060)	5	9
Development costs	75,158	—	—
Total	38,099	5	9

* Figures in brackets () represents reversal/ transfers between exploration and development costs.



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Supplementary Information on Oil and Gas Exploration and Production (Unaudited)

(iii) Results of operations for oil and gas producing activities

The Company's results of operations from oil and gas producing activities for the years ended March 31, 2020, 2019 and 2018 are shown in the following table.

Production costs are lifting costs incurred to operate and maintain productive wells and related equipment and facilities, including operating employees' compensation, materials, supplies, fuel consumed in operations and operating costs related to natural gas processing plants.

Exploration expenses include the costs of geological and geophysical activities and non-productive exploratory wells. Depreciation and amortization expenses relate to assets employed in exploration and development activities. In accordance with Codification Topic 932 – Extractive Activities – Oil and gas, income taxes are based on statutory tax rates, reflecting allowable deductions. Till March 31, 2016, the Company had an effective tax rate lower than the statutory rate, benefiting from tax holiday in RJ Block under section 80-IB (9) of the Income Tax Act, 1961. Interest income and expense are excluded from the results reported in this table.

	India (₹ in millions)	Sri Lanka (₹ in millions)	South Africa (₹ in millions)
March 31, 2021			
Revenues			
Sales	75,308	—	—
Transfers	—	—	—
Operating Income	<u>342</u>	<u>—</u>	<u>—</u>
Total	<u>75,650</u>	<u>—</u>	<u>—</u>
Production costs			
Exploration (expenses)/ reversal	(69)	(1)	—
Depreciation, depletion and amortization and valuation provisions (including impairment loss/reversal)	(21,235)	—	—
Results before income tax expenses	14,764	(1)	—
Income tax expenses	3,031	—	—
Results of operations from producing activities (excluding corporate overhead and interest costs)	<u>11,734</u>	<u>(1)</u>	<u>—</u>
March 31, 2020			
Revenues			
Sales	126,608	—	—
Transfers	—	—	—
Operating Income	<u>188</u>	<u>—</u>	<u>—</u>
Total	<u>126,975</u>	<u>—</u>	<u>—</u>
Production costs			
Exploration expenses	(22)	(4)	(1)
Depreciation, depletion and amortization and valuation provisions (including impairment loss)	(175,086)	—	—
Results before income tax expenses	(98,564)	(4)	(1)
Income tax expenses	33,868	—	—
Results of operations from producing activities (excluding corporate overhead and interest costs)	<u>(64,695)</u>	<u>(4)</u>	<u>(1)</u>



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Supplementary Information on Oil and Gas Exploration and Production (Unaudited)

(iii) Results of operations for oil and gas producing activities (continued)

	India (₹ in millions)	Sri Lanka (₹ in millions)	South Africa (₹ in millions)
March 31, 2019			
Revenues			
Sales	132,228	—	—
Transfers	—	—	—
Operating Income	<u>283</u>	<u>—</u>	<u>—</u>
Total	<u>132,511</u>	<u>—</u>	<u>—</u>
Production costs	(53,991)	—	—
Exploration expenses	(483)	(5)	(9)
Depreciation, depletion and amortization and valuation provisions(including impairment loss)	(39,942)	—	—
Results before income tax expenses	38,095	(5)	(9)
Income tax expenses	(13,787)	—	—
Results of operations from producing activities (excluding corporate overhead and interest costs)	<u>24,307</u>	<u>(5)</u>	<u>(9)</u>



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Supplementary Information on Oil and Gas Exploration and Production (Unaudited)

(iv) Reserve quantities information

The following tables represent estimates for oil and gas reserves by geographic area as of March 31, 2021, 2020, and 2019. Quantities mentioned below represent proved developed and proved undeveloped reserves together with changes in quantities for the fiscal years 2021, 2020, and 2019.

The definitions used for proved, proved developed and proved undeveloped oil and gas reserves are in accordance with United States Securities and Exchange Commission (SEC) Rule 4-10 of Regulation S-X. Proved oil and natural gas reserves are those estimated quantities of crude oil, natural gas and natural gas liquids that geological and engineering data demonstrate with reasonable certainty to be economically producible in future years from known reservoirs, under existing economic and operating conditions including a 12-month average price prior to the end of the reporting period, unless prices are defined by contract, and cost at the date of estimation.

All the proved reserves presented herein are based on PSCs with the GoI. As such, all net reserves are based on an entitlement calculation which converts our share of cost recovery and profit petroleum under each contract to a volume equivalent of net reserves in accordance with SEC guidance on calculating net reserves subject to these agreements

A summary of the annual changes in the proved reserves of oil is as follows (in mmbbls):

<u>Proved developed and undeveloped reserves</u>	<u>India</u>	<u>Sri Lanka</u>	<u>South Africa</u>	<u>Total</u>
Reserves at March 31, 2018	47.36	—	—	47.36
Revisions of previous estimates	99.82	—	—	99.82
Extensions and discoveries	2.31	—	—	2.31
Improved Recovery	4.87	—	—	4.87
Sales of reserves	—	—	—	—
Purchases of reserves	—	—	—	—
Production for the year	(27.53)	—	—	(27.53)
Reserves at March 31, 2019	126.83	—	—	126.83
Revisions of previous estimates	5.40	—	—	5.40
Extensions and discoveries	0.04	—	—	0.04
Improved Recovery	—	—	—	—
Sales of reserves	—	—	—	—
Purchases of reserves	—	—	—	—
Production for the year	(28.23)	—	—	(28.23)
Reserves at March 31, 2020	104.04	—	—	104.04
Revisions of previous estimates	21.47	—	—	21.47
Extensions and discoveries	0.67	—	—	0.67
Improved Recovery	—	—	—	—
Sales of reserves	—	—	—	—
Purchases of reserves	—	—	—	—
Production for the year	(21.88)	—	—	(21.88)
Reserves at March 31, 2021	104.30	—	—	104.30



Supplementary Information on Oil and Gas Exploration and Production (Unaudited)

(iv) Reserve Quantities Information (continued)

A summary of the annual changes in the proved reserves of natural gas is as follows (in bcf):

Proved developed and undeveloped reserves	India	Sri Lanka	South Africa	Total
Reserves at March 31, 2018	11.16	—	—	11.16
Revisions of previous estimates	89.22	—	—	89.22
Extensions and discoveries	2.75	—	—	2.75
Improved Recovery	0.05	—	—	0.05
Sales of reserves	—	—	—	—
Purchases of reserves	—	—	—	—
Production for the year	(7.81)	—	—	(7.81)
Reserves at March 31, 2019	95.37	—	—	95.37
Revisions of previous estimates	42.37	—	—	42.37
Extensions and discoveries	—	—	—	—
Improved Recovery	—	—	—	—
Sales of reserves	—	—	—	—
Purchases of reserves	—	—	—	—
Production for the year	(18.71)	—	—	(18.71)
Reserves at March 31, 2020	119.02	—	—	119.02
Revisions of previous estimates	9.21	—	—	9.21
Extensions and discoveries	—	—	—	—
Improved Recovery	—	—	—	—
Sales of reserves	—	—	—	—
Purchases of reserves	—	—	—	—
Production for the year	(18.46)	—	—	(18.46)
Reserves at March 31, 2021	109.77	—	—	109.77

Year ending March 31, 2019

Total proved reserves as of March 31, 2018, were 49.22 mmboe. For the year ending March 31, 2019, total revisions of 114.68 mmboe comprised an increase of 127.59 mmboe based on technical revisions due to improved production performance, the approval of proved undeveloped projects, and 10-year extensions of the RJ-ON-90/1 and PKGM-1 PSCs, and a decrease of 12.91 mmboe due to revisions based on commodity prices. These total revisions comprised an increase of 0.67 mmboe for the Cambay block (CB/OS-2), 112.76 mmboe for the RJ Block (RJ-ON-90/1), and 1.25 mmboe for the Ravva block (PKGM-1). In fiscal year 2019, improved recovery of 4.88 mmboe were added from the approved polymer injection project in the Bhagyam field and expansion of water injection in the Ravva field. These improved recoveries comprised an increase of 4.54 mmboe for the RJ Block and 0.34 mmboe for the Ravva block. Extensions and discoveries of 2.77 mmboe were on account of inclusion of the Nagayalanka, GS-V, Kaameshwari-1, Shakti, and Tukaram fields which were approved for development, and extension through drilling in the Lakshmi and Ravva fields. These extensions and discoveries comprised an increase of 0.32 mmboe for the Cambay block, 1.55 mmboe for the Nagayalanka block (KG-ONN-2003/1), 0.86 mmboe for the RJ Block, and 0.04 mmboe for the Ravva block. After adjusting for the production of 28.83 mmboe, the total proved reserves as at March 31, 2019, were 142.72 mmboe.

Year ending March 31, 2020

Total proved reserves as of March 31, 2019, were 142.72 mmboe. For the year ending March 31, 2020, total revisions of 12.47 mmboe were comprised of an increase of 8.94 mmboe based on technical revisions due to improved production performance and an increase of 3.53 mmboe due to revisions based on commodity prices. These total revisions comprised an increase of 0.06 mmboe for the Cambay block (CB/OS-2), a decrease of 0.16 mmboe for the Nagayalanka block (KG-ONN-2003/1), an increase of 12.23 mmboe for the RJ Block (RJ-ON-90/1), and an increase of 0.34 mmboe for the Ravva block (PKGM-1). In fiscal year 2020, no revisions were made due to improved recovery. Extensions and discoveries of 0.04 mmboe were on account of inclusion of the Saraswati-4 Basement field which was approved for development in the RJ Block. After adjusting for the production of 31.35 mmboe, the total proved reserves as at March 31, 2020, were 123.88 mmboe.

Year ending March 31, 2021

Total proved reserves as of March 31, 2020, were 123.88 mmboe. For the year ending March 31, 2021, total revisions of 23.01 mmboe comprised an increase of 9.66 mmboe based on technical revisions due to improved production performance and an increase of 13.35 mmboe due to revisions based on commodity prices. These total revisions comprised an increase of 0.51 mmboe for the Cambay block (CB/OS-2), no change for the Nagayalanka block (KG-ONN-2003/1), an increase of 21.41 mmboe for the Rajasthan block (RJ-ON-90/1), and an increase of 1.09 mmboe for the Ravva block (PKGM-1). No revisions were made due to improved recovery. Extensions and discoveries of 0.67 mmboe were on account of inclusion of the NL and Raageshwari South-1 fields which were approved for development in the Rajasthan block. After adjusting for production of 24.96 mmboe, the total proved reserves as of March 31, 2021, were 122.60 mmboe.



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Supplementary Information on Oil and Gas Exploration and Production (Unaudited)

(iv) Reserve quantities information (Continued)

	2021		2020		2019	
	Crude Oil (mmbbls)	Natural gas (bcf)	Crude Oil (mmbbls)	Natural gas (bcf)	Crude Oil (mmbbls)	Natural gas (bcf)
Net proved developed reserves:						
India	98.96	98.75	91.49	100.45	101.40	56.45
Sri Lanka	—	—	—	—	—	—
South Africa	—	—	—	—	—	—
Total net proved developed reserves	98.96	98.75	91.49	100.45	101.40	56.45
Net proved undeveloped reserves:						
India	5.34	11.02	12.55	18.57	25.43	38.92
Sri Lanka	—	—	—	—	—	—
South Africa	—	—	—	—	—	—
Total net proved undeveloped reserves	5.34	11.02	12.55	18.57	25.43	38.92



Supplementary Information on Oil and Gas Exploration and Production (Unaudited)

(v) Standardized measure of discounted future net cash flows relating to proved oil and gas quantities and changes therein

The table below shows the standardized measure of future net cash flows relating to proved reserves. The analysis is computed in accordance with Topic 932 – Extractive Activities – Oil and gas, by applying average prices during the 12-month period prior to the ending date of the period covered by the report, determined as an un-weighted arithmetic average of the first-day-of-the-month price for each month within such period, unless prices are defined by contractual arrangements, excluding escalations based upon future conditions, as defined by the SEC, fiscal year-end costs, fiscal year-end statutory tax rates and a discount factor of 10% to fiscal year-end quantities of net proved reserves. The standardized measure of discounted future net cash flows is a forward-looking statement.

Future price changes are limited to those provided by existing contractual arrangements at the end of each reporting year. Future development and production costs are those estimated future expenditures necessary to develop and produce fiscal year-end estimated proved reserves based on fiscal year-end costs, assuming continuation of fiscal year-end economic conditions. Pre-tax future net cash flow is net of decommissioning and removal costs. Estimated future income taxes are calculated by applying the appropriate year-end statutory tax rates. These rates reflect allowable deductions and tax credits and are applied to estimated future pretax net cash flows, less the tax basis of related assets. We have an effective tax rate lower than the statutory rate, benefiting from tax holiday in RJ Block under section 80-IB (9) of the Income Tax Act, 1961. Discounted future net cash flows are calculated using a discount rate of 10% per year. Discounting requires a year-by-year estimate of when future expenditures will be incurred and when reserves will be produced. The standardized measure of discounted future net cash flows prescribed under Topic 932 requires assumptions as to the timing and amount of future development and production costs and income from the production of proved reserves. The information does not represent management’s estimate or our expected future cash flows or the value of its proved reserves and therefore should not be relied upon as an indication of our future cash flow or value of its proved reserves.



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Supplementary Information on Oil and Gas Exploration and Production (Unaudited)

(v) Standardized measure of discounted future net cash flows relating to proved oil and gas quantities and changes therein (continued)

	India (₹ in millions)	Sri Lanka (₹ in millions)	South Africa (₹ in millions)	Total (₹ in millions)
At March 31 2021				
Future cash inflows	3,33,722	—	—	3,33,722
Future production costs	2,32,675	—	—	2,32,675
Future development costs	31,722	—	—	31,722
Future income tax expenses	10,603	—	—	10,603
Undiscounted future net cash flows	58,722	—	—	58,722
10 percent midyear annual discount for timing of estimated cash flows	(19,577)	—	—	(19,577)
Standardized measure of discounted future net cash flows	39,145	—	—	39,145
At March 31 2020				
Future cash inflows	493,984	—	—	493,984
Future production costs	(301,972)	—	—	(301,972)
Future development costs	(28,465)	—	—	(28,465)
Future income tax expenses	(43,544)	—	—	(43,544)
Undiscounted future net cash flows	120,003	—	—	120,003
10 percent midyear annual discount for timing of estimated cash flows	(33,298)	—	—	(33,298)
Standardized measure of discounted future net cash flows	86,705	—	—	86,705
At March 31 2019				
Future cash inflows	629,770	—	—	629,770
Future production costs	(349,686)	—	—	(349,686)
Future development costs	(55,167)	—	—	(55,167)
Future income tax expenses	(67,890)	—	—	(67,890)
Undiscounted future net cash flows	157,025	—	—	157,025
10 percent midyear annual discount for timing of estimated cash flows	(42,981)	—	—	(42,981)
Standardized measure of discounted future net cash flows	114,044	—	—	114,044



Supplementary Information on Oil and Gas Exploration and Production (Unaudited)

(v) Standardized measure of discounted future net cash flows relating to proved oil and gas quantities and changes therein (continued)

	India (₹ in millions)	Sri Lanka (₹ in millions)	South Africa (₹ in millions)	Total (₹ in millions)
Balance at April 1, 2020	86,705	—	—	86,705
Sales and transfers of oil and gas, net of production cost	(35,349)	—	—	(35,349)
Development cost incurred	8,720	—	—	8,720
Net change due to purchases and sales of minerals in place	—	—	—	—
Net change due to extensions, discoveries and improved recovery less related costs	354	—	—	354
Net change due to revisions in quantity estimates	12,944	—	—	12,944
Net change in prices, transfer prices and in production cost	(58,612)	—	—	(58,612)
Changes in estimated future development costs	(13,021)	—	—	(13,021)
Accretion of discount	13,026	—	—	13,026
Net change in income taxes	24,378	—	—	24,378
Timing	—	—	—	—
Balance at March 31, 2021	39,145	—	—	39,145
	India (₹ in millions)	Sri Lanka (₹ in millions)	South Africa (₹ in millions)	Total (₹ in millions)
Balance at April 1, 2019	114,044	—	—	114,044
Sales and transfers of oil and gas, net of production cost	(80,409)	—	—	(80,409)
Development cost incurred	39,114	—	—	39,114
Net change due to purchases and sales of minerals in place	—	—	—	—
Net change due to extensions, discoveries and improved recovery less related costs	43	—	—	43
Net change due to revisions in quantity estimates	13,595	—	—	13,595
Net change in prices, transfer prices and in production cost	(35,288)	—	—	(35,288)
Changes in estimated future development costs	(436)	—	—	(436)
Accretion of discount	18,193	—	—	18,193
Net change in income taxes	17,849	—	—	17,849
Timing	—	—	—	—
Balance at March 31, 2020	86,705	—	—	86,705
	India (₹ in millions)	Sri Lanka (₹ in millions)	South Africa (₹ in millions)	Total (₹ in millions)
Balance at April 1, 2018	46,315	—	—	46,315
Sales and transfers of oil and gas, net of production cost	(77,131)	—	—	(77,131)
Development cost incurred	58,242	—	—	58,242
Net change due to purchases and sales of minerals in place	—	—	—	—
Net change due to extensions, discoveries and improved recovery less related costs	12,071	—	—	12,071
Net change due to revisions in quantity estimates	158,825	—	—	158,825
Net change in prices, transfer prices and in production cost	42,652	—	—	42,652
Changes in estimated future development costs	(85,499)	—	—	(85,499)
Accretion of discount	4,985	—	—	4,985
Net change in income taxes	(46,416)	—	—	(46,416)
Timing	—	—	—	—
Balance at March 31, 2019	114,044	—	—	114,044



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Exhibit 4.2

BRAND LICENSE AND STRATEGIC SERVICES AGREEMENT

This **BRAND LICENSE AND STRATEGIC SERVICES AGREEMENT** (the “**Agreement**”) is made at New Delhi on this February 25, 2021 (“**Execution Date**”), effective from April 01, 2020 (“**Effective Date**”):

BY AND BETWEEN:

1. **Vedanta Resources Limited**, a company formerly known as Vedanta Resources PLC, incorporated under the laws of United Kingdom, having its office at 30 Berkeley Square London W1J 6EX (“**Vedanta Resources**” or the “**Licensor**”, which expression shall, unless the context otherwise requires, include its successors, permitted assigns and nominees); and
2. **Vedanta Limited**, a public limited company incorporated under the laws of India, having its registered office at 1st Floor, C wing, Unit 103, corporate avenue Atul Projects, Chakala, Andheri (East), Mumbai – 400093 (“**Vedanta Limited**” or the “**Licensee**”, which expression shall, unless the context otherwise requires, include its successors, permitted assigns and nominees).

The Licensor and the Licensee are hereinafter individually referred to as, a “**Party**”, and collectively as, the “**Parties**”.

RECITALS:

- A. Vedanta Resources is a company that has globally diversified businesses with interest in natural resources, such as zinc, lead, silver, copper, iron ore, Steel, aluminium, power and oil & gas.
- B. Vedanta Resources is the sole legal and beneficial owner of the trademark “Vedanta” and its logo whether used individually or collectively in any combination (collectively, the “**Brand**”), as more particularly described in **Annexure A** to this Agreement. The Brand has been registered/applied for registration by Vedanta Resources with the relevant authorities, in the countries set forth in Part B of Annexure C, as per the relevant applicable laws.
- C. Vedanta Limited is a natural resources company, listed on the stock exchanges in India and engaged in the business of exploration, of oil & gas, iron ore, smelting of copper, aluminium and producer of commercial power (“**Licensees’ Business**”).
- D. Vedanta Limited has been using the Brand since its change of name in 2015. Vedanta Limited has also been receiving key strategic management services from Vedanta Resources Limited. The Board of Directors of Vedanta Limited at their Board meeting dated March 30, 2017 had approved the payment of Brand fee to Vedanta Resources, effective from April 01, 2017.
- E. Further, the Audit Committee, Vedanta Limited at their Meeting dated January 28 2021 approved a revision in the fee with revised terms effective from April 01, 2020 (“**Effective Date**”), pursuant to a license granted by Vedanta Resources Limited to Vedanta Limited for the usage of the Brand and key strategic management services provided by Vedanta Resources Limited to Vedanta Limited which are memorialised in this Agreement.
- F. Hereinforth, this Agreement, with its terms as approved by the Audit Committee, shall supersede any and all other agreements entered into between the parties relating to the Brand from the Effective Date.
- G. With the advent of electronic medium, internet and globalization of businesses, brand building exercise now entails adoption of international norms for brand values, exploring new channels for brand building and communication, including but not limited to, presence in social mediums. In light of the aforesaid, and the ever evolving and highly competitive business environment, it is imperative for Vedanta Resources and Vedanta Limited to align their objectives, strategy and spends to attain maximum benefit from the usage of the Brand. The Parties agree that an innovative partnership will exploit the natural synergy of the parties towards unlocking the value of the Brand.

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- H. Vedanta Resources, being the sole legal and beneficial owner of the Brand and in recognition of the goodwill and awareness attached to the Brand, wishes to continue its systematic efforts to enhance the brand value of the Brand with the objective of making the Brand a leading and well-known global brand, including but not limited to, in the natural resource exploration industry (the “**Brand Objective**”). For such purpose, Vedanta Resources has adopted a global brand development strategy (“**Global Brand Strategy**”), which *inter alia* comprises of the Brand Framework (*as defined below*) and the Brand Development Activities (*as defined below*).
- I. In furtherance of the Brand Objective and the Global Brand Strategy, Vedanta Resources shall also provide Vedanta Limited, from time to time, certain strategic management services as described within Annexure F (“**Strategic Management Services**”) with the aim to strengthen the operations of a business that is the flagship of the Brand.
- J. Vedanta Limited is interested in continuing to use the Brand as a part of its business strategy which must be aligned with the Global Brand Strategy of Vedanta Resources with the common objective of evolving the Brand as a global brand. In view of the aforesaid, Vedanta Limited has approached Vedanta Resources for the continued usage of the Brand, as per the terms and conditions stated herein.
- K. Vedanta Resources, upon the request of Vedanta Limited, is willing to grant a continued right to Vedanta Limited, to use the Brand under present terms and conditions that are aligned to the Global Brand Strategy. Vedanta Limited hereby agrees and accepts the continued right to use the Brand in accordance with terms and conditions set forth in this Agreement.

NOW THIS AGREEMENT WITNESSETH THAT IN CONSIDERATION OF THE MUTUAL PROMISES AND COVENANTS CONTAINED HEREIN THE PARTIES HAVE AGREED AS FOLLOWS

1. DEFINITIONS AND INTERPRETATION

1.1. Definitions

In this Agreement, except where the context otherwise requires, capitalised words and expressions used in this Agreement shall have the following meanings:

- 1.1.1. “**Affiliate**” of a Person (i.e. the “**Subject Person**”) means: (i) in the case of any Subject Person other than a natural Person, any other Person that, either directly or indirectly through one or more intermediate Persons, Controls, is Controlled by or is under common Control with the Subject Person, and (ii) in the case of any Subject Person that is a natural Person, the Relatives (as such term is defined in the Companies Act, 2013) of the Subject Person and any other Person that, either directly or indirectly, is Controlled by the Subject Person and/or the Relatives of the Subject Person.
- 1.1.2. “**Aggregate Costs for Shared Brand Development Activities**” has the meaning ascribed to it in Clause 10.2.2.



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- 1.1.3. “**Applicable Law**” means any statute, law, regulation, ordinance, rule, judgment, rule of law, order, decree, ruling, bye-law, approval of any Governmental Authority, directive, guideline, policy, clearance, requirement or other governmental restriction or any similar form of decision of or determination by, or any interpretation or administration having the force of law of any of the foregoing by any Governmental Authority having jurisdiction over the matter in question, whether in effect as of the date of this Agreement or at any time thereafter.
- 1.1.4. “**Associate Company**” in respect of either Party means a company in which such Party holds at least 20% (twenty percent) of the total issued and paid up share capital.
- 1.1.5. “**Business Day**” means any day except a Sunday or other day on which the commercial banks in New Delhi are authorized or permitted by Applicable Law to close.
- 1.1.6. “**Brand**” has the meaning ascribed to such term in Recital B.
- 1.1.7. “**Brand Development Activities**” has the meaning ascribed to it in Clause 10.1.1.
- 1.1.8. “**Brand Objective**” has the meaning ascribed to such term in Recital H.
- 1.1.9. “**Brand Framework**” comprises of the Principles of Usage, Group Code of Business Conduct and Ethics and the Quality Standards of Business, as provided in detail in Clause 8.
- 1.1.10. “**Brand License and Strategic Services Fee**” has the meaning ascribed to such term in Annexure G.
- 1.1.11. “**Claims Notice**” shall have the meaning ascribed to it in Clause 12.3.
- 1.1.12. “**Compliance Information**” shall have the meaning ascribed to it in Clause 8.4.1.
- 1.1.13. “**Conciliation**” shall have the meaning ascribed to it in Clause 8.4.2.
- 1.1.14. “**Confidential Information**” means all of the information (whether disclosed directly or indirectly, in writing, electronically, orally, or by inspection or viewing, or in any other form or medium) relating to a Party or its Affiliates and their respective operations and business or financial plans or strategies, including, but not limited to, customers/clients, actual or prospective business partners, lists of investors, prospective investors, financial statements and projections, products and its pricing and marketing, business records and financial or other strategic business plans, techniques, discoveries, specifications, inventions, designs, developments, databases, revenue models, trade secrets, manuals, organizational documents, confidential reports and any other financial, technical, proprietary, commercial or other information concerning a Party or its Affiliates disclosed by or on behalf of that Party (the “**Disclosing Party**”) to the other party (the “**Receiving Party**”) but shall not include (i) information that is publicly known at the time of disclosure by the Disclosing Party (ii) information that, after disclosure by the Disclosing Party, becomes publicly known other than as a result of a breach of this Agreement by the Receiving Party (iii) information that the Receiving Party can show was known to it prior to its receipt from the Disclosing Party (iv) information that the Receiving Party can show was made known to it by a third party who was entitled to do so (and not in breach of any obligation of confidence) and who did not impose any obligation of confidentiality or restricted use (v) information which the Receiving Party can show has been independently developed by it or on its behalf.



- 1.1.15. **“Control”** or **“control”** means, with respect to any Person, the ability to direct the management or policies of such Person, directly or indirectly, whether through the ownership of shares or other securities, by contract or otherwise, provided that in all events, the direct or indirect ownership of more than fifty per cent (50%) of the voting share capital of a Person shall be deemed to constitute Control of that Person (the expressions “Controlling” and “Controlled” shall have the corresponding meanings).
- 1.1.16. **“Dispute”** has the meaning ascribed to such term in Clause 18.1.
- 1.1.17. **“Dispute Notice”** has the meaning ascribed to such term in Clause 18.1.
- 1.1.18. **“Early Termination Fee”** has the meaning ascribed to such term in Clause 14.3.
- 1.1.19. **“EBIT”** means Earnings before Interest and Tax
- 1.1.20. **“Effective Date”** has the meaning ascribed to such term in Recital D.
- 1.1.21. **“Execution Date”** means the date mentioned hereinabove.
- 1.1.22. **“Field of Use”** has the meaning ascribed to such term in Clause 1 of Annexure B.
- 1.1.23. **“Financial Year”** means the financial year commencing on April 01st of each calendar year and ending on March 31st of the immediately following calendar year.
- 1.1.24. **“Global Brand Strategy”** has the meaning ascribed to such term in Recital F.
- 1.1.25. **“Governmental Authority”** means any governmental, quasi-governmental, statutory, departmental, regulatory or public body constituted by any statute or ordinance or a court of competent jurisdiction or other authority or stock exchange having jurisdiction over the parties.
- 1.1.26. **“Group Code of Business Conduct and Ethics”** has the meaning ascribed to such term in Clause 8.2.
- 1.1.27. **“Industry Based Quality Standards”** has the meaning ascribed to such term in Clause 8.3.2.



- 1.1.28. “**Infringement**” has the meaning ascribed to such term in Clause 9.3.
- 1.1.29. “**Legal Proceeding**” has the meaning ascribed to such term in Clause 9.4.
- 1.1.30. “**Legal Proceeding Notice**” has the meaning ascribed to such term in Clause 9.4.
- 1.1.31. “**License**” has the meaning ascribed to such term in Clause 3.1.
- 1.1.32. “**Licenses’ Business**” has the meaning ascribed to such term in Recital C.
- 1.1.33. “**Licensee Indemnified Persons**” has the meaning ascribed to such term in Clause 12.1.
- 1.1.34. “**Licensor Indemnified Persons**” has the meaning ascribed to such term in Clause 12.2.
- 1.1.35. “**Loss**” means any and all direct and actual liabilities, claims, damages, fines, interest, penalties, deficiencies, default, assessment and expenses, including without limitation court costs, amounts paid in settlement, expenses of investigation, reasonable fees and expenses of attorneys, accountants and other experts engaged in relation to any litigation, suit, action or other proceedings.
- 1.1.36. “**Material Breach**” means, with respect to the Licensee, (i) any breach or violation by the Licensee of (a) the Principles of Usage, (b) Permitted Use, (c) Group Code of Business Conduct and Ethics, (d) terms of grant of the License set forth herein, (e) representations and warranties of the Licensee or (f) any other terms and conditions of this Agreement that is or is reasonably likely to undermine the Brand Objective and/or is or is reasonably likely to be detrimental to the value and goodwill of the Brand, or (ii) any other event or circumstance that is expressly categorized as a “material breach” of this Agreement.
- 1.1.37. “**Non-Compliance Notice**” has the meaning ascribed to such term in Annexure D.
- 1.1.38. “**Notice**” has the meaning ascribed to such term in Clause 13.2.1.
- 1.1.39. “**Passing Off**” has the meaning ascribed to such term in Clause 9.3.
- 1.1.40. “**Person**” means any natural person, firm, company, governmental authority, joint venture, association, partnership or other entity (whether or not having separate legal personality);
- 1.1.41. “**Permitted Use**” has the meaning ascribed to such term in paragraph 3 of Annexure B.
- 1.1.42. “**Permitted Territory**” has the meaning ascribed to such term in Part A of Annexure C.
- 1.1.43. “**Proceeding**” has the meaning ascribed to such term in Clause 9.3.



- 1.1.44. **“Proceeding Notice”** has the meaning ascribed to such term in Clause 9.3.
- 1.1.45. **“Principles of Usage”** has the meaning ascribed to such term in Clause 8.1.
- 1.1.46. **“Quality Standards”** has the meaning ascribed to such term in Clause 8.3.2.
- 1.1.47. **“Shared Brand Development Activities”** has the meaning ascribed to such term in Clause 10.2.1.
- 1.1.48. **“Strategic Management Services”** has the meaning ascribed to such term in Annexure I.
- 1.1.49. **“Subsidiary”** in respect of either Party means a company in which such Party holds more than 50 % of the total issued and paid up share capital.
- 1.1.50. **“Surviving Provisions”** has the meaning ascribed to such term in Clause 14.6.
- 1.1.51. **“Term”** has the meaning ascribed to such term in Clause 2.1.
- 1.1.52. **“Turnover”** means, with respect to each Financial Year, the aggregate amount of gross revenues from sale of goods earned by the Licensee during such Financial Year.
- 1.1.53. **“Vedanta Foundation”** means the public charitable trust registered under the Bombay Public Trust Act, 1950 and the Foreign Contributions Regulations Act, 1976.

1.2. **Interpretation**

In this Agreement, unless the context otherwise requires, the following shall be the rules of interpretation of the terms of this Agreement, which may be further supplemented by settled canons of interpretations applied by the courts of competent jurisdiction in interpreting commercial contracts or agreements of type similar to this Agreement:

- 1.2.1. the headings are inserted for ease of reference only and shall not affect the construction or interpretation of this Agreement;
- 1.2.2. any reference to any law or statute shall include all rules and regulations issued under that relevant law or statute, and any amendments, modifications and re-enactments thereof or predecessor acts as may be relevant or applicable;
- 1.2.3. any reference to Recital, Clause or Annexure shall be deemed to be a reference to a recital, clause or annexure of this Agreement;
- 1.2.4. references to an “agreement” or “document” shall be construed as a reference to such agreement or document as may have been amended, varied, supplemented or novated in writing at the relevant time in accordance with the requirements of such agreement or document and, if applicable, of this Agreement with respect to amendments;



- 1.2.5. when any particular date prescribed in this Agreement is not a Business Day, the next succeeding day which is a Business Day shall be considered as such date unless otherwise stated herein;
- 1.2.6. the singular includes the plural and conversely;
- 1.2.7. a gender includes all genders;
- 1.2.8. where a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- 1.2.9. a reference to a right or obligation of two or more Persons, confers that right, or imposes that obligation, as the case may be, jointly and severally;
- 1.2.10. a reference to conduct includes any omission and any statement or undertaking, whether or not in writing;
- 1.2.11. the words “*other*” and “*otherwise*” shall not be construed *ejusdem generis* with any foregoing words where a wider construction is possible;
- 1.2.12. consent, approvals or permissions of any Party shall always mean written consent, unless otherwise specified;
- 1.2.13. “*in writing*” includes any communication made by letter or fax or e mail or any other form of electronically transmitted writing;
- 1.2.14. the expressions “*herein*”, “*hereof*”, “*hereunder*”, “*hereby*”, “*hereto*” and derivative or similar expressions shall be construed as references to this Agreement as a whole and not limited to the particular Clause or provision in which the relevant expression appears; and
- 1.2.15. for all purposes hereof “*including*” means “*including without limitation*”.

2. TERM

- 2.1. This Agreement shall come into force on and from the Effective Date and shall continue to remain in force unless terminated earlier in accordance with Clause 13 below (“Term”). The Audit & Risk Management Committee of Vedanta Limited shall review the existing terms and conditions of this Brand License and Strategic Services Agreement every 3 years starting from the Effective Date of this Agreement. The Parties may then decide to revise this Agreement on such terms and conditions as may be mutually agreed between the Parties.

3. GRANT OF LICENSE

- 3.1. Subject to the terms and conditions set forth in this Agreement, the Licensor hereby grants to the Licensee, and the Licensee hereby accepts, a license (“**License**”) on a non-exclusive, non-assignable and non-transferable basis to use the Brand during the Term solely in the Field of Use within the Permitted Use set forth in **Annexure B** attached hereto and within the Permitted Territory set forth in **Part A of Annexure C** attached hereto.



- 3.2. Subject to the terms of this Agreement, any use of the Brand, beyond the Permitted Use or outside the Permitted Territory in countries listed in Part B of Annexure C or beyond the Field of Use, shall require prior written consent of the Licensor.
- 3.3. All goodwill created or arising from Licensee's use of the Brand shall inure solely to the benefit of the Licensor. Licensee shall not take any action that could be detrimental to the goodwill associated with the Brand or with Licensor during the Term and after the termination/expiry of this Agreement.
- 3.4. For the avoidance of doubt, to the extent that there is any change in Control of the Licensee, where the Licensor had granted prior written consent for such change in Control, this Agreement and all rights, entitlements or interest under this Agreement or arising from transactions contemplated hereunder shall be deemed assigned to the successor or assignee of the Licensee upon completion of such event subject to any conditions set forth in the prior written consent granted by the Licensor for such an event. In the event there is any change in Control of the Licensee, which has not been approved by the Licensor, this Agreement and all rights, entitlements or interest under this Agreement shall stand terminated from the date of such change in Control.

3.5. **Usage of Brand outside the Permitted Territory**

- 3.5.1. In the event the Licensee wishes to use the Brand in a country that has not been listed in **Part B of Annexure C**, the Licensee shall make a written request to the Licensor, which shall contain, among other things, the following information: (i) information on the new territory in which the Brand is required to be registered, (ii) the Licensee's reason for making such a request, and (iii) the line of business for which the Brand is required in such country.
- 3.5.2. Upon receipt of the aforementioned written notice and any other information as the Licensor may request, the Licensor shall, in its sole discretion, decide to register the Brand in such new territory and, in making such decision, the Licensor may take into account the benefit such registration may provide to the Global Brand Strategy and business interests of Licensor and/or its Affiliates as a whole and not just the benefit such registration may have to the business of the Licensee.
- 3.5.3. Once the Licensor decides to register the Brand in such new territory identified by the Licensee in the written notice delivered to the Licensor as contemplated under Clause 3.6.1 of this Agreement, the Licensor shall bear all the costs and expenses related to the registration of the Brand in such new territory.

Subject to Applicable Law, the Licensor shall consider the request for a license to use Brand in such territory outside Permitted Territory and in the event the request is accepted, appropriate modification to include the said territory in Part A of Annexure C or such other place will be carried out under this Agreement. The Parties hereby agree that the term of such license granted under this Clause 3.6 shall be co-terminus with the Term.



3.5.4. Notwithstanding anything to the contrary contained herein, the Licensor shall have an unrestricted right to withdraw the application of the registration of the Brand, at any time in such new territory in the event any issues outside the ordinary course of the trademark registration process occur, including but not limited to, oppositions by third parties and regulatory action, which the Licensor believes, from a business and commercial risk perspective, would adversely affect its business interests. In the event of such withdrawal of application of the registration of the Brand, the Licensor shall promptly notify the Licensee.

4. RIGHT TO ASSIGN, TRANSFER OR SUB-LICENSE

- 4.1. Notwithstanding anything to the contrary contained herein, the Licensee shall not in any manner or form, directly or indirectly, encumber, license, assign, sub-license, sell or dispose off or otherwise transfer any interest in the License or the Licensee's rights under this Agreement, without the prior written consent of the Licensor; provided that, the Licensor shall not unreasonably withhold such consent for sub-licensing of Licensee rights under this Agreement so long the intended usage of such sub-license is in alignment with the Brand Objective and the Global Brand Strategy and is not directly or indirectly detrimental to the value of the Brand.
- 4.2. The Parties hereby agree that nothing contained herein shall restrict the Licensee from sub-licensing the Brand to any of its Subsidiaries by delivering to the Licensor a prior written notice of such sub-licensing; provided that, such sub-license to any Subsidiary must incorporate by reference all of the terms and conditions for the usage of the Brand contained in this Agreement. Notwithstanding anything contained herein to the contrary, the Licensee shall be responsible and liable to ensure that the Subsidiary adheres to the terms and conditions of this Agreement and shall not use the Brand in any manner that is either violative of the terms of this Agreement or is in contradiction to the intent and spirit of this Agreement. The Licensee shall be liable for all actions or inactions of its Subsidiary to whom the Licensee has sub-licensed the Brand. Provided further, that in an event where the sub-licensee ceases to be a Subsidiary of the Licensee, the sub-license granted to the Subsidiary pursuant to this Clause 4.2 shall be terminated automatically. Upon such automatic termination of the sub-license, the Licensee undertakes that it shall ensure that the sub-licensee ceases to use the Brand in any manner whatsoever. Further, the Licensor hereby agrees and consents that the Licensee may sub-license the Brand to Vedanta Foundation by delivering to the Licensor a prior written notice of such sub-licensing; provided that, such sub-license to Vedanta Foundation must incorporate by reference all of the terms and conditions for the usage of the Brand contained in this Agreement.
- 4.3. In the event of any sub-license of the Brand to any Subsidiary and/or termination of such sub-license, as provided in Clause 4.2 above, the Licensee shall forthwith notify the Licensor of such an event.
- 4.4. The Licensee's request for seeking approval of the Licensor, in terms of Clause 4.1, for grant of sub-license of Brand in favour of third party, an Associate Company of the Licensee or an Affiliate of the Licensee, shall clearly contain the details of the proposed sub-licensee, the purpose for such sub-license and the terms and conditions of the proposed sub-license. For the avoidance of doubt, it is hereby clarified that the terms and conditions of this Agreement, including but not limited to Brand Objective and Global Brand Strategy, shall be incorporated by reference into such sub-license to such third party, Associate Company of the Licensee or the Affiliates of the Licensee, as the case may be, and that the Licensee will always remain liable for all actions or omissions of any such sub-licensee to whom the Licensee has sub-licensed the Brand. Further, the Licensee undertakes to provide, from time to time, such documents/information evidencing the compliance of the terms and conditions of the Agreement by such sub-licensee.



5. BRAND LICENSE AND STRATEGIC SERVICES FEE

- 5.1. In consideration of the grant of the License to Licensee as well as provision of Strategic Management Services in accordance with the terms of this Agreement, the Licensee agrees to pay to the Licensor a Brand License and Strategic Services Fee as set forth in **Annexure G** for each Financial Year.
- 5.2. In the event the License for the usage of the Brand is extended by the Licensor to a territory which is outside the Permitted Territory, the Parties shall mutually agree on the license fee for the right to use the Brand outside the Permitted Territory, which fee shall be in addition to the Brand License and Strategic Services Fee. Such additional fee shall be applicable from the date of grant of such license.

6. CONFIRMATION OF OWNERSHIP OF THE TRADEMARK

- 6.1. Licensee acknowledges and agrees that the Licensor is the legal and beneficial owner of the Brand and has the sole right, title and interest in relation to the Brand, and to any pending application and /or registrations thereof. In exercise of such ownership right, the Licensor has granted to the Licensee, a non-exclusive License during the Term in the manner contemplated herein. Accordingly, since the License is granted on a non-exclusive basis, nothing in this Agreement shall limit or restrict the Licensor's right to grant a similar license to its Affiliate or any third party, if use of such license by the Affiliate or any third party is in alignment with the Brand Objective and the Global Brand Strategy.
- 6.2. Nothing in this Agreement shall be deemed, intended, or implied to constitute a sale, assignment, lease or transfer of any of the Licensor's ownership rights in the Brand, except a right to use the Brand in the manner and subject to the terms and conditions set forth in this Agreement. Both during the continuation and after the termination of this Agreement, the Licensee shall not, directly or indirectly, dispute nor assist others to dispute the Licensor's sole and absolute legal, economic and beneficial ownership of the Brand, by virtue of sale/delivery of goods or services of the Licensee or other use whatsoever by the Licensee, nor make any claims in respect thereof.
- 6.3. All use of Brand by Licensee, all improvements or derivatives of the Brand by Licensee or by third parties retained by Licensee (including without limitation any third party advertising agencies) to the extent used by or assigned to Licensee and all goodwill accrued in association with such use or improvements shall inure to the exclusive benefit of the Licensor. Licensee agrees to execute such documents as the Licensor may require, to confirm Licensor's ownership of, and to obtain the full benefit of, such goodwill and improvements.



- 6.4. Notwithstanding anything to the contrary contained herein, nothing under this Agreement shall restrict any of the ownership rights of the Licensor, including, without limitation, the right of the Licensor to (i) assign its rights and obligations under this Agreement to any Person by delivering a written notice of such assignment to the Licensee; and (ii) use the Brand in the Field of Use, within the Permitted Territory, either itself or through any of its Affiliates, so long as such usage of the Brand is not detrimental to the business interest of the Licensee.
- 6.5. For the avoidance of doubt, to the extent that there is any change in Control of the Licensor, this Agreement and all rights, entitlements or interest under this Agreement or arising from transactions contemplated hereunder shall be deemed assigned to the successor or assignee of the Licensor, upon delivery of written notice of such an event by the Licensor to the Licensee.

7. MAINTENANCE OF THE TRADEMARKS

- 7.1. The Licensor shall take all steps and do all acts and pay all renewal and other fees and expenses necessary to maintain the registration of the Brand in the Permitted Territory in a timely manner. The Licensor must send to the Licensee, at its request, copies of all certificates, receipts and other documents evidencing that such payments have been made and that such renewals have been effected and all notices and communications that the Licensor or its agents receive from or have with any trade mark registry or office concerning the continuing registration of or any objection by any Person on the Brand.
- 7.2. If the Licensor fails to maintain the registration of the Brand, then the Licensee shall in writing notify the Licensor about its failure to do so. If the Licensor within a period of four (4) weeks from the receipt of such notice from the Licensee, fails to act on it, then the Licensee may carry out such act in the name of, on behalf of and at the cost of the Licensor.
- 7.3. Each Party hereby agrees that it will fully co-operate in good faith with the other Party and perform all further acts and execute and deliver such further documents as may be required by law or reasonably requested by the other Party for the purpose of maintenance of the Brand. The Licensor will not take any action or step, which might directly or indirectly affect the ability of the Licensee to effectively use the Brand throughout the Permitted Territory in accordance with the terms and conditions of this Agreement.

8. BRAND FRAMEWORK

8.1. Principles of Usage

The Licensee hereby acknowledges and agrees that the Brand shall at all times be used by the Licensee in accordance with each of the principles of usage set forth in Annexure D (the “**Principles of Usage**”).



8.2. **Group Code of Business Conduct and Ethics**

The Parties hereby acknowledge and agree that the conduct of the Licensee and its officers, representatives and employees, in operating its business has a direct nexus and significant impact on the goodwill and the value associated with the Brand. The Licensee acknowledges the Licensor's reason and objectives underlying creating a uniform code of business conduct and ethics (such group code of business conduct and ethics, as may be amended from time to time, the "**Group Code of Business Conduct and Ethics**") that applies to all of the Licensor's Subsidiaries, Affiliates, joint venture entities, and any other business or trade mark based associations. A copy of the Licensor's current Group Code of Business Conduct and Ethics is attached hereto as Annexure E. The Licensor has the right to change such Group Code of Business Conduct and Ethics, from time to time, and such change in the Group Code of Business Conduct and Ethics shall be deemed effective on the Licensee when the Licensee receives a notice of such change in writing from the Licensor. Upon the receipt of the change in the Group Code of Business Conduct and Ethics, the Parties shall execute an amendment to the Group Code of Business Conduct and Ethics attached hereto as Annexure E. Notwithstanding anything to the contrary contained herein, the Licensee hereby agrees to conduct its business and operations in adherence to such Group Code of Business Conduct and Ethics and acknowledges that the grant of the License herein to use the Brand is circumscribed by the provisions of the Group Code of Business Conduct and Ethics, adherence to which is a *sine qua non* to the continued derivation of benefits of the Brand. The Licensee hereby undertakes to conduct its business and operations at all times in compliance with the Group Code of Business Conduct and Ethics. Any use of the Brand by the Licensee in violation of the Group Code of Business Conduct and Ethics shall be a material breach of this Agreement.

8.3. **Quality Standards for Business**

8.3.1. The Licensee hereby acknowledges and agrees that the quality, standards and reputation of the Licensee's business has a close nexus with, and directly impacts, the brand being used by the Licensee in operating its business, and the inherent goodwill associated with the Brand. Since the Brand is owned by the Licensor and may be licensed for use to Affiliates and Associate Companies and others, it is an expression of the quality, reputation and standard associated with the whole group of companies of the Licensor. Accordingly, to preserve, manage and enhance the marketability and value of the Brand, the Licensor, being the owner of the Brand, has to ensure that the Brand is used or associated with businesses that are aligned and share the vision, objectives, values and quality for which the whole group stands. As the sole owner of the Brand, the Licensor plays a central role of a coordinator who has to monitor and align the use of the Brand among all its users in a manner that synergizes and sharpens the global messaging of vision, values, reputation and quality standards of the group as a whole.

8.3.2. For such purpose, the Licensor will from time to time devise certain quality measures, protocols and standards ("**Quality Standards**") with the objective of making it transparent for all the users of the Brand, including, the Licensee, and provide a reference point, benchmark and principles based on which the Licensor will monitor and measure the quality associated with their operations and businesses. Currently, the Licensor shall monitor and measure the Licensee's business and operations based on the best-in-class quality standards and practices adopted by the natural resource exploration industry in the relevant Field of Use as mutually agreed between the Parties or any other globally reputable and recognized organization in a similar Field of Use that typically provide widely acceptable and recognized quality based certifications (such standards, the "**Industry Based Quality Standards**"). Such Industry Based Quality Standards shall be deemed to constitute current Quality Standards of the Licensor.



8.3.3. The Licensee undertakes to conduct its business in compliance with the Quality Standards as set forth above. To allow the Licensor to measure and monitor the Licensee's business, the Licensee shall provide the Licensor with copies of its quality standards, policies and practices related to its business and any changes related thereto. Additionally, the Licensee shall provide the Licensor with all information/document evidencing its adherence to the Quality Standards as set forth above.

8.4. **Information, Discussion and Conciliation**

8.4.1. The Parties hereby agree that in the event the Licensor believes that the Licensee is not in compliance of the Group Code of Business Conduct and Ethics and/or the Quality Standards, the Licensor may request the Licensee to supply such information/documents/explanation ("**Compliance Information**"), as it may deem fit, to evaluate the status of compliance by the Licensee of the Group Code of Business Conduct and Ethics and/or the Quality Standards.

8.4.2. The Licensee shall, within 30 (thirty) Business Days of the receipt of request from the Licensor as provided in Clause 8.4.1 above, provide required Compliance Information to the Licensor. Pursuant to its analysis of the Compliance Information, if the Licensor is not satisfied and believes that the Group Code of Business Conduct and Ethics and/or the Quality Standards are not complied with, Licensor may require the Licensee to engage in a discussion and conciliation process ("**Conciliation**"), with an objective of arriving at an amicable solution to address the concerns raised by the Licensor. In the event, where Parties are unable to arrive at an amicable solution even after going through the Conciliation process, the Licensee shall be obligated to adhere to the directions issued by the Licensor in this regard, which shall be final and binding on the Licensee.

8.5. **Audit and Inspection by the Licensor**

8.5.1. **Inspection:** The Parties hereby agree and acknowledge that the Licensor hereby reserves a right to conduct inspection of the Licensee's business and the Licensee's use of the Brand at any and all the establishments of the Licensee or such other establishments under the control of the Licensee where the Brand is being used, without giving any prior notice to determine level of Licensee's compliance with the Group Code of Business Conduct and Ethics and/or the Quality Standards; provided however that such inspection shall be on a Business Day.

8.5.2. **Audit:** Without prejudice to Licensor's inspection right, the Licensor may authorize any agent or representative of the Licensor to conduct quality control audits to inspect facilities, products or services bearing or associated with the Brand or used by the Licensee or its employees, consultants, to evaluate *inter alia* the following:

- (a) Compliance by the Licensee of the Group Code of Business Conduct and Ethics and/or the Quality Standards or other terms and conditions of the Agreement.



- (b) The disclosure of the ownership of the Brand by the Licensee to its employees and consultants.
- (c) Status of compliance by a permitted sub-licensee of the Group Code of Business Conduct and Ethics and/or the Quality Standards.

Licensor agrees that any request for audit shall be made at least ten (10) Business Days prior to the commencement of audit. Any audit shall be conducted during regular business hours, and in a manner designed to minimize disruption to the Licensee's normal business activities.

9. BRAND PROTECTION

9.1. If either Party becomes aware:

- 9.1.1. of any notice or claim of infringement or threatened infringement of the Brand; or
- 9.1.2. of any claim or allegation by any Person:
 - (a) that the Brand is invalid or liable to revocation; or
 - (b) that use of the Brand infringes the rights of any Person; or
 - (c) that the Licensor is not the sole and absolute owner of the Brand; or
 - (d) that such Person has certain claim, lien, right or entitlement in the Brand or any right or interests therein;
- 9.1.3. of any cease and desist or similar notice or threat of such notice;

whether or not such notice, claim or allegation arises in relation to the Licensee's usage of the Brand or not, such Party shall immediately notify the other Party of such event, giving full particulars thereof.

9.2. The Licensor may, initiate, maintain or otherwise conduct any claims, disputes and proceedings relating to the Brand and shall, decide what action (including litigation, arbitration or compromise), if any, to take in respect of any circumstance referred to in Clause 9.1, at its own cost. Licensee agrees to provide all information and documents relating to evidence of usage of the Brand by Licensee, or any other co-operation, as may be required by the Licensor from time to time in connection with such initiation, maintenance or resolution of claims, disputes and proceedings.



- 9.3. If in the Licensee's opinion any use of the Brand or any sign confusingly similar to the Brand by any third party in relation to the Field of Use, amounts to an infringement of the Brand ("**Infringement**") or passing off of the Brand ("**Passing Off**"), and urgent injunctive relief to restrain such Infringement or Passing Off is required, the Licensee may call upon the Licensor by notice in writing to bring proceedings to obtain such injunctive relief to restrain such Passing Off or Infringement. The Licensor shall bring such proceedings ("**Proceeding**") within forty five (45) Business Days of receipt of such written notice ("**Proceeding Notice**"). Each Proceeding Notice served by the Licensee under this Clause 9.3 shall specify the act or acts that the Licensee reasonably believes would form the grounds for the Proceeding and also contain evidence that the Licensee has in this regard. If the Licensor fails to bring the Proceeding within forty five (45) Business Days of receiving the Proceeding Notice, the Licensee may commence the Proceeding in the name and on behalf of the Licensor for the purpose of obtaining such injunctive relief to restrain such Infringement and/or Passing Off, at cost of the Licensor. Provided no such initiation of any Proceeding by either Party will entitle the Licensee to a share in any damages, proceeds or other monetary relief recovered pursuant to such Proceeding, except the costs of litigation incurred and direct damages actually suffered as a direct result of Infringement or Passing Off in the Field of Use.
- 9.4. The Parties hereby acknowledge and agree that if any suit, action, proceeding ("**Legal Proceeding**") is initiated by a third party against the Licensee in relation to the title or ownership of the Brand, the Licensee shall promptly give notice of such Legal Proceeding to the Licensor ("**Legal Proceeding Notice**"). The Licensor shall have the right, at its option and expense within forty five (45) days from the receipt of such Legal Proceeding Notice or such earlier period as may be mentioned in the notice of such Legal Proceeding received by Licensee, to defend and control such Legal Proceeding, provided that the Licensee shall continue to have the right to be represented by its counsel in connection with the defence or negotiation of such Legal Proceeding at its option and expense, and the defence or negotiation of such Legal Proceeding shall be done by the Licensor in consultation with the Licensee. If the Licensor fails to take charge of defence of the Legal Proceeding within forty five (45) days of receiving the Legal Proceeding Notice or such earlier period as may be mentioned in the notice of such Legal Proceeding received by Licensee, the Licensee shall have the sole right/discretion to defend such suit, action or proceeding or otherwise determine what action, if any, to take in respect of such a suit, action or proceeding, at the cost of the Licensor. The Licensor shall provide the Licensee, directly or indirectly, with any assistance that may reasonably be required by the Licensee. However, the Licensee further agrees that it shall not enter into any compromise or settlement in relation to the aforesaid Legal Proceeding effecting the legal title, ownership or value of the Brand, without prior consent of the Licensor, which may in any manner or form impact the legal right, economic value of the Brand and is detrimental to the Brand Objective set forth herein.
- 9.5. Each Party will, at the request of the other Party, give all reasonable assistance without delay to the other (including being named as a party to the proceedings, the provision of evidence and documentation and procuring, where possible, the assistance of relevant employees and other persons) in any action, claim or proceedings brought, threatened or contemplated in respect of the Brand.
- 9.6. Licensor hereby agrees that it shall not enter into any compromise or settlement in relation to any legal proceeding pertaining to the ownership of Brand, which adversely affects the rights of the Licensee under this Agreement, without prior consent of the Licensee, which consent shall not be unreasonably withheld by the Licensee.



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10. BRAND DEVELOPMENT ACTIVITIES AND SERVICES

10.1. Brand Development Activities

- 10.1.1. The Licensee acknowledges and agrees that the Licensor being the legal owner of the Brand has a desire and interest in the continuous development, promotion, maintenance and enhancement of the Brand. Accordingly, as the legal and beneficial owner of the Brand, the Licensor may, from time to time, undertake certain brand development activities (the “**Brand Development Activities**”), at the Licensor’s cost, such as:
- (a) Develop, maintain and update the Group Code of Business Conduct and Ethics, Principles of Usage and Quality Standards and provide guidance to licensed users on the adherence and implementation of the Group Code of Business Conduct and Ethics, Principles of Usage and Quality Standards.
 - (b) Evaluate the relevant policies, procedures, processes and guidelines of the Licensor pertaining to the usage of the Brand, and if Licensor deems fit, make appropriate changes in such policies, procedures, processes and guidelines to further the Global Brand Strategy and the Brand Objective. If need be, appoint external consultants for such evaluation and adopt changes to such policies, procedures, processes and guidelines as recommended by such external consultants to further the Global Brand Strategy and the Brand Objective.
 - (c) Offer guidance to the Licensee and other Licensor group’s licensed users of the Brand in administration of their internal policies relating to the use of the Brand and offering solutions, on a case to case basis, on the varied needs of such users by balancing interests of the licensed users in the context of the Brand Objective and Global Brand Strategy.
 - (d) Undertake activities which will promote the Brand globally and across various industries, including organizing brand promotional activities through electronic media and social media on a global basis.
 - (e) Undertake activities that align Licensor’s group companies operations and functions in a manner that helps achieve the Brand Objective and promote the Global Brand Strategy.
 - (f) Undertake activities that help promote working of the Licensor’s group companies under a common goal of enhancing the brand and business value and reputation of the whole group, including but not limited to, sharing best practices norms for business, providing and seeking support of group entities for each other’s business objectives, in a manner or form legally permissible under the applicable law.
 - (g) Promote the business of the Licensor group licensees by assisting in business introductions, leveraging the national and international contacts and relationships of the Licensor.
 - (h) Promotion of the Brand globally in the international forums.



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- (i) Co-ordinate and align major promotion campaigns across the group entities of the Licensor to the Global Brand Strategy and Brand Objective, with the intent to leverage synergies and economies of scale.
- (j) Engage the services of local and international specialized agencies/ individuals to help streamline the Global Brand Strategy, design execution plans, and conduct studies, market research and survey relating to the Brand with the intent of achieving the Brand Objective.
- (k) To develop, maintain and make available a talent pool of shareable resources which understand and relate to the Brand Objective and are equipped to support the development and execution of the brand strategy of the group as a whole.
- (l) Such other activities that the Licensor may deem essential for protecting, maintaining and managing the legal ownership of the Brand in India and outside India.

Notwithstanding anything to the contrary contained herein, all costs and expenses related to any promotion of the Brand conducted by the Licensee through print media, electronic media and social media in the Permitted Territory, as described in item (d) above, shall be borne solely by the Licensee.

10.2. Shared Brand Development Activities

- 10.2.1. In addition to the Brand Development Activities as provided in Clause 10.1.1 above, the Licensor may, from time to time, undertake certain activities (“**Shared Brand Development Activities**”) that are designed to specifically benefit the licensed users, including, the Licensee. The detailed list of Shared Brand Development Activities shall be agreed between the Parties, from time to time.
- 10.2.2. Prior to undertaking any such Shared Brand Development Activities, the Licensor shall notify the Licensee in writing of its plan to undertake such activities along with the aggregate estimated costs (the “**Aggregate Costs for Shared Brand Development Activities**”) for such activities. The Parties shall agree on the reasonable cost to be borne by each Party, on a case to case basis, in relation to the performance of the Shared Brand Development Activities by the Licensor.

10.3. Strategic Management Services

- 10.3.1. The Licensee acknowledges and agrees that the Licensor has the capabilities to provide key strategic services, including providing advice on various strategic, management and operational matters, financial treasury and legal, marketing, IT and Human Resource management. The Licensor shall provide certain Strategic Management Services as provided in Annexure F.



11. REPRESENTATION AND WARRANTIES

11.1. **Each Party's Representations:** Each Party hereby represents and warrants to the other Party as of the Execution Date as follows:

- 11.1.1. Each Party represents to the other Party that it is a legal entity duly organized, validly existing and in good standing under the laws of India.
- 11.1.2. Each of the Parties has all requisite corporate power and authority to enter into this Agreement and to give effect to the arrangement contemplated hereby. The execution and delivery of this Agreement and the consummation of the arrangement contemplated hereby have been duly authorized by all necessary corporate action on the part of each of the Parties and no other corporate proceedings are necessary to authorize the execution and delivery of this Agreement or to give effect to the arrangement. This Agreement has been duly executed and delivered by each of the Parties and constitutes a valid and binding obligation of each Party, enforceable against such Party in accordance with its terms.
- 11.1.3. The execution and delivery of this Agreement by a Party does not, and performance of this Agreement by such Party will not: (i) conflict with or violate the certificate of incorporation or bylaws or articles of association or memorandum of association of such Party; or (ii) conflict with or violate any Applicable Laws by which such Party is bound or affected.

11.2. **Licensee's Representations:** Except as disclosed, the Licensee hereby represents and warrants to the Licensee as of the Execution Date that:

- 11.2.1. The Licensee has neither made any claims nor taken any action or step (or omission to take any action), directly or indirectly, on and from the Effective Date that may create any adverse claim in respect of Licensor's sole and absolute legal and beneficial ownership of the Brand.
- 11.2.2. The Licensee has not on and from the Effective Date taken, directly or indirectly, any action or step (or omission to take any action) that may result creation of any encumbrance on the Brand.
- 11.2.3. The use of the Brand by the Licensee on and from the Effective Date has not resulted in any breach or infringement of the intellectual property rights of the Licensor or any third Person.
- 11.2.4. There are no current, pending or, threatened actions being brought by the Licensee against any Person, or to the best of the Licensee's knowledge, by any third party against the Licensee for infringement of trademark of such third party, passing-off or breach of confidentiality and no such claims have been settled by giving any undertaking which remains in force in relation to the Brand, and the Licensee has not received any cease and desist notice in writing so far and to the best knowledge is not aware of any circumstance under which such a notice may be issued.
- 11.2.5. There are no proceedings pending against or threatened against the Licensee in respect of the Brand in any court or by any governmental body or agency that would prevent the completion of the transaction as contemplated under this Agreement.



12. INDEMNIFICATION

- 12.1. Without prejudice to any other right available to the Licensee in law or under equity, the Licensor shall indemnify and hold harmless the Licensee, its directors, shareholders, officers and employees (collectively, the “**Licensee Indemnified Persons**”) from and against any and all Losses suffered or incurred by any of the Licensee Indemnified Person related or arising out of any claim, action, suit or proceeding that the use of the Brand by the Licensee pursuant to the terms of this Agreement infringes the right of ownership of the Brand by a third party.
- 12.2. Without prejudice to any other right available to the Licensor in law or under equity, the Licensee shall indemnify and hold harmless the Licensor, its directors, shareholders, officers and employees (collectively, the “**Licensor Indemnified Persons**”) from and against any and all Losses suffered or incurred by any of the Licensor Indemnified Person, including such cost and expenses incurred in connection with mitigation of any liability and rebuilding the value of the Brand, based upon, arising out of, or pertaining to (i) any breach of any covenant or obligation of the Licensee under this Agreement, (ii) breach of any representation or warranty set forth herein, (iii) any breach by the Subsidiary and/or the sub-licensee of the Licensee of the terms of this Agreement and (iv) any other claims, action, suit or proceedings that pertain to the action of the Licensee.
- 12.3. In the event that the Licensee Indemnified Persons or the Licensor Indemnified Persons, suffers, incurs or sustains a Loss, it shall within a reasonable period of time, notify in writing (“**Claims Notice**”) to the Licensor or the Licensee, as the case may be, of the Losses for which it is asserting an indemnification claim under this Clause 12. The Claims Notice shall include a description of the Loss with reasonable details in respect of which indemnification is being sought. Within 21 (twenty one) days from the date of receipt of the Claims Notice, the Licensee Indemnified Persons or the Licensor Indemnified Persons, as the case may be, shall be entitled to be paid all amounts mentioned in the Claim Notice.
- 12.4. Licensee further acknowledges and agrees that all conditions, warranties, statements, liabilities and guarantees whether statutory or otherwise as or relating to the suitability, merchantability, satisfactory quality, performance ability, manufacture, use, sale or other disposition of the products and services of Licensee, whether used in conjunction with Brand or not, are the responsibility solely of the Licensee and under no circumstances whatsoever shall the Licensor be liable in contract, tort or otherwise for any costs, expenses, liabilities, damages or losses including any consequential losses or any special losses, howsoever caused.
- 12.5. Notwithstanding anything to the contrary contained in this Agreement, the right of the Licensor Indemnified Persons under this Agreement shall survive the termination of this Agreement.



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13. TERMINATION

13.1. Licensor’s Termination Rights

The Licensor shall have the right to terminate this Agreement at any time during existence of any of the following events by delivering to the Licensee, a written notice of its intention to terminate this Agreement:

- 13.1.1. If the Licensee commits a Material Breach of this Agreement and fails to remedy such breach in accordance with Clause 13.2 below.
- 13.1.2. If the Licensee commits any breach of any covenants, representation or warranty of this Agreement and fails to remedy such breach in accordance with Clause 13.2 below.
- 13.1.3. In case the event(s) mentioned in Clause 13.1.2 occurs thrice, within a consecutive period of six (6) months; provided however that the Notice of all such breach is served by the Licensor on the Licensee in accordance with Clause 13.2.
- 13.1.4. If a lienholder takes possession, or a receiver is appointed, over substantial property or assets of the Licensee, pursuant to an order of Governmental Authority, or if the Licensee makes any voluntary arrangement with its creditors.
- 13.1.5. The Licensee goes into liquidation, or undergoes a change in Control, or becomes a party to any merger or consolidation as a result of which the rights of the Licensee under this Agreement would pass to any other person, firm or corporation, other than a change in Control, reconstruction, amalgamation, merger or consolidation, the terms of which have been approved by the Licensor in writing.
- 13.1.6. If the Licensee ceases to carry on its current business and where Licensor believes that such a change in business of the Licensee will have an adverse impact on the Brand or value of the Brand.
- 13.1.7. If the Licensee undertakes a sale or transfer, of all or substantially all of the assets of the Licensee.

13.2. Conciliation and Remedial Measures

- 13.2.1. Upon occurrence of the Material Breach or breach of any covenants, representation or warranty of this Agreement, as the case may be, where the Licensor wishes to exercise its termination rights in terms of Clauses 13.1.1 or 13.1.2 above, it shall deliver a notice (“**Notice**”) to the Licensee. The Notice shall require the Licensee to remedy (i) the Material breach within four (4) weeks, or (ii) breach of any covenants, representation or warranty of this Agreement within eight (8) weeks, as the case maybe, from the date of receipt of the Notice and shall also contain the details of the facts and circumstances of the breach along with the documented reasonable evidence/proof/sample in relation thereto, if any.



- 13.2.2. Within seven (7) Business Days of the receipt of Notice from the Licensor as provided in Clause 13.2.1 above, the Licensee shall notify the Licensor of its intent to, either (a) remedy the Material Breach in four (4) weeks or breach of any covenants, representation or warranty of this Agreement in eight (8) weeks, as the case may be, from the date of receipt of the Notice; or (b) engage in discussion and conciliation process with the Licensor, with an objective of arriving at an amicable solution to remedy the breach. In the event, where the Parties are unable to arrive at an amicable solution even after going through the aforesaid conciliation process, the Licensor shall be entitled to terminate the Agreement upon expiration of the four (4) weeks or eight (8) weeks period, depending on the breach as set forth in Clauses 13.1.1 or 13.1.2 above, from the date of receipt of the Notice by the Licensee.
- 13.2.3. Without prejudice to the right of the Licensor to terminate this Agreement as provided in Clause 13.2.2 above, the Licensor shall be entitled to, (a) issue a 'cease and desist notice' to the Licensee, requiring the Licensee to refrain from undertaking any activity, which is in contravention of this Agreement; and/or (b) refrain the Licensee from using Brand in the manner indicated by the Licensor.

13.3. **Mutual Termination**

The Parties hereby agree that subject to the terms and conditions of this Agreement, the Parties may mutually agree to terminate this Agreement, on such terms and conditions as mutually agreed between the Parties.

14. **EFFECT OF TERMINATION**

- 14.1. In the event of termination of this Agreement pursuant to Clause 13.1 (*Licensor's Termination Rights*), and Clause 13.3 (*Mutual Termination*), the license granted pursuant to Clause 3 above and any sub-license granted pursuant to this Agreement shall terminate.
- 14.2. On termination of this Agreement as provided under Clause 14.1 above, the license of the Brand immediately ceases and the Licensee/ sub-licensee shall then have no authority to use the Brand in any form whatsoever. The Licensee/ sub-licensee shall immediately stop referring to itself as a licensee of the Licensor and of the Brand.
- 14.3. In the event the Licensor terminates the Agreement pursuant to Clause 13.1 (*Licensor's Termination Rights*), the Licensee shall be liable to pay the Licensor an early termination fee (the "**Early Termination Fee**"), which will be an amount equal to the unpaid Fee for the remaining period of the Term of this Agreement. The Parties acknowledge and agree that any early termination of this Agreement will unjustifiably benefit the Licensee and render the Fee payable till the date of such early termination to be inadequate compensation for the use of the Brand by the Licensee. Accordingly, the Licensee hereby acknowledges and agrees that the Early Termination Fee is reasonable for the purposes of adequately compensating the Licensor for such use and enjoyment of the long term benefits of the Brand by the Licensee. The Early Termination Fee is intended to adequately compensate the Licensor for such significant adverse impact on the Licensor. However, if such amount of Early Termination Fee is found by any court of competent jurisdiction to be unenforceable, it will be interpreted to extend only over the maximum amount as to which it may be enforceable against the Licensee.
- 14.4. On termination of this Agreement, it shall become void and of no further force and effect and all provision under this Agreement shall cease immediately upon termination, except for provisions that survive the termination of this Agreement, including but not limited to the Surviving Provisions set forth in Clause 14.6 (Surviving Provisions).



- 14.5. The Licensee undertakes to return or destroy all material in which the Brand has been used for any purpose whatsoever.
- 14.6. **Surviving Provisions:** The provisions of Clauses 14.6 (Surviving Provision), 11 (Representation and *Warranties*), 12 (*Indemnification*), 14 (*Effects of Termination*), 15 (*Confidential Information*), 16 (*Notices*), 17 (*Governing Law*), 18 (*Dispute Resolution*) and 19 (*Miscellaneous*) (“**Surviving Provisions**”) shall survive the expiry or termination of this Agreement. Provided, however, that termination shall, unless otherwise agreed by the Parties, be without prejudice to the accrued rights and obligations of the Parties at the date of such termination, including the rights of any Party in respect of a breach of this Agreement prior to such termination.

15. CONFIDENTIAL INFORMATION

- 15.1. Each of the Parties hereby agree that it will:
 - 15.1.1. not make any unauthorized usage or disclosure of any Confidential Information belonging to the other; and
 - 15.1.2. be responsible for any unauthorized disclosure or usage of the other’s Confidential Information made by any of its employees or officers and will take all reasonable precautions to prevent such disclosure or use.
- 15.2. The Parties hereby agree that either Party may disclose to its Affiliates, employees, sub-licensee, sub-contractor and any other third party, Confidential Information belonging to the other on need to know basis, if and to the extent that such disclosure is necessary to permit such Party to comply with the terms of this Agreement or such disclosure is required by Applicable Law to comply with a lawful order of a court of competent jurisdiction or of a regulatory authority.

16. NOTICES

- 16.1. Unless otherwise stated, all notices, approvals, instructions, demands and other communications given or made under this Agreement shall be in English and in writing and shall be given vide e-mail, facsimile, by personal delivery or by internationally recognized courier service with the proof of delivery or by sending the same by pre-paid registered mail addressed to the relevant Party at its address or fax number set out below.

To the Licensor:

Attention: Deepak Kumar
Designation: Company Secretary
Address: Vedanta Resources Limited,
30 Berkeley Square,
London, W1J 6EX
Email: dk@vedantaresources.com
Tel: +44 20 7499 5900



To the Licensee:

Attention: Prerna Halwasiya
Designation: Company Secretary
Address: 1st Floor, C wing, Unit 103,
corporate avenue Atul Projects,
Chakala, Andheri (East), Mumbai – 400093
Email: prerna.halwasiya@vedanta.co.in
Tel: 022- 66434500

- 16.2. Any notice, approval, instruction, demand or other communication so addressed to the relevant Party shall be deemed to have been validly given and delivered (i) if given or made by registered mail or international courier, seven (7) days after posting; (ii) if given by personal delivery, at the time of delivery; (iii) if given by e-mail, at the time of delivery; and (iv) if given or made by facsimile, upon receipt of a transmission report confirming successful transmission.
- 16.3. Either Party may, from time to time, change its address or representative for receipt of notices provided for in this Agreement by giving all the other Parties not less than ten (10) days prior written notice.

17. GOVERNING LAW AND JURISDICTION

- 17.1. This Agreement shall be governed by, and construed in accordance with the laws of India. Subject to the dispute resolution Clause 18 set out below, the courts at New Delhi shall have exclusive jurisdiction.

18. DISPUTE RESOLUTION

- 18.1. Upon the occurrence of any dispute, controversy or claim between the Parties arising out of or in connection with this Agreement, including the breach, termination or invalidity thereof (“**Dispute**”), a Party shall be entitled to provide the other Party a written notice (“**Dispute Notice**”) of such Dispute. In the event that the Parties are unable to resolve the Dispute amicably within 60 (sixty) days of the service of the Dispute Notice (or such longer period as the Parties may mutually agree), then the Dispute shall be referred to arbitration in accordance with the terms of Clause 18.2 below.
- 18.2. Subject to Clause 18.1, any Dispute shall be settled by arbitration by a sole arbitrator, in accordance with the Arbitration and Conciliation Act, 1996. The Parties shall mutually appoint such sole arbitrator. The Parties agree that any arbitral award shall be final and binding. The venue of the arbitration shall be New Delhi and the language of arbitration shall be English.
- 18.3. The Parties hereby agree that each Party will bear its own costs in relation to the arbitration proceedings to be conducted under this Clause 18.



19. MISCELLANEOUS

19.1. No Partnership

No Party shall act as an agent of any other Party or have any authority to act for or to bind any other Party, except as provided in this Agreement.

19.2. Entire Agreement

This Agreement contains the entire understanding of the Parties and shall supersede all prior arrangements, agreements and understandings, both written and oral, among the Parties with respect to the subject matter hereof.

19.3. Binding Effect

Subject to the terms and conditions hereof, this Agreement is legally binding upon and will inure to the benefit of the Parties and their respective successors and permitted assigns.

19.4. Waiver and Amendment

19.4.1. No amendment, modification or discharge of this Agreement shall be valid or binding unless set forth in writing and duly executed by the Parties hereto. Notwithstanding the foregoing, the Licensor will have the right to amend the Annexures, with a prior intimation to the Licensee, provided that if such amendment or modification would result in a change to the material terms of the Agreement, such amendment would require the prior consent of the Licensee.

19.4.2. No waiver shall be valid unless given in writing by the Party or Parties from whom such waiver is sought. Any such waiver shall constitute a waiver only with respect to the specific matter described in such writing and shall in no way impair the rights of the Party granting such waiver in any other respect or at any other time. Neither the waiver by any of the Parties of a breach of or a default under any of the provisions of this Agreement, nor the failure by any of the Parties, on one or more occasions, to enforce any of the provisions of this Agreement or to exercise any right or privilege hereunder, shall be construed as a waiver of any other breach or default of a similar nature, or as a waiver of any of such provisions, rights or privileges hereunder.

19.5. Independent Rights

Each of the rights of the Parties hereto under this Agreement are independent, cumulative and without prejudice to all other rights available to them, and the exercise or non-exercise of any such rights shall not prejudice or constitute a waiver of any other right of the Party, whether under this Agreement or otherwise.

19.6. Specific Performance

The Parties agree that damages may not be an adequate remedy and each Party shall be entitled to an injunction, restraining order, right for recovery, suit for specific performance or such other equitable relief as a court of competent jurisdiction may deem necessary or appropriate to restrain the other Parties from committing any violation or enforce the performance of the covenants, conditions, representations and obligations contained in this Agreement.



19.7. **Non-Exclusive Remedies**

The rights and remedies herein provided are cumulative and none is exclusive of any other, or of any rights or remedies that any Party may otherwise have under any applicable law or in equity. The rights and remedies of any Party based upon, arising out of or otherwise in respect of any inaccuracy or breach of any representation, warranty or agreement or failure to fulfil any condition shall in no way be limited by the fact that the act, omission, occurrence or other state of facts upon which any claim of any such inaccuracy or breach is based may also be the subject matter of any other representation, warranty, covenant or agreement as to which there is no inaccuracy or breach.

19.8. **Severability**

If any provision of this Agreement is rendered void, illegal or unenforceable in any respect under the relevant applicable law, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired. Should any provision of this Agreement be or become unenforceable, the Parties to this Agreement shall use reasonable endeavours to agree upon a new provision which shall as nearly as possible have the same commercial effect as the ineffective provision.

19.9. **Counterparts**

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument and any Party may execute this Agreement by signing any one or more of such originals or counterparts. Facsimile transmitted counterparts shall be deemed binding only the Parties to this Agreement.

[Signature page to be followed]



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IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day, month and year above first written.

For and on Behalf of **VEDANTA RESOURCES LIMITED**

/s/ Deepak Kumar

Name: Deepak Kumar
Designation: Company Secretary

For and on Behalf of **VEDANTA LIMITED**

/s/ G.R. Arun Kumar

Name: G.R. Arun Kumar
Designation: Group CFO & Director

**ANNEXURE A****DESCRIPTION OF THE BRAND**

<u>SR. NO.</u>	<u>COUNTRY OF ORIGIN</u>	<u>APPLICANT</u>	<u>DESCRIPTION OF TRADEMARK</u>	<u>APPLICATION REGISTRATION No.</u>	<u>APPLICATION / REGISTRATION DATE</u>	<u>CLASS</u>	<u>STATUS</u>	<u>RENEWAL DATE</u>
1.	India	Vedanta Resources Plc	VEDANTA	1283369	10/06/2015	01, 04, 06, 07, 14, 35, 36, 37, 39, 40, 41, 42, 43, 44	Response to Exam Report filed	
2.	India	Vedanta Resources Plc	VEDANTA Logo	1284619	10/06/2015	01, 04, 06, 07, 14, 35, 36, 37, 39, 40, 41, 42, 43, 44		
3.	India	Vedanta Resources Plc	VEDANTA Logo	1332758	17/01/2005 17/02/2007	06	Registered	17/01/2025
4.	India	Vedanta Resources Plc	VEDANTA Logo	1332759	17/01/2005 17/03/2008	14	Registered	17/01/2025



ANNEXURE B

PERMITTED USE

1. The Brand shall be licensed to the Licensee solely for use in the Licensees' Business in accordance with Applicable Law (such field of use, the "**Field of Use**").
2. The Licensee acknowledges and accepts that the Brand shall be used solely in the Field of Use and the Licensee shall not be permitted from using the Brand outside the scope of the Field of Use without the prior written consent of the Licensor.
3. Set forth below are the activities for which the Licensee is entitled to use the Brand in the Field of Use (the "**Permitted Uses**"):
 - For identification of any unit or factory or mine of the Licensee.
 - For all signboards or information leaflets or pamphlets created by the Licensee and available at the factories or units or mines of the Licensee, so long as the format of such usage has been approved in writing by the Licensor prior to use.
 - For use in public media or for general advertising of the Field of Use of the Licensee, so long as such usage has been pre-approved in writing by the Licensor.
 - For creation of digital media assets, including, use in the domain name of a the website created, maintained and managed by the Licensee or its authorized persons, so long as such usage has been pre-approved in writing by the Licensor.
 - On memrobabilia or events organized by the Licensee for promoting the Licensee's Field of Use, as such usage has been pre-approved in writing by the Licensor.
 - On the uniforms used by employees, agents and such other staff as are performing services at the factories or mines or units of the Licensee, so long as such usage has been pre-approved in writing by the Licensor.
 - On the materials used or products provided at each unit or factory or mine in connection with the Field of Use, including, on linen, stationery or folders and files, as such usage has been pre-approved in writing by the Licensor.
 - For any communication by the Licensee or its employees in relation or in connection with the Field of Use, including, without limitation, on any letterheads, stationery, business cards, email addresses as such usage has been pre-approved in writing by the Licensor.
 - On name plates of the employees and staff of the Licensee as such usage has been pre-approved in writing by the Licensor.
 - On promotional documentation, including, pamphlets and leaflets, as such usage has been pre-approved in writing by the Licensor.
 - Any other documents, goods, materials or services used by the Licensee in the Field of Use while operating its business as such usage has been pre-approved in writing by the Licensor.



ANNEXURE C

PART A

PERMITTED TERRITORY

1. The Licensee shall have the right to use the Brand within the territory of India.
2. Any use of the Brand by the Licensee in any country or territory outside India shall require the prior written consent of the Licensor.

PART B

LIST OF COUNTRIES WHERE BRAND IS REGISTERED/APPLIED FOR REGISTRATION

<u>SR. NO.</u>	<u>COUNTRY OF ORIGIN</u>	<u>APPLICANT</u>	<u>DESCRIPTION OF TRADEMARK</u>	<u>APPLICATION REGISTRATION NO.</u>	<u>APPLICATION / REGISTRATION DATE</u>	<u>CLASS</u>	<u>STATUS</u>	<u>RENEWAL DATE</u>
1.	Australia	Vedanta Resources Plc	VEDANTA	1283369	10/06/2015	01, 04, 06, 07, 14, 35, 36, 37, 39, 40, 41, 42, 43, 44	Registered	
2.	Australia	Vedanta Resources Plc	VEDANTA Logo	1284619	10/06/2015	01, 04, 06, 07, 14, 35, 36, 37, 39, 40, 41, 42, 43, 44	Registered	
3.	European Union Intellectual Property Office	Vedanta Resources Plc	VEDANTA LOGO	004223814	30/12/2004 13/07/2006	06, 37, 40	Registered	30/12/2024
4.	European Union Intellectual Property Office	Vedanta Resources Plc	VEDANTA	012895181	21/05/2014 04/12/2014	01, 02, 04, 05, 06, 07, 09, 11, 12, 14, 16, 17, 18, 19, 20, 21, 22, 25, 29, 30, 31, 35, 36, 37, 38, 39, 40, 41, 42	Registered	21/05/2024
5.	European Union Intellectual Property Office	Vedanta Resources Plc	VEDANTA logo	012895256	21/05/2014 14/11/2014	01, 02, 04, 05, 06, 07, 09, 11, 12, 14, 16, 17, 18, 19, 20, 21, 22, 25, 29, 30, 31, 35, 36, 37, 38, 39, 40, 41, 42	Registered	21/05/2024
6.	European Union Intellectual Property Office	Vedanta Resources Plc	VEDANTA	013980991	23/04/2015 28/08/2015	43, 44	Registered	23/04/2025



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SR. NO.	COUNTRY OF ORIGIN	APPLICANT	DESCRIPTION OF TRADEMARK	APPLICATION REGISTRATION NO.	APPLICATION / REGISTRATION DATE	CLASS	STATUS	RENEWAL DATE
7.	European Union Intellectual Property Office	Vedanta Resources Plc	VEDANTA Logo	013981006	23/04/2015 28/08/2015	01, 04, 06, 07, 14, 35, 36, 37, 39, 40, 41, 42, 43, 44	Registered	23/04/2025
8.	International	Vedanta Resources Plc	VEDANTA	1283369	10/06/2015 10/06/2015	01, 04, 06, 07, 14, 35, 36, 37, 39, 40, 41, 42, 43, 44	Registered	10/06/2025
9.	International	Vedanta Resources Plc	VEDANTA Logo	1284619	10/06/2015 10/06/2015	01, 04, 06, 07, 14, 35, 36, 37, 39, 40, 41, 42, 43, 44	Registered	10/06/2025
10.	Liberia	Vedanta Resources Plc	VEDANTA	1283369	10/06/2015	01, 04, 06, 07, 14, 35, 36, 37, 39, 40, 41, 42, 43, 44		
11.	Liberia	Vedanta Resources Plc	VEDANTA Logo	1284619	10/06/2015	01, 04, 06, 07, 14, 35, 36, 37, 39, 40, 41, 42, 43, 44		
12.	Namibia	Vedanta Resources Plc	VEDANTA	1283369	10/06/2015	01, 40, 41, 42, 43, 44, 04, 06, 07, 14, 35, 36, 37, 39		
13.	Namibia	Vedanta Resources Plc	VEDANTA Logo	1284619	10/06/2015	01, 40, 41, 42, 43, 44, 04, 06, 07, 14, 35, 36, 37, 39		
14.	P.R. China	Vedanta Resources Plc	VEDANTA	1283369	10/06/2015	01, 04, 06, 07, 14, 35, 36, 37, 39, 40, 41, 42, 43, 44		
15.	P.R. China	Vedanta Resources Plc	VEDANTA Logo	1284619	10/06/2015	01, 04, 06, 07, 14, 35, 36, 37, 39, 40, 41, 42, 43, 44		
16.	South Africa	Vedanta Resources Plc	VEDANTA	2015/10678	23/04/2015	01	Response to Exam Report filed	
17.	South Africa	Vedanta Resources Plc	VEDANTA	2015/10683	23/04/2015	04	Application filed	
18.	South Africa	Vedanta Resources Plc	VEDANTA	2015/10676	23/04/2015	06	Application filed	



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<u>SR. NO.</u>	<u>COUNTRY OF ORIGIN</u>	<u>APPLICANT</u>	<u>DESCRIPTION OF TRADEMARK</u>	<u>APPLICATION REGISTRATION NO.</u>	<u>APPLICATION / REGISTRATION DATE</u>	<u>CLASS</u>	<u>STATUS</u>	<u>RENEWAL DATE</u>
19.	South Africa	Vedanta Resources Plc	VEDANTA	2015/10694	23/04/2015	07	Application filed	
20.	South Africa	Vedanta Resources Plc	VEDANTA	2015/10687	23/04/2015	14	Application filed	
21.	South Africa	Vedanta Resources Plc	VEDANTA	2015/10679	23/04/2015	35	Application filed	
22.	South Africa	Vedanta Resources Plc	VEDANTA	2015/10673	23/04/2015	36	Application filed	
23.	South Africa	Vedanta Resources Plc	VEDANTA	2015/10689	23/04/2015	37	Application filed	
24.	South Africa	Vedanta Resources Plc	VEDANTA	2015/10692	23/04/2015	39	Application filed	
25.	South Africa	Vedanta Resources Plc	VEDANTA	2015/10685	23/04/2015	40	Application filed	
26.	South Africa	Vedanta Resources Plc	VEDANTA	2015/10693	23/04/2015	41	Application filed	
27.	South Africa	Vedanta Resources Plc	VEDANTA	2015/10677	23/04/2015	42	Application filed	
28.	South Africa	Vedanta Resources Plc	VEDANTA	2015/10671	23/04/2015	43	Application filed	
29.	South Africa	Vedanta Resources Plc	VEDANTA	2015/10672	23/04/2015	44	Application filed	
30.	South Africa	Vedanta Resources Plc	VEDANTA Logo	2015/10667	23/04/2015	01	Awaiting publication	
31.	South Africa	Vedanta Resources Plc	VEDANTA Logo	2015/10686	23/04/2015	04	Awaiting publication	
32.	South Africa	Vedanta Resources Plc	VEDANTA Logo	2015/10675	23/04/2015	06	Awaiting publication	
33.	South Africa	Vedanta Resources Plc	VEDANTA Logo	2015/10691	23/04/2015	07	Awaiting publication	
34.	South Africa	Vedanta Resources Plc	VEDANTA Logo	2015/10669	23/04/2015	14	Awaiting publication	
35.	South Africa	Vedanta Resources Plc	VEDANTA Logo	2015/10681	23/04/2015	35	Awaiting publication	
36.	South Africa	Vedanta Resources Plc	VEDANTA Logo	2015/10674	23/04/2015	36	Awaiting publication	
37.	South Africa	Vedanta Resources Plc	VEDANTA Logo	2015/10684	23/04/2015	37	Awaiting publication	
38.	South Africa	Vedanta Resources Plc	VEDANTA Logo	2015/10690	23/04/2015	39	Awaiting publication	

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<u>SR. NO.</u>	<u>COUNTRY OF ORIGIN</u>	<u>APPLICANT</u>	<u>DESCRIPTION OF TRADEMARK</u>	<u>APPLICATION REGISTRATION NO.</u>	<u>APPLICATION / REGISTRATION DATE</u>	<u>CLASS</u>	<u>STATUS</u>	<u>RENEWAL DATE</u>
39.	South Africa	Vedanta Resources Plc	VEDANTA Logo	2015/10680	23/04/2015	40	Awaiting publication	
40.	South Africa	Vedanta Resources Plc	VEDANTA Logo	2015/10688	23/04/2015	41	Awaiting publication	
41.	South Africa	Vedanta Resources Plc	VEDANTA Logo	2015/10670	23/04/2015	42	Awaiting publication	
42.	South Africa	Vedanta Resources Plc	VEDANTA Logo	2015/10682	23/04/2015	43	Awaiting publication	
43.	South Africa	Vedanta Resources Plc	VEDANTA Logo	2015/10668	23/04/2015	44	Awaiting publication	
44.	United Kingdom	Vedanta Resources Plc	VEDANTA LOGO	2377605	09/11/2004 20/05/2005	06,40, 37	Registered	09/11/2024
45.	Zambia	Vedanta Resources Plc	VEDANTA	1283369	10/06/2015	01, 04, 06, 07, 14, 35, 36, 37, 39, 40, 41, 42, 43, 44		
46.	Zambia	Vedanta Resources Plc	VEDANTA Logo	1284619	10/06/2015	01, 04, 06, 07, 14, 35, 36,37, 39, 40, 41, 42, 43, 44		



ANNEXURE D

PRINCIPLES OF USAGE

The Licensee in using the Brand must be guided by each of the principles or guidelines set forth below and shall ensure that its usage is not contrary to any of the following principles or guidelines:

A. Licensor's Values Based Principles

- 1) The Licensee will use the Brand in a manner that adheres to Group Code of Business Conduct and Ethics and values of the Licensor as set forth below.
- 2) The Licensor seeks progressive avenues to showcase its Brand with distinctiveness and in the manner that enhances its reputation. The Brand should always be used in a manner that incorporates and preserves the foregoing values of the Licensor.

B. Brand Based Principles

- 1) The Brand will always be used in a manner or form that preserves its distinctiveness, reputation and validity. The Licensee shall use the Brand in a manner that does not harm or erode the equity of the brand itself and the goodwill and reputation of the Licensor.
- 2) The Brand will always be used in a manner that unambiguously reflects the Licensor to be the sole legal owner of the mark.
- 3) The Brand to be displayed as a registered mark under the following notation “® or ™” wherever appropriate.
- 4) The display of the Brand on the products, services or activities of the Licensee shall not be such that it suggests or creates any impression that the manufacturer, provider or the source of such products, services and activities is the Licensor or any Affiliate of the Licensor.
- 5) The Brand will not be used in any manner that holds or represents (expressly or by implication) Licensor, or any Affiliate of the Licensor to be a guarantor or otherwise liable for any of the Licensee's business, conduct, actions or omissions.
- 6) The Licensee shall not enter into any arrangement or agreement with a competitor of the Licensor or any of its Affiliates, or engage in any activity that is intended to, or, that may reasonably expect to, advance a competitor's interests, unless agreed by the Licensor.
- 7) Notwithstanding the foregoing, if a usage becomes prohibited by law or court order or other governmental or judicial action or is a use not authorized under this Agreement, the Licensee shall immediately cease such usage upon notice from Licensor.

C. Brand Promotion Based Protocols

- 1) The Licensee shall, on a best effort basis, keep the Licensor informed of major marketing campaigns, if any, led by the central marketing team on concept boards / press layouts / story boards / message treatments which use names, marks and indicia licenced to them before production for market launch. In the event Licensor has any concerns or objections on any such material, it shall within a period of 10 working days submit the same to the Licensee in writing. In case remedial action is required, it shall be shared to enable a joint decision to be taken addressing such concerns.



D. Quality of Product/ Services Based Principles

- 1) The Licensee shall ensure that the standards of products and services will not harm, tarnish or diminished the value of the BRAND.
- 2) The Licensee also agrees that the standard of products and services shall be in accordance with all applicable foreign, federal, state and local laws, and governmental orders and regulations as they all may be in effect from time to time, if applicable to such products and services.
- 3) The process of approvals is intended to sharpen and synergise messaging such that it furthers the business impact of the Licensee and businesses of the Subsidiaries and that of the Group as a whole.
- 4) In the event the Licensor determines that the proposed templates of products are not in compliance with the Brand Framework and with the terms of the Agreement, the Licensor will provide a written notice to this effect to the Licensee communicating its rejection of the proposed templates and the reasons for such rejection (such notice, the “**Non-Compliance Notice**”).
- 5) Upon receipt of a Notice of Non-Compliance, the Licensee shall use all commercially reasonable efforts to remedy the quality issues or non-compliance within a period of fifteen (15) days from the date of receipt of the notice of Non-Compliance.



ANNEXURE E

Group Code of Business Conduct and Ethics

This Code of Business Conduct and Ethics (the 'Code') is a reference document outlining the standard code of conduct for Vedanta Resources Ltd (the 'the Company') and its subsidiaries (together called 'Vedanta' or the 'Group') and for its directors, officers and employees.

The Code is for internal compliance and does not create, nor shall it be construed to create, directly or implicitly, any rights, duties or obligations of Company to any person, body or legal entity.

The English version of this policy is the original.



HOW WE DO BUSINESS

The Company’s reputation is its most valuable asset. How we conduct ourselves day to day with each other, our customers, our shareholders, our competitors, our neighbouring communities and our suppliers forms the basis of our reputation as an ethical group. Our customers and other stakeholders expect us to maintain the highest ethical standards, to fulfil our commitments and to act with complete integrity. Our reputation is important and we must do everything to protect it by making sure that our actions and policies are not only legal, but also in line with the highest level of business ethics and personal integrity.

Uncompromising business ethics are an integral part of the Company’s values and of our way of doing business. We should be honest in every situation and ethical in all our business practices. Our reputation is determined by our smallest actions.

Anil Agarwal

Chairman

November 2011



INTRODUCTION

Purpose

This Code of Business Conduct and Ethics (the 'Code') contains general guidelines for conducting the business of the Group consistent with the highest standards of business ethics. To the extent this Code requires a higher standard than required by commercial practice or applicable laws, rules or regulations, we adhere to these higher standards.

The Code applies to all directors, officers and employees of the Company and its subsidiaries (which, unless the context otherwise requires, are collectively referred to as 'Vedanta' or the 'Group'). We refer to all persons covered by this Code, including directors, officers and employees, as 'employees'.

The Code expresses the principles of our business ethics and is intended to assist all employees in meeting the high standards of personal and professional integrity required of them. Strict adherence to the provisions of the Code is a condition of employment. All managers should take an active role in implementing the Code and ensuring that it is communicated to all employees and adhered to in all circumstances.

The Code is an important part of the Company's Mission and Values, where we highlight principles and standards for our global business conduct. Vedanta expects all its employees to uphold the highest standards of ethical behaviour and integrity. We believe that ethical and economic values are interdependent and that the business community must always strive to operate within the accepted norms established by national and international authorities.

The Code should guide our behaviour and promotes:

- honest and ethical conduct;
- the ethical handling of conflicts of interest between personal and professional relationships;
- full, fair, accurate, timely and understandable disclosure in reports and documents that the Company files with or submits to relevant authorities and in other public communications;
- compliance with applicable laws, rules and regulations in the jurisdictions in which we
- operate;
- the prompt internal reporting of all relevant matters to an appropriate person or persons identified in this Code; and accountability for adherence to this Code.

Vedanta and its employees shall conform to the relevant laws and regulations of the countries in which they operate and fulfil their obligations in a reliable manner. Employees must insist on honesty and fairness in all aspects of business and expect the same from their partners. In any situation not governed by statute or explicit regulations, or where the law is ambiguous or conflicting, the Company's affairs will be conducted in accordance with its high standard of business practice.

Breaches of the law, regulations or the Group's standards are not justified by the pursuit of profit and activities are not made acceptable merely by the practice of competitors or others in the market.



Further, Vedanta and its employees shall operate in accordance with the following guidelines:

Guidelines

Apply “zero tolerance” in assuring strict adherence to local and international laws and regulations as well as to the Group’s ethical standards.

Ensure all Group business transactions are fully and fairly recorded according to the Group’s accounting principles.

Ensure continuous training and awareness for employees on how to handle ethical issues, as well as timely advice and guidance

Regularly monitor ethical conduct and ensure that accessible systems are in place for employees or others to report potential violations.

Seeking Help and Information

This Code is not intended to be a comprehensive rulebook and cannot address every situation that you may face. If you feel uncomfortable about a situation or have any doubts about whether it is consistent with the Group’s ethical standards, seek help. We encourage you to contact your manager for help first. If your manager cannot answer your questions or you do not feel comfortable contacting your manager, contact the Company Secretary at dk@vedantaresources.com or by writing to:

The Company Secretary
5th Floor,
16 Berkeley Street,
London W1J 8DZ

You may remain anonymous and will not be required to reveal your identity in your communication to the Company.

Reporting Violations of the Code

Each employee is responsible for ensuring that his or her conduct and the conduct of anyone reporting to the employee fully comply with the policies governing the Group’s business dealings. Compliance, both personal and by subordinates, will be a factor in periodic performance appraisals. All employees have a duty to report any known or suspected violations of this Code, including any violations of the laws, rules, regulations or policies that apply to the Company. If you know of or suspect a violation of this Code, immediately report the conduct to your manager. Your manager will contact the Company Secretary, who will work with you and your manager to investigate your concern. If you do not feel comfortable reporting the conduct to your manager or you do not get a satisfactory response, you may contact the Company Secretary directly. You may also report known or suspected violations of the Code to the Company at the email address: Vedanta.whistleblower@vedanta.co.in

Employees submitting this information need not leave their name or other personal information. All reports of known or suspected violations of the law or this Code will be handled sensitively and with discretion. The Company will protect your confidentiality to the extent possible, consistent with law and the Company’s need to investigate your concern.

It is Vedanta’s policy that any employee who violates this Code will be subject to appropriate discipline, which may include termination of employment. This determination will be based upon the facts and circumstances of each particular situation. An employee accused of violating this Code will be given an opportunity to present his or her version of the events at issue prior to any determination of appropriate discipline. Employees who violate the law or this Code may expose themselves to civil damages and criminal proceedings. The Company may also face substantial fines and penalties and may incur damage to its reputation and standing in the community. Your conduct as a representative of the Vedanta, if it does not comply with the law or with this Code, can result in serious consequences for both you and Vedanta.



Policy against Retaliation

Vedanta prohibits retaliation against an employee who, in good faith, seeks help or reports known or suspected violations of the Code. Any reprisal or retaliation against an employee because the employee, in good faith, sought help or filed a report will be subject to disciplinary action, including potential termination of employment.

HUMAN RIGHTS

At Vedanta, upholding people’s fundamental rights is central in our everyday business operations. At a minimum Vedanta will comply with all applicable local, state and national laws regarding human rights and workers rights where the Company does business.

All our businesses are compliant with applicable regulations, strive to uphold all labour rights and are aligned with national and international regulations. All employees are required to comply with our Human Rights Policy.

COMPLIANCE WITH LAWS AND REGULATIONS

Each employee has an obligation to comply with all laws, rules and regulations applicable to the Group’s operations. These include, without limitation, laws covering bribery and kickbacks, copyrights, trademarks and trade secrets, information privacy, insider trading, illegal political contributions, antitrust prohibitions, foreign corrupt practices, offering or receiving gratuities, environmental hazards, employment discrimination or harassment, occupational health and safety, false or misleading financial information or misuse of corporate assets. You are expected to understand and comply with all laws, rules and regulations that apply to your job position.

BRIBERY AND CORRUPTION

General

Bribery is the offer, promise, giving, demanding or acceptance of an advantage as an inducement for an action which is illegal, unethical or a breach of trust.

The UK Bribery Act (“UKBA”) prohibits Company and its associated persons from offering, promising or giving any financial or other advantage to bring about the improper performance by another person of a relevant function or activity, to influence a foreign public official in performance of his or her official functions with an intention to obtain or retain business or an advantage in the conduct of business. Further, receipt of bribe is also covered by the act and is an offence under it. Stated more concisely the UKBA prohibits payment and receipt of bribes directly or indirectly through associated person.

A “public official” includes anyone, whether elected or appointed, who performs public functions in any branch of national, local or municipal government anywhere in the world. It includes officials holding a legislative, administrative or judicial position of any kind. It also covers a person who exercises a public function, such as professionals working for public health agencies and officers in state owned enterprises”



“Facilitation payments are small or minor payments made to secure or speed up routine legal government actions”. Facilitation payments are bribes and prohibited under the UK Bribery Act “Associated Persons means anyone who is engaged or paid to represent any entity in the Group and includes agents, representatives, intermediaries, introducers, sponsors, consultants, contractors and advisers or anyone else who acts on behalf of the organisation whose ability to represent such entity is established or implied by the terms of their arrangement”.

Employees shall not offer or provide an undue monetary or Facilitation payments, other advantage to any person or persons, including public officials, customers or employees, any Associated Persons, in violation of laws and the officials’ legal duties in order to obtain or retain business.

Agreements with consultants, brokers, sponsors, agents or other intermediaries shall not be used to channel payments to any person or persons, including public officials, customers or employees, and thereby circumvent the Group’s policies regarding bribery and corruption.

Fraud and Money Laundering

Vedanta is committed to the elimination of fraud, to the rigorous investigation of any suspected cases of fraud and, where fraud or another criminal act is proven, to ensure that wrongdoers are appropriately dealt with.

Vedanta also complies with the applicable money laundering regulations in each jurisdiction in which it operates and will co-operate fully with any investigation conducted by regulatory authorities involving potential money laundering by an employee, officer or director of the Group.

POLITICAL CONTRIBUTIONS

No funds or assets of the Group may be contributed to any political party or organisation or to any individual who either holds public office or is a candidate for public office except where such a contribution is permitted by applicable law and has been authorised by the Chairman or the Board of Directors.

In addition, neither the Company nor any of its subsidiaries may under any circumstances make donations or contributions to political organisations in the United Kingdom or European Union. Should any such donations be contemplated by the Board of Directors, shareholder approval would be sought in advance.

HEALTH, SAFETY AND ENVIRONMENT

The health and safety of our employees and any other person who may be affected by the Group’s operations is of paramount importance. Our aspiration is zero harm and we will strive to implement world class management systems and engender a strong safety culture across all our operations. The Group and its employees shall act positively to prevent injury, ill health, damage and loss arising from its operations as well as to comply with all regulatory or other legal requirements pertaining to safety, health and the environment. All employees are required to be aware of health, safety and environmental issues and to be familiar with applicable laws and the Group’s policies applicable to their areas of business/work.

We will strive, particularly through our use of innovative technologies, to meet the challenges presented by climate change. Wherever possible prevent, or otherwise minimize, mitigate and remediate effects of our operations on the environment. We will promote, encourage and prioritise re-use and re-cycling methods throughout all of our businesses. All employees are encouraged to take an active role in identifying and supporting environmental improvement programmes.



INSIDER TRADING

Pursuant to the Listing Rules of the United Kingdom Listing Authority, the Company has adopted a Share Dealing Code to govern dealing in its securities. Directors, officers and senior employees are required to adhere to the Share Dealing Code when dealing in the Company's securities. Similar provisions exist for other listed companies within the Group as required by local regulations. Directors and officers of the Group have a responsibility to take reasonable steps to ensure that directors, officers and employees of the Group are not engaging in improper insider trading. Copies of the Share Dealing Code are available from the Company Secretary.

In summary, the Group's insider trading policies provide that no employee of the Group or any member of his/her immediate family living in the same household as the employee shall directly or indirectly purchase or sell any securities of the Company or of any other listed Company in the Group while he/she is in possession of material non-public information affecting the Group. Also, employees may not 'tip-off' others about important information regarding the Group, and should keep any information pertaining to the Group confidential. Failure to comply with these provisions could result in disciplinary action and severe criminal and civil penalties.

WHISTLEBLOWING

A Whistleblowing Policy has been adopted by the Audit Committee of the Company to govern the receipt, retention, and treatment of complaints and to protect the confidential, anonymous reporting of the same. These policies and procedures apply to and are available to all employees of the Company, its subsidiaries and all external stakeholders.

Copies of the Whistleblowing Policy are available from the Company Secretary and a summary is provided below.

Employees have the opportunity to submit / report complaints pertaining to the following areas such as:

- *Fraud (an act of wilful misrepresentation which would affect the interests of the concerned) against investors, securities fraud, mail or wire fraud, bank fraud, or fraudulent statements to the London Stock Exchange, Securities and Exchange Board of India, the U.S. Securities and Exchange Commission, other relevant stock exchanges, any other relevant authority or members of the investing public.*
- *Violations of any rules and regulations applicable to the Company and related to accounting, internal accounting controls and auditing matters.*
- *International error or fraud in the preparation, review or audit of any financial statement of the Company.*
- *Any violations to the Company's ethical business practices as specified in the Company's Code of Business Conduct and Ethics policy.*
- *Any other event which would affect the interests of the business.*

The Company will protect the confidentiality and anonymity of the complainant to the fullest extent possible with an objective to conduct an adequate review. External stakeholders such as vendors, customers, business partners etc, have the opportunity to submit complaints, however, the Company is not obliged to keep complaints from non-employees confidential or to maintain the anonymity of non-employees.

Post review, if the complaint is found to have been made with mala fide intention, stringent action will be taken against the complainant. We encourage employees to report genuine complaints and those submitted in good faith.



Receipt of complaints

All complaints should be reported to the Group Head – Management Assurance, who is independent of operating management and businesses. The contact details are as follows:

Group Head – Management Assurance
Vedanta, 75 Nehru Road
Vile Parle (E), Mumbai 400 099
Tel No: +91 22 66461000
Fax No: +91 22 66461450

Complaints can also be sent to the designated E-Mail ID: Vedanta.whistleblower@vedanta.co.in. The Head-Management Assurance will ensure investigation of complaints and submits regular reports on any complaints received to the Company's Audit Committee for review.

CORPORATE OPPORTUNITIES

As an employee of the Group, you have an obligation to advance the Group's interest when the opportunity to do so arises. If you discover or are presented with a business opportunity through the use of corporate property, information or because of your position with the Group, you should first present the business opportunity to the Group before pursuing the opportunity in your individual capacity. Employees who learn of such opportunity through their association with the Group may not disclose it to a third party or invest in the opportunity without first offering it to the Group.

Employees are prohibited from:

1. Taking for themselves personally opportunities that are discovered through the use of the Group's property, information or position;
2. Using the Group's property, information or position for personal gain; or
3. Competing with the Group.

You should disclose to your manager the terms and conditions of each business opportunity covered by this Code that you wish to pursue. Your manager will contact the appropriate management personnel to determine whether Vedanta wishes to pursue the business opportunity. If Vedanta waives its right to pursue the business opportunity, you may pursue the business opportunity on the same terms and conditions as originally proposed and consistent with the other ethical guidelines set forth in this Code.

COMPETITION AND FAIR DEALING

All employees are obligated to deal fairly with fellow employees and with the Group's customers, suppliers, competitors and other third parties. Employees should not take unfair advantage anyone through manipulation, concealment, and abuse of privileged information, misrepresentation or any other unfair-dealing practice.

Relationships with Customers

Our business success depends upon our ability to foster lasting customer relationships. Vedanta is committed to dealing with customers fairly, honestly and with integrity.

Vedanta believes in exercising due care and diligence in establishing business relations with its customers and counter parties. All employees must adhere to the key principle of customer identification. The identity of every customer must be established from a reliable identifying source or materials or documents.



Specifically, you should keep the following guidelines in mind when dealing with customers:

- Information we supply to customers should be accurate and complete to the best of our knowledge. Employees should not deliberately misrepresent information to customers.
- Employees should not refuse to sell, service, or maintain products Vedanta has produced simply because a customer is buying products from another supplier.
- Customer entertainment should not exceed reasonable and customary business practice. Employees should not provide entertainment or other benefits that could be viewed as an inducement to or a reward for, customer purchase decisions. Please see “Gifts and Entertainment” below for additional guidelines in this area.

Relationships with Suppliers

Vedanta deals fairly and honestly with its suppliers. This means that our relationships with suppliers are based on price, quality, service and reputation, among other factors.

Vedanta incurs significant expenditure on the procurement of goods and services. We recognise the need to manage this expenditure from social, ethical and environmental perspectives by ensuring that our suppliers meet our high standards for responsible behaviour. To achieve this aim, social, ethical and environmental considerations will become an integral part of how we evaluate and select our suppliers.

There are two areas of focus for procurement activity:

- **Ethics:** Our procurement processes aim to identify ethical issues. Where serious ethical issues are identified in relation to a supplier, the supplier will be excluded from doing business with us.
- **Health, Safety and Environment:** Our procurement processes will ensure that we take practical steps to make sure our suppliers do not unnecessarily impact the environment in the way they produce, consume and dispose of materials. We will review the health and safety performance of our suppliers and HSE performance will be taken into account during vendor evaluation.

We actively aim to ensure that due regard is given to each of these issues in every procurement managed by Vedanta.

Employees dealing with suppliers should carefully guard their objectivity. Specifically, no employee should accept or solicit any personal benefit from a supplier or potential supplier that might compromise, or appear to compromise, their objective assessment of the supplier’s products and prices. Employees can give or accept promotional items of nominal value or moderately scaled entertainment within the limits of responsible and customary business practice. Please see “Gifts and Entertainment” below for additional guidelines in this area.

Relationships with Competitors

Vedanta is committed to free and open competition in the marketplace. Employees should avoid actions that would be contrary to laws governing competitive practices in the marketplace, including federal and state anti-trust laws. Such actions include misappropriation and/or misuse of a competitor’s confidential information or making false statements about the competitor’s business and business practices. The Group and its employees shall under no circumstances engage in any anti-competitive practices such as illegal fixing of prices, sharing of markets or other actions which prevent, restrict or distort competition in violation of applicable anti-trust laws.



Relationships with stakeholders

Entity’s ability to conduct business is directly affected by government decision making, and it seeks to have open and constructive relationships with governments.

If you have contact with government officials during your work, or are asked to provide information in connection with a government or regulatory agency enquiry or investigation, you must make sure that any information you provide is truthful and accurate, and that Company’s legitimate interests are protected.

Always be truthful, accurate, cooperative and courteous when dealing with government or regulatory agency officials. Notify and seek advice from your Legal representative if you receive a non-routine request from a government or regulatory agency official.

Stand firm against possible corruption. Never offer anything of value to obtain an actual or perceived improper advantage.

CONFLICTS OF INTEREST

An employee’s primary employment obligation is to Vedanta. Vedanta’s employees shall avoid entering into any situation in which their personal or financial interests may conflict with those of the Group.

Business decisions and actions must be based on the best interests of the Group and must not be motivated by personal considerations or relationships. Relationships with prospective or existing suppliers, contractors, customers, competitors or regulators must not affect independent and sound judgements made on behalf of the Group.

General guidelines to help employees better understand several of the most common examples of situations that may cause a conflict of interest are listed below. In addition, employees are required to disclose to their manager any situation that may be, or appears to be, a conflict of interest. When in doubt, it is best to disclose.

Identifying Potential Conflicts of Interest

A conflict of interest can occur when an employee’s private interest interferes, or appears to interfere, with the interest of the Group as a whole. You should avoid any private interest that influences your ability to act in the interest of the Group or that makes it difficult to perform your work objectively and effectively.

Identifying potential conflicts of interests may not always be clear-cut. The following situations are examples of conflicts of interest:

- **Directors and Senior Officers:** Directors and senior officers must disclose to the Company’s Board of Directors any material transaction or relationship that is or may be a potential conflict of interest in line the Company’s policy on conflicts of interest and UK law.
- **Outside Employment:** No employee should be employed by, serve as a director of, or receive payments for services to a Company that is a material customer, supplier, distributor or competitor of the Group without the advance approval of the Chairman of the Board (the “Chairman”) or the Board of directors (the “Board”). Any outside activity must be strictly separated from employment by the Group and should not harm the Group’s interest, the business of the Group or job performance at the Group.



- **Family Members and Close Personal Relationships:** Employees may not seek to obtain special treatment from any member of the Group for family members or friends or for businesses in which family members or friends have an interest.
- **Financial Interests:** Employees may not allow their investments to influence, or appear to influence, business judgements made by them on behalf of the Group. The appearance of a conflict of interest is most likely to arise if an employee has an investment in a competitor, supplier, customer or distributor and his decision may have a business impact on this outside party. No employee should have a significant financial interest (ownership or otherwise) in any Company that is a material customer, supplier or competitor of the Company.
- **Loans or Other Financial Transactions:** No employee should obtain loans or guarantees of personal obligations from, or enter into any other personal financial transaction with, any Company that is a material customer, supplier or competitor of the Group. This guideline does not prohibit arms-length transactions with banks, brokerage firms or other financial institutions.

GIFTS AND ENTERTAINMENT

Gifts

AS part of our overriding philosophy and good governance, Vedanta Resources Ltd (the Company) discourages all its team members from receiving gifts except those of insignificant commercial value. Team members include all employees/retainers/advisors etc of the Company and all its subsidiaries.

Individuals should make every effort to refuse or return gifts having commercial value. Under exceptional circumstances if gifts are to be accepted then the same should be reported to the immediate superior and deposited with the Company Secretary. Perishable gifts items may be distributed in office. Company Secretary should circulate details of such gifts to the Company CEO/ Unit Head on a bi-monthly basis.

Offering gifts is a legitimate contribution to building good business relationships. It is important, however, that gifts never unduly influence business decision making or cause others to perceive an undue influence.

- 1) It is prohibited to offer loans, cash or personal cheques, gifts that may be illegal (anything offered to a government official in breach of local or international bribery laws) and gifts of an inappropriate nature. The test to be applied while giving gifts is whether they could be intended, or even be reasonably interpreted, as a reward or encouragement or inducement for a favor or for preferential treatment. If the answer is yes, the gifts is prohibited.
- 2) Never personally pay for a gift in order to avoid complying with entity's code of conduct
- 3) Never offer gifts from any entity involved in a bid or tender with entity.

Entertainment

Bona fide hospitality and promotional, or other business expenditure which seeks to improve the image of a commercial organisation, better to present products and services, or establish cordial relations, is recognised as an established and important part of doing business.

It is your responsibility to use good judgement in this area. As a general rule, you may give or receive entertainment to or from customers or suppliers only if the entertainment would not be viewed as an inducement to or reward for any particular business decision. Entertainment expenses should be properly accounted for on expense reports.

This policy should be following in letter and spirit.



For further guidance you should contact the Company Secretary / HR Head.

PROTECTION AND USE OF COMPANY ASSETS

Employees should protect the Group's assets and ensure their efficient use for legitimate business purposes only. Theft, carelessness and waste have a direct impact on the Group's profitability. The use of Group funds or assets, whether or not for personal gain, for any unlawful or improper purpose is prohibited.

To ensure the protection and proper use of the Group's assets, each employee should:

Exercise reasonable care to prevent theft, damage or misuse of Group property

Report the actual or suspected theft, damage or misuse of Group property to a manager

Use the Group's telephone system, email, written materials and other property primarily for business related purposes

Safeguard all electronic programs, data, communications and written materials from inadvertent access by others.

Use Group property only for legitimate business purposes, as authorized in connection with your job responsibilities.

Employees should be aware that Group property includes all data and communications transmitted or received to or by, or contained in, the Group's electronic or telephonic systems. Group property also includes all written communications. Employees and other users of this property should have no expectation of privacy with respect to these communications and data. To the extent permitted by law, the Group has the ability, and reserves the right, to monitor all electronic and telephonic communication. These communications may also be subject to disclosure to law enforcement or government officials.

CONFIDENTIAL INFORMATION

Employees have access to a variety of confidential information while employed within the Group. An employee is required to keep confidential and not to disclose or use the confidential information belonging to the Group or belonging to a third party which has been received by the Group pursuant to a confidentiality agreement or received by the Group in circumstances where it is clear or evident that the information is proprietary and confidential. Furthermore, employees shall comply with the terms of all agreements relating to confidential information received from third parties. The foregoing shall not apply where the disclosure is made with the written consent of the Company or where law requires the disclosure. Such confidential information must be returned to the Group when the employee leaves the Group's employment.

You should consider all information, from whatever source, to be confidential until it has been made available to the general public for a reasonable period of time.

The following is a non-exclusive list of confidential information:

- The financial and sales results of the Group, or any member of the Group, before they are in the public domain.
- Trade secrets, including any business or technical information, such as formulae, recipes, process, research programs or information that is valuable because it is not generally known.
- Any invention or process developed by an employee using the Group's facilities or trade secret information resulting from any work for the Group, or relating to the Group's business.



- Proprietary information such as customer sales lists and customer’s confidential information
- Any transaction that the Group or any member of the Group is or may be considering which has not been publicly disclosed.

Safeguarding Confidential Information

Care must be taken to safeguard confidential information. Accordingly, the following measures should be adhered to:

- Employees should conduct their business and social activities so as not to risk inadvertent disclosure of confidential information. For example, when not in use, confidential information should be secretly stored. Also, review of confidential documents or discussion of confidential subjects in public places (e.g. airplanes, trains, taxis, etc) should be conducted so as to prevent overhearing or other access by unauthorized persons.
- Within the Group’s offices, confidential matters should not be discussed within hearing range of visitors or others not working on such matters.
- Confidential matters should not be discussed with other employees not working on such matters or with friends or relatives including those living in the same household as a Group employee.

ACCURACY OF FINANCIAL REPORTS AND COMPANY RECORDS

As a listed Company we are subject to various securities laws, regulations and reporting obligations. All Group business transactions must be fully and fairly recorded in accordance with the Group’s accounting principles and other appropriate requirements. It is important that all Company records are complete, accurate and reliable in all material respects. Both applicable law and our policies require the disclosure of accurate and complete information regarding the Group’s businesses, financial condition and results or operations. Inaccurate, incomplete or untimely reporting will not be tolerated and can severely damage the Group.

The Company’s financial officers and other employees working in the finance and accounting department have a special responsibility to ensure that all of our financial disclosures are full, fair, accurate, timely and understandable. These employees must understand and strictly comply with generally accepted accounting principles and all standards, laws and regulations for accounting and financial reporting of transactions, estimates and forecasts.

In addition, applicable law requires the Group to maintain proper internal books and records and to devise and maintain an adequate system of internal accounting controls. Employees are prohibited from (1) falsifying records or accounts subject to the above requirements and (2) making any materially false, misleading, or incomplete statement to an accountant in connection with an audit or any public filing with the relevant stock exchanges. These provisions are intended to discourage officers, directors, and other persons with access to the Group’s books and records from taking action that might result in the communication of materially misleading financial information to the investing public.

PUBLIC COMMUNICATIONS

Public Communications Generally

Vedanta places a high value on its credibility and reputation in the community. What is written or said about the Group in the news media and investment community directly impacts our reputation, positively or negatively. Our policy is to provide timely, accurate and complete information in response to public requests (media, analysts, etc) consistent with our obligations to maintain the confidentiality of competitive and proprietary information and to prevent selective disclosure of market-sensitive financial data. To ensure compliance with this policy, all news media or other public requests for information regarding the Company should be directed to the Associate Director – Investor Relations.



The Company has a responsibility to communicate effectively with shareholders so that they are provided with full and accurate information, in all material respects, about the Group's financial condition and results of its operations. All public communications, including reports and documents filed or submitted to relevant statutory authorities shall include full, fair, accurate and understandable disclosure and shall be made in a timely manner.

Corporate Communications and Disclosure Policy

To ensure compliance with the above all employees are subject to the Group's Corporate Communications and Disclosure Policy the principle purposes of which are to ensure that:

- Material information about Vedanta is communicated to the financial and investing community in a timely, factual and accurate manner;
- Material information is disseminated in accordance with all applicable legal and regulatory requirements.

The Corporate Communications and Disclosure Policy stipulates that all matters relating to external communication and media are under the direction of the Group Communications Council and identifies authorised spokespersons who may interact with the media. No employees, other than authorised spokespersons, may respond to the media.

Copies of the Corporate Communications and Disclosure Policy are available from the Company Secretary.

CONCLUSION

This Code of Business Conduct and Ethics contains general guidelines for conducting the business of the Company consistent with the highest standards of business ethics. If you have any questions about these guidelines, please contact your manager or the Company Secretary.

We expect all employees, to adhere to these standards.

The Code shall be reviewed at regular intervals to ensure it remains applicable to the challenges we face in a dynamic business environment.



ANNEXURE F

STRATEGIC MANAGEMENT SERVICES

The Licensor shall provide the following strategic management services for the benefit of the Licensee in respect of various strategic, management and operational matters:

a. Strategic advice:

- i. Advice on developing a global profile, particularly relevant to the metals and mining businesses
- ii. Advice and assistance in formulating and implementing short, medium and long term plans and strategies for growth and diversification; and also, consolidation so as to enhance and make effective use of corporate resources in the form of personnel, finance and goods and services.
- iii. Advice and assistance on all opportunities for growth through mergers and acquisitions including identification, evaluation, negotiation and closing; and diversification.
- iv. Advice on all plans for new ventures, business and facilities (including mining, refining and manufacturing facilities) including evaluation of proposals and their implementation.
- v. Advice in sourcing international consultants including specialists in mining and metallurgy, suppliers, vendors and customers and negotiation with these parties.
- vi. Advice on globalization including in particular advice on best practices in all fields of production, marketing, distribution, sourcing, administration and human resources.
- vii. Representing and communicating on behalf of the Licensee on various fronts including government meetings, shareholder grievances, society and community, lenders, unions and suppliers.

b. Financial Treasury and Legal Advice:

- i. Advice on financial structure of the company including advice and assistance in relation to raising of finance resources by private and/ or public placement of debt and/or equity. This advice will include consideration of new and different instruments or arrangements which are evolved in the international markets and their applicability to the companies.
- ii. Assistance in short, medium and long term financial planning and forecasting.
- iii. Providing assistance in investment appraisal, cash management and cash flow planning.
- iv. Advice on banking arrangements and particularly in the international sector including foreign exchange exposure.
- v. Advice on various taxation matters and legal matters including trademark, license, domain name and contractual issues.



c. Public relations and Marketing advisory

- i. Advice on public relation, marketing and customer service provision.
- ii. Provision of corporate marketing material.
- iii. Assistance with marketing positioning and strategic market planning.

d. IT support

- i. Assistance in providing staff training services.
- ii. Assistance in provisioning of IT support software.
- iii. Advice on establishing Human Resource policies and training of personnel.

e. Human Resource Management

- i. Advice on short, medium and long term human resources planning.
- ii. Advice on establishing Human Resources Policies, selection and training of personnel and in other organizational matters.
- iii. Advice on executive development programs, incentives, retirements and other benefit programs.

f. Any other strategic service as sought by the Licensee



ANNEXURE G

BRAND LICENSE AND STRATEGIC SERVICES FEE

The brand license and strategic services fee payable by the Licensee to the Licensor for each Financial Year occurring during the Term of this Agreement, subject to the last 3 years average EBIT being positive shall be an amount equal to 2% of the Turnover of the Licensee (“**Brand License and Strategic Services Fee**” or “**Fee**”).

In terms of Clause 5.1 of this Agreement, the Licensee shall make payment of the Brand License and Strategic Services Fee for the particular Financial Year on an advance basis based on projected turnover of the Licensee for the same Financial Year. The Parties agree such payment of Fee shall be treated as “on a/c payment” which would be validated against the audited accounts of the Licensee to determine the actual dues and any deficiencies / excess, which would need to be adjusted between the Parties, if required, within a period of thirty (30) days post the date of the meeting of the board of directors of the Licensee approving the annual accounts of that particular Financial Year. The Parties agree that the Licensee shall provide to the Licensor within a period of five (5) days from the date of such board meeting a copy of (i) audited balance sheet, (ii) audited profit and loss account statement; and (iii) any other document or information that the Licensor may request in connection therewith.



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Employee Stock Option Scheme Plan 2020

Employee Stock Option Scheme (ESOS) 2020 Grants under the ESOS 2016

Background

Employee Stock option Scheme 2020 (ESOS) is a conditional share plan for rewarding performance on pre-determined performance criteria and continued employment with the Company. The pre-determined performance criteria shall focus on rewarding employees for company performance and superior individual performance.

Salient Features of the Scheme and Plan

1. Coverage of Plan

The Plan will cover around 38% of the Vedanta Limited eligible professional population, comprising of employees across grades including Group EXCO, Business EXCO and other key & critical employees in the group.

2. Date of Grant: 31 March 2021

3. Date of Vesting: 6 November 2023

4. Grant Quantum

All selected employees have been divided in four categories basis their performance and potential rating provided by the business. The grant quantum for each of these four categories are then determined as percentage of employees' fixed pay in each grade as given below.

Category	I	II	III	IV
EXCO		Max upto 100%		
Business Exco		60% to 100%		
M4 & Above	60% - 90%	50% - 75%	40% - 55%	30% - 45%
M5 & Below	50% - 80%	40% - 60%	30% - 40%	20% - 30%

Percentages are indicative and represent percentage of fixed compensation



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The grant quantum varies for individual employees in various businesses due to multiple factors as highlighted below:

- Business recommendation on category and grant
- Individual fixed pay in comparison to grade average fixed pay
- Key executive, high-potential employee and critical position holder consideration
- Respective business entity performance during previous year
- High Potential Talent: identified through various platforms

5. Performance Condition

The number of options granted shall have performance based vesting component. However, continued employment with the company from the date of grant till the date of vesting shall be construed condition to be eligible for any vesting.

The Performance conditions as proposed for the scheme are:

Performance Parameters:

	<u>Business</u>	<u>Individual</u>	<u>Mgmt. Discretion</u>
M4 & Above	40%	40%	20%
M5 & Below	50%	50%	—

Business Performance – In addition to Volume, Cost & Net Sales Realization (NSR), EBITDA & FCF, ESG (Environment, Sustainability and Governance) and Carbon Footprint are 2 metrics which have been introduced as part of this scheme. The weightage of each parameter is built in the manner of their relevance / impact on each business for appropriate alignment. Vesting of awards will be dependent on the business performance parameters of the respective business/SBU entities as applicable in the group for 3 consecutive financial years (starting from the year of grant).

Sustained Individual Performance: Individual performance is a performance condition for vesting of awards under the Employee Stock Option Scheme. Vesting of awards will be dependent on the annual performance ratings of the individual employees for 3 consecutive financial years (starting from the year of grant).

Management Discretion: Management Discretion is an additional performance condition for vesting of awards under the Employee Stock Option Scheme. Vesting of awards will be dependent on the real contribution, taking up elevated role / additional responsibility and superior performance of employees during the vesting period



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Fatality as a positive reinforcer: Inclusion of improvement in fatality as a positive reinforcer as part of the scheme. Inclusion of a 10% multiplier on account of zero fatality during the vesting period of the scheme. Please refer below to find the structure and impact of this recommendation:

Inclusion of Fatality in Scheme Structure:

	Business	Individual	Mgmt. Discretion	Positive Fatality Multiplier	
Proposed Plan					
M4 & Above	40%	40%	20%	Zero Fatality during the vesting period	110%
M5 & Below	50%	50%	-		

6. Performance Period

Business Performance: The performance period for the business/SBU performance based option will be a period of 3 financial years (1st April – 31st March) i.e. FY 2020-21; FY 2021-22 and FY 2022-23.

Sustained Individual Performance: The performance period for the individual performance-based option will be a period of 3 financial years (1st April – 31st March) i.e. FY 2020-21; FY 2021-22 and FY 2022-23.

Management Discretion: Vesting period from Date of Grant to Date of Vesting.

Fatality: Vesting period from Date of Grant to Date of Vesting

However, the overall vesting basis performance will be on completion of the vesting period i.e. 6 November 2023. Furthermore, for an employee to be eligible for performance – based vesting, he/she should in continued employment as on the date of vesting

7. Vesting Schedule

Business Performance:

At the end of the performance period, the testing of performance under business/SBU performance condition for each of the three financial years shall be done individually with equal weightage for overall vesting. 50% of the award shall vest for achieving threshold performance increasing pro-rata to full vesting for achievement of 100% of target.

Sustained Individual Performance:

At the end of the performance period, the testing of performance under sustained individual performance for each of the three financial years shall be done individually. The vesting shall be determined based on sustained performance over the vesting period as per below table:

Multiplier: Sustained Individual Performance Vesting schedule**

Rating Combination	% of Options that Vest
A rating in all three years	125%
Top 2 ratings in 3 years	100%
One out of 3 years is C	25%
Two out of 3 years is C	0%
CCC	0%
D in any year	0%

** The Multiplier is applicable on overall performance parameters



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The vesting will be finalized by NRC or any other committee as may be constructed by the NRC for arriving at final pay-out for each employee on the basis of sustained value add over the vesting period

8. Exercise Price

The exercise payable by employee shall be face value of the share i.e. INR 1.

9. Exercise Period

Employees shall have 6 months to exercise the vested shares. The shares which are not exercised within this period shall lapse and become available for future grants.

10. Administration

We propose that the scheme be managed through an ESOP trust in India. The trust shall be funded by the company to purchase shares from the secondary market. The scheme shall be administered through a third party appointed by the Company (ESOP Direct)

11. Accounting

Accounting of the plan will be as per SEBI Share Based Employee Regulations, 2014. Under IND-AS, the accounting shall be done on fair value basis. Expensing will be done on a fair-value basis.



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Exhibit 8.1

Vedanta Limited

Subsidiaries of Vedanta Limited

Subsidiaries	Country of incorporation
Cairn Energy India Pty Limited ²	Australia
Copper Mines of Tasmania Pty Limited (“CMT”)	Australia
Thalanga Copper Mines Pty Limited (“TCM”)	Australia
Bharat Aluminium Company Limited (“BALCO”)	India
Electrosteel Steels Limited	India
Goa Sea Port Private Limited	India
Hindustan Zinc Limited (“HZL”)	India
MALCO Energy Limited (“MEL”)	India
Maritime Ventures Private Limited	India
Paradip Multi Cargo Berth Private Limited	India
Sesa Mining Corporation Limited	India
Sesa Resources Limited (“SRL”)	India
Sterlite Ports Limited	India
Talwandi Sabo Power Limited (“TSPL”)	India
Vizag General Cargo Berth Private Limited	India
Killoran Lisheen Finance Limited ^(a)	Ireland
Killoran Lisheen Mining Limited	Ireland
Lisheen Milling Limited ³	Ireland
Lisheen Mine Partnership	Ireland
Vedanta Exploration Ireland Limited ^(a)	Ireland
Vedanta Lisheen Holdings Limited	Netherlands
Vedanta Lisheen Mining Limited	Ireland
AvanStrate Inc. (‘ASI’)	Japan
Cairn India Holdings Limited	Jersey
Western Cluster Limited	Liberia
Bloom Fountain Limited	Mauritius
CIG Mauritius Holdings Private Limited ^(a)	Mauritius
CIG Mauritius Private Limited ^(a)	Mauritius
THL Zinc Limited	Mauritius
THL Zinc Ventures Limited	Mauritius
Amica Guesthouse (Proprietary) Limited	Namibia
Namzinc (Proprietary) Limited	Namibia
Skorpion Mining Company (Proprietary) Limited (‘NZ’)	Namibia
Skorpion Zinc (Proprietary) Limited (‘SZPL’)	Namibia
THL Zinc Namibia Holdings (Proprietary) Limited (“VNHL”)	Namibia
Lakomasko BV	Netherlands
Monte Cello BV (“MCBV”)	Netherlands
THL Zinc Holding BV	Netherlands
Cairn Energy Discovery Limited ²	Scotland
Cairn Energy Gujarat Block 1 Limited	Scotland
Cairn Energy Hydrocarbons Limited	Scotland ^(b)
Cairn Exploration (No. 2) Limited ²	Scotland
Black Mountain Mining (Proprietary) Limited	South Africa
Cairn South Africa Pty Limited ⁴	South Africa
AvanStrate Korea Inc	South Korea
Cairn Lanka Private Limited	Sri Lanka
AvanStrate Taiwan Inc	Taiwan
Fujairah Gold FZC	United Arab Emirates
Sterlite (USA) Inc. ^(a)	United States of America
Ferro Alloy Corporation Limited (FACOR) ^(c)	India
FACOR Alloys corporation Limited ^(c)	India
FACOR Power Limited ^(c)	India

(a) Under liquidation

(b) Principal place of business is in India

(c) Acquired with effect from September 21, 2020

1) The Group also has interest in certain trusts which are neither significant nor material to the Group.

2) Cairn Exploration (No. 2) Limited and Cairn Energy Discovery Limited have been dissolved w.e.f. September 22, 2020. Cairn Energy India (Pty) Ltd. deregistered on August 26, 2020.

3) Activity of the company ceased in February 2016.

4) deregistered w.e.f. April 06, 2021.



Certification of Chief Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Sunil Duggal, certify that:

1. I have reviewed this Annual Report on Form 20-F of Vedanta Limited (the “Company”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
4. The Company’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:
 1. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 2. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 3. evaluated the effectiveness of the Company’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 4. disclosed in this report any change in the Company’s internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting; and
5. The Company’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company’s auditors and the audit committee of the Company’s board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company’s ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company’s internal control over financial reporting.

Date: July 19, 2021

By: /s/ Sunil Duggal
Name: Sunil Duggal
Title: Chief Executive Officer



Certification of Deputy Chief Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Ajay Goel, certify that:

1. I have reviewed this Annual Report on Form 20-F of Vedanta Limited (the “Company”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
4. The Company’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the Company’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the Company’s internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting; and
5. The Company’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company’s auditors and the audit committee of the company’s board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company’s ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the company’s internal control over financial reporting.

Date: July 19, 2021

By: /s/ Ajay Goel
Name: Ajay Goel
Title: Deputy Chief Financial Officer



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Exhibit 13.1

Certification of Chief Executive Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to 18 U.S.C. Section 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Vedanta Limited (the "Company") hereby certifies, to such officer's knowledge, that:

- (i) the accompanying annual report on Form 20-F of the Company for the year ended March 31, 2021 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
- (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 19, 2021

By: /s/ Sunil Duggal

Name: Sunil Duggal

Title: Chief Executive Officer

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. § 1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.



Exhibit 13.2

Certification of Deputy Chief Financial Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to 18 U.S.C. Section 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Vedanta Limited (the "Company") hereby certifies, to such officer's knowledge, that:

- (i) the accompanying annual report on Form 20-F of the Company for the year ended March 31, 2021 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
- (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 19, 2021

By: /s/ Ajay Goel

Name: Ajay Goel

Title: Deputy Chief Financial Officer

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. § 1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.



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DEGOLYER AND MACNAUGHTON
5001 SPRING VALLEY ROAD
SUITE 800 EAST
DALLAS, TEXAS 75244

This is a digital representation of a DeGolyer and MacNaughton report.

This file is intended to be a manifestation of certain data in the subject report and as such are subject to the same conditions thereof. The information and data contained in this file may be subject to misinterpretation; therefore, the signed and bound copy of this report should be considered the only authoritative source of such information.





DEGOLYER AND MACNAUGHTON
5001 SPRING VALLEY ROAD
SUITE 800 EAST
DALLAS, TEXAS 75244

REPORT
as of
MARCH 31, 2021
on
RESERVES and REVENUE
of
CERTAIN FIELDS
in
INDIA
with interests attributable to
CAIRN OIL & GAS, DIVISION OF VEDANTA LIMITED



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DEGOLYER AND MACNAUGHTON

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DEGOLYER AND MACNAUGHTON
5001 SPRING VALLEY ROAD
SUITE 800 EAST
DALLAS, TEXAS 75244

REPORT
as of
MARCH 31, 2021
on
RESERVES and REVENUE
of
CERTAIN FIELDS
in
INDIA
with interests attributable to
CAIRN OIL & GAS, DIVISION OF VEDANTA LIMITED

FOREWORD

Scope of Investigation

This report presents estimates, as of March 31, 2021, of the extent and value of the proved oil, condensate, and sales gas reserves of certain fields in India in which Cairn Oil & Gas, Division of Vedanta Limited (Cairn) has represented it holds an interest under the terms of various production sharing contracts (PSC) with the government of India (GOI). Table 1 presents a listing of the properties evaluated along with contract type, interest evaluated, and expiration of each license area.

Estimates of reserves presented in this report have been prepared in compliance with the regulations promulgated by the United States Securities and Exchange Commission (SEC). These reserves definitions are discussed in detail in the Definition of Reserves section of this report.

Reserves estimated in this report are expressed as gross reserves and net reserves. Gross reserves are defined as the total estimated petroleum remaining to be produced from these properties after March 31, 2021. Net reserves are defined as that portion of the gross reserves attributable to the interests held by Cairn after deducting all interests held by others.



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Certain properties in which Cairn has represented it holds an interest are subject to the terms of various PSCs. The terms of these agreements generally allow for working interest participants to be reimbursed for portions of capital costs and operating expenses and to share in the profits. The reimbursements and profit proceeds are converted to a barrel of oil equivalent or standard cubic foot of gas equivalent by dividing by product prices to estimate the “entitlement quantities.” These entitlement quantities are equivalent in principle to net reserves and are used to calculate an equivalent net share, termed an “entitlement interest.” In this report, Cairn’s net reserves or interest for certain properties subject to these agreements is the entitlement based on Cairn’s working interest. A detailed explanation of the terms of these agreements is included in the Valuation of Reserves section of this report.

The fields evaluated herein are located in the CB/OS-2 PSC (3 fields), the KG-ONN-2003/1 PSC (1 field), the RJ-ON-90/1 PSC (18 fields), and the PKGM-1 PSC (1 field).

The CB-X, Gauri, and Lakshmi fields are located in the CB/OS-2 PSC (Cambay), the Nagayalanka field is located in the KG-ONN-2003/1 PSC (Nagayalanka), the Aishwariya, Aishwariya Barmer Hill, Bhagyam, GS-V, Guda, Kaameshwari-1, Kaameshwari West-2, Mangala, N-E, N-I, Raagashwari Oil, Raagashwari Deep Gas, Saraswati, Saraswati-4 Basement, Shakti, and Tukarum fields are located in the RJ-ON-90/1 PSC (Rajasthan), and the Ravva field is located in the PKGM-1 PSC (Ravva).

The net entitlement interests for the properties evaluated in this report were calculated for each PSC and may change from year to year depending on changes to the estimated costs projected for each field, the timing of production, and price assumptions. Estimates of the entitlement interest for the total proved reserves for each PSC are as follows:

<u>Contract Area</u>	<u>Net Entitlement Interest</u>	
	<u>Oil and Condensate (percent)</u>	<u>Sales Gas (percent)</u>
CB/OS-2 PSC	25.95	25.95
KG-ONN-2003/1 PSC	48.60	48.62
RJ-ON-90/1 PSC	46.70	46.64
PKGM-1 PSC	9.50	9.09



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DEGOLYER AND MACNAUGHTON

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This report presents values for proved reserves that were estimated using prices, expenses, and costs provided by Cairn. Future prices were estimated using guidelines established by the SEC and the Financial Accounting Standards Board (FASB). Prices, expenses, and costs were provided in Indian rupees (INR) or United States dollars (U.S.\$). At the request of Cairn, an exchange rate of INR73.30 per U.S.\$1.00 was used. All values were estimated in INR and U.S.\$, and all prices, expenses, costs, and revenue shown in this report are expressed in INR and U.S.\$.

A detailed explanation of the future price, expense, and cost assumptions is included in the Valuation of Reserves section of this report.

Values for proved reserves in this report are expressed in terms of future gross revenue, future net revenue, and present worth. Future gross revenue is defined as that revenue which will accrue to the evaluated interests from the production and sale of the estimated net reserves. Future net revenue is calculated by deducting cash royalties, production taxes (termed "cess"), operating expenses, capital costs, and Indian income tax from future gross revenue. Operating expenses include field operating expenses, workover costs, compression costs, and all other direct costs specified by Cairn. Capital costs include such items as platforms, pipelines, wells, compressors, and abandonment fund payments. Abandonment costs are represented by Cairn to be inclusive of those costs associated with the removal of equipment, plugging of wells, and reclamation and restoration associated with the abandonment. Present worth is defined as future net revenue discounted at a specified arbitrary discount rate compounded monthly over the expected period of realization. Present worth should not be construed as fair market value because no consideration was given to additional factors that influence the prices at which properties are bought and sold. In this report, present worth values using a nominal discount rate of 10 percent are reported.

Estimates of reserves and revenue should be regarded only as estimates that may change as further production history and additional information become available. Not only are such estimates based on that information which is currently available, but such estimates are also subject to the uncertainties inherent in the application of judgmental factors in interpreting such information.



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Authority

This report was authorized by Mr. M. Suresh Kumar, Chief Reservoir Engineer, Cairn Oil & Gas, Division of Vedanta Limited.

Source of Information

Information used in the preparation of this report was obtained from Cairn. In the preparation of this report we have relied, without independent verification, upon information furnished by Cairn with respect to the property interests being evaluated, production from such properties, current costs of operation and development, current prices for production, agreements relating to current and future operations and sale of production, and various other information and data that were accepted as represented. A field examination was not considered necessary for the purposes of this report.



DEFINITION of RESERVES

Petroleum reserves included in this report are classified as proved. Only proved reserves have been evaluated for this report. Reserves classifications used in this report are in accordance with the reserves definitions of Rules 4–10(a) (1)–(32) of Regulation S–X of the SEC. Reserves are judged to be economically producible in future years from known reservoirs under existing economic and operating conditions and assuming continuation of current regulatory practices using conventional production methods and equipment. In the analyses of production-decline curves, reserves were estimated only to the limit of economic rates of production under existing economic and operating conditions using prices and costs consistent with the effective date of this report, including consideration of changes in existing prices provided only by contractual arrangements but not including escalations based upon future conditions. The petroleum reserves are classified as follows:

Proved oil and gas reserves – Proved oil and gas reserves are those quantities of oil and gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible—from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulations—prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. The project to extract the hydrocarbons must have commenced or the operator must be reasonably certain that it will commence the project within a reasonable time.

(i) The area of the reservoir considered as proved includes:

(A) The area identified by drilling and limited by fluid contacts, if any, and (B) Adjacent undrilled portions of the reservoir that can, with reasonable certainty, be judged to be continuous with it and to contain economically producible oil or gas on the basis of available geoscience and engineering data.

(ii) In the absence of data on fluid contacts, proved quantities in a reservoir are limited by the lowest known hydrocarbons (LKH) as seen in a well penetration unless geoscience, engineering, or performance data and reliable technology establishes a lower contact with reasonable certainty.



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(iii) Where direct observation from well penetrations has defined a highest known oil (HKO) elevation and the potential exists for an associated gas cap, proved oil reserves may be assigned in the structurally higher portions of the reservoir only if geoscience, engineering, or performance data and reliable technology establish the higher contact with reasonable certainty.

(iv) Reserves which can be produced economically through application of improved recovery techniques (including, but not limited to, fluid injection) are included in the proved classification when:

(A) Successful testing by a pilot project in an area of the reservoir with properties no more favorable than in the reservoir as a whole, the operation of an installed program in the reservoir or an analogous reservoir, or other evidence using reliable technology establishes the reasonable certainty of the engineering analysis on which the project or program was based; and (B) The project has been approved for development by all necessary parties and entities, including governmental entities.

(v) Existing economic conditions include prices and costs at which economic producibility from a reservoir is to be determined. The price shall be the average price during the 12-month period prior to the ending date of the period covered by the report, determined as an unweighted arithmetic average of the first-day-of-the-month price for each month within such period, unless prices are defined by contractual arrangements, excluding escalations based upon future conditions.

Probable reserves – Probable reserves are those additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely as not to be recovered.

(i) When deterministic methods are used, it is as likely as not that actual remaining quantities recovered will exceed the sum of estimated proved plus probable reserves. When probabilistic methods are used, there should be at least a 50% probability that the actual quantities recovered will equal or exceed the proved plus probable reserves estimates.



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(ii) Probable reserves may be assigned to areas of a reservoir adjacent to proved reserves where data control or interpretations of available data are less certain, even if the interpreted reservoir continuity of structure or productivity does not meet the reasonable certainty criterion. Probable reserves may be assigned to areas that are structurally higher than the proved area if these areas are in communication with the proved reservoir.

(iii) Probable reserves estimates also include potential incremental quantities associated with a greater percentage recovery of the hydrocarbons in place than assumed for proved reserves.

(iv) See also guidelines in paragraphs (iv) and (vi) of the definition of possible reserves.

Possible reserves – Possible reserves are those additional reserves that are less certain to be recovered than probable reserves.

(i) When deterministic methods are used, the total quantities ultimately recovered from a project have a low probability of exceeding proved plus probable plus possible reserves. When probabilistic methods are used, there should be at least a 10% probability that the total quantities ultimately recovered will equal or exceed the proved plus probable plus possible reserves estimates.

(ii) Possible reserves may be assigned to areas of a reservoir adjacent to probable reserves where data control and interpretations of available data are progressively less certain. Frequently, this will be in areas where geoscience and engineering data are unable to define clearly the area and vertical limits of commercial production from the reservoir by a defined project.



(iii) Possible reserves also include incremental quantities associated with a greater percentage recovery of the hydrocarbons in place than the recovery quantities assumed for probable reserves.

(iv) The proved plus probable and proved plus probable plus possible reserves estimates must be based on reasonable alternative technical and commercial interpretations within the reservoir or subject project that are clearly documented, including comparisons to results in successful similar projects.

(v) Possible reserves may be assigned where geoscience and engineering data identify directly adjacent portions of a reservoir within the same accumulation that may be separated from proved areas by faults with displacement less than formation thickness or other geological discontinuities and that have not been penetrated by a wellbore, and the registrant believes that such adjacent portions are in communication with the known (proved) reservoir. Possible reserves may be assigned to areas that are structurally higher or lower than the proved area if these areas are in communication with the proved reservoir.

(vi) Pursuant to paragraph (iii) of the proved oil and gas reserves definition, where direct observation has defined a highest known oil (HKO) elevation and the potential exists for an associated gas cap, proved oil reserves should be assigned in the structurally higher portions of the reservoir above the HKO only if the higher contact can be established with reasonable certainty through reliable technology. Portions of the reservoir that do not meet this reasonable certainty criterion may be assigned as probable and possible oil or gas based on reservoir fluid properties and pressure gradient interpretations.

Developed oil and gas reserves – Developed oil and gas reserves are reserves of any category that can be expected to be recovered:

(i) Through existing wells with existing equipment and operating methods or in which the cost of the required equipment is relatively minor compared to the cost of a new well; and



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(ii) Through installed extraction equipment and infrastructure operational at the time of the reserves estimate if the extraction is by means not involving a well.

Undeveloped oil and gas reserves – Undeveloped oil and gas reserves are reserves of any category that are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required for recompletion.

(i) Reserves on undrilled acreage shall be limited to those directly offsetting development spacing areas that are reasonably certain of production when drilled, unless evidence using reliable technology exists that establishes reasonable certainty of economic producibility at greater distances.

(ii) Undrilled locations can be classified as having undeveloped reserves only if a development plan has been adopted indicating that they are scheduled to be drilled within five years, unless the specific circumstances justify a longer time.

(iii) Under no circumstances shall estimates for undeveloped reserves be attributable to any acreage for which an application of fluid injection or other improved recovery technique is contemplated, unless such techniques have been proved effective by actual projects in the same reservoir or an analogous reservoir, as defined in [section 210.4–10 (a) Definitions], or by other evidence using reliable technology establishing reasonable certainty.

The extent to which probable and possible reserves ultimately may be reclassified as proved reserves is dependent upon future drilling, testing, and well performance. The degree of risk to be applied in evaluating probable and possible reserves is influenced by economic and technological factors as well as the time element. No probable or possible reserves have been evaluated for this report.



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ESTIMATION of RESERVES

Estimates of reserves were prepared by the use of appropriate geologic, petroleum engineering, and evaluation principles and techniques that are in accordance with the reserves definitions of Rules 4–10(a) (1)–(32) of Regulation S–X of the SEC and with practices generally recognized by the petroleum industry as presented in the publication of the Society of Petroleum Engineers entitled “Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information (revised June 2019) Approved by the SPE Board on 25 June 2019.” The method or combination of methods used in the analysis of each reservoir was tempered by experience with similar reservoirs, stage of development, quality and completeness of basic data, and production history.

Based on the current stage of field development, production performance, the development plans provided by Cairn, and analyses of areas offsetting existing wells with test or production data, reserves were classified as proved developed or proved undeveloped.

The proved undeveloped reserves estimates were based on opportunities identified in the plan of development provided by Cairn.

Cairn has represented that its senior management is committed to the development plan provided by Cairn and that Cairn has the financial capability to execute the development plan, including the drilling and completion of wells and the installation of equipment and facilities.

The volumetric method was used to estimate the original oil in place (OOIP) and original gas in place (OGIP). Structure maps were prepared to delineate each reservoir, and isopach maps were constructed to estimate reservoir volume. Electrical logs, radioactivity logs, core analyses, and other available data were used to prepare these maps as well as to estimate representative values for porosity and water saturation. When adequate data were available and when circumstances justified, material-balance methods were used to estimate OOIP or OGIP.



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Estimates of ultimate recovery were obtained after applying recovery factors to OOIP and OGIP. These recovery factors were based on consideration of the type of energy inherent in the reservoirs, analyses of the petroleum, the structural positions of the properties, and the production histories. When applicable, material balance and other engineering methods were used to estimate recovery factors based on an analysis of reservoir performance, including production rate, reservoir pressure, and reservoir fluid properties.

For depletion-type reservoirs or those whose performance disclosed a reliable decline in producing-rate trends or other diagnostic characteristics, reserves were estimated by the application of appropriate decline curves or other performance relationships. In the analyses of production-decline curves, reserves were estimated only to the limits of economic production as defined in the Definition of Reserves section of this report or the expiration of the fiscal agreement, as appropriate.

In certain cases, reserves were estimated by incorporating elements of analogy with similar wells or reservoirs for which more complete data were available.

Data provided by Cairn from wells drilled through March 31, 2021, and made available for this evaluation were used to prepare the reserves estimates herein. These reserves estimates were based on consideration of production data through March 31, 2021. Cumulative production, as of March 31, 2021, was deducted from the estimated gross ultimate recovery to estimate gross reserves.

Oil and condensate reserves estimated herein are to be recovered by normal field separation and are expressed in millions of barrels (10⁶ bbl). In these estimates, 1 barrel equals 42 United States gallons. For reporting purposes, oil and condensate reserves have been estimated separately and are presented herein as a summed quantity.

Gas quantities estimated herein are expressed as sales gas. Sales gas is defined as the total gas to be produced from the reservoirs, measured at the point of delivery, after reduction for fuel usage, flare, and shrinkage resulting from field separation and processing. Gas reserves estimated herein are reported as sales gas. Gas quantities are expressed at a temperature base of 60 degrees Fahrenheit (°F) and at a pressure base of 14.7 pounds per square inch absolute (psia). Gas quantities included in this report are expressed in billions of cubic feet (10⁹ ft³).



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Gas quantities are identified by the type of reservoir from which the gas will be produced. Nonassociated gas is gas at initial reservoir conditions with no oil present in the reservoir. Associated gas is both gas-cap gas and solution gas. Gas-cap gas is gas at initial reservoir conditions and is in communication with an underlying oil zone. Solution gas is gas dissolved in oil at initial reservoir conditions. Gas quantities estimated herein include both associated and nonassociated gas.

At the request of Cairn, sales gas reserves estimated herein were converted to oil equivalent using an energy equivalent factor of 6,000 cubic feet of gas per 1 barrel of oil equivalent.

Reserves estimated herein were forecast on a fiscal-year basis starting April 1 of each year and ending March 31 of the following calendar year.

Reserves were forecast to the expiration of each PSC. The expiration date for each PSC is as follows:

<u>Contract Area</u>	<u>Expiration Date</u>
CB/OS-2 PSC	June 29, 2023
KG-ONN-2003/1 PSC	September 24, 2031
RJ-ON-90/1 PSC	May 14, 2030
PKGGM-1 PSC	October 27, 2029

The gross and net proved reserves evaluated herein are presented in Tables 2 and 3, respectively. A reconciliation of the net proved oil and condensate and sales gas reserves, as of March 31, 2021, is shown in Table 4.

The estimated gross and net proved developed, proved undeveloped, and total proved reserves, as of March 31, 2021, of the properties evaluated herein are summarized as follows, expressed in millions of barrels (10⁶bbl) and billions of cubic feet (10⁹ft³):

<u>Proved Developed</u>				<u>Proved Undeveloped</u>				<u>Total Proved</u>			
<u>Oil and Condensate (10⁶bbl)</u>		<u>Sales Gas (10⁹ft³)</u>		<u>Oil and Condensate (10⁶bbl)</u>		<u>Sales Gas (10⁹ft³)</u>		<u>Oil and Condensate (10⁶bbl)</u>		<u>Sales Gas (10⁹ft³)</u>	
<u>Gross</u>	<u>Net</u>	<u>Gross</u>	<u>Net</u>	<u>Gross</u>	<u>Net</u>	<u>Gross</u>	<u>Net</u>	<u>Gross</u>	<u>Net</u>	<u>Gross</u>	<u>Net</u>
223.551	98.964	221.829	98.751	10.046	5.337	22.455	11.020	233.597	104.301	244.284	109.771



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VALUATION of RESERVES

Revenue values in this report were estimated using initial prices, expenses, and costs provided by Cairn. Future prices were estimated using guidelines established by the SEC and the FASB. An exchange rate of INR73.30 per U.S.\$1.00 was used based on representation from Cairn that it was the prevailing exchange rate on March 31, 2021. The following economic assumptions were used for estimating the revenue values reported herein:

Oil and Condensate Prices

Cairn has represented that the oil and condensate prices were based on a reference price, calculated as the unweighted arithmetic average of the first-day-of-the-month price for each month within the 12-month period prior to the end of the reporting period, unless prices are defined by contractual agreements. All oil and condensate reserves estimated herein are sold under contractual agreements. Cairn supplied differentials to a Brent price of U.S.\$41.09 per barrel and the prices were held constant thereafter. The volume-weighted average adjusted price attributable to the estimated proved reserves over the lives of the properties was U.S.\$39.04 per barrel of oil and condensate.

Gas Prices

Cairn has represented that the gas prices are defined by contractual agreements based on specific market conditions. The volume-weighted average adjusted price attributable to the estimated proved reserves was U.S.\$4.38 per thousand cubic feet of gas. The average contract prices for each contract area were held constant for the lives of the properties.



Operating Expenses, Capital Costs, and Abandonment Costs

Estimates of future operating expenses, capital costs, and abandonment costs were based on information provided by Cairn. This information included historical costs as well as operating expense and capital cost estimates for future development. Estimates of future operating expenses and capital costs, either higher or lower than the Cairn development plan estimates, may have been made to conform to the respective reserves cases. Abandonment costs, which are those costs associated with the removal of equipment, plugging of wells, and reclamation and restoration associated with the abandonment, were provided by Cairn for each field or contract area and were included as capital costs through escrow payments over the life of the remaining reserves. As of March 31, 2021, Cairn has represented that no additional funding for abandonment costs is required for the CB/OS-2 PSC. Estimates of operating expenses, capital costs, and abandonment costs provided by Cairn have been considered in determining the economic viability of the undeveloped reserves estimated herein. No escalation of operating expenses, capital costs, or abandonment costs have been applied.

Discussion of Fiscal Terms

RJ-ON-90/1 PSC (Rajasthan)

Cairn has represented that under the terms of the PSC signed with the GOI, the Contractor (Cairn and its partners) has the right to recover costs and share in the profit proceeds with the GOI. The Licensee, Oil and Natural Gas Corporation (ONGC), pays royalties of 20 percent on the wellhead value of oil and condensate sales and 10 percent on the wellhead value of gas sales. The Contractor is liable for a production tax (termed "cess") of 20 percent ad valorem. Royalties and cess are considered allowable costs for cost recovery purposes. Profits are shared based on a sliding scale tied to the ratio of cumulative revenues divided by cumulative investments (exploration and development). Income taxes are assessable at statutory rates for domestic and foreign companies (Cairn's interests are held by two entities: one domestic entity and one foreign entity).

CB/OS-2 PSC (Cambay)

Cairn has represented that under the terms of the PSC signed with the GOI, the Contractor has the right to recover costs and share in the profit proceeds with the GOI. The Contractor is not responsible for royalties or cess under the terms of this contract and the same are payable by Licensee (ONGC). Profits are shared based on a sliding scale tied to the after-tax rate of return. Income taxes are assessable at statutory rates for domestic companies.



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KG-ONN-2003/1 PSC (Nagayalanka)

Cairn has represented that under the terms of the PSC signed with the GOI, the Contractor has the right to recover costs with 95 percent of revenue limit and share in the profit proceeds with the GOI. The Contractor pays royalties of 12.5 percent ad valorem on the wellhead value of oil and condensate sales and 10 percent on the wellhead value of gas sales. Profits are shared based on a sliding scale tied to the ratio of cumulative revenues divided by cumulative investments (exploration and development). Income taxes are assessable at statutory rates for domestic companies.

PKGGM-1 PSC (Ravva)

Cairn has represented that under the terms of the PSC signed with the GOI, the Contractor has the right to recover costs and share in the profit proceeds with the GOI. Royalties were paid at a rate of INR481 per metric ton for oil and 10 percent ad valorem of the wellhead value for gas sales until October 2019 (in accordance with the terms of the original PSC). Royalties after October 2019 (in accordance with the terms of the PSC extension) are paid at a rate of 10 percent on the wellhead value for oil and gas sales. Cess rates were INR900 per metric ton of oil until October 2019 (in accordance with the terms of the original PSC). Cess rates after October 2019 are paid at a rate of 20 percent ad valorem on the wellhead value of oil sales (in accordance with the terms of the PSC extension). Royalties and cess payments are deducted before profit sharing. Profits are shared based on a sliding scale tied to the after-tax rate of return. Income taxes are assessable at statutory rates for domestic companies.

The estimated future net revenue and present worth discounted at a rate of 10 percent to be derived from the production and sale of the net proved developed and total proved reserves, as of March 31, 2021, of the properties evaluated using the guidelines established by the SEC are summarized as follows, expressed in millions of Indian rupees (10⁶INR) and millions of United States dollars (10⁶U.S.\$):

<u>Proved Developed</u>		<u>Total Proved</u>		<u>Proved Developed</u>		<u>Total Proved</u>	
<u>Future Net Revenue (10⁶INR)</u>	<u>Present Worth at 10 Percent (10⁶INR)</u>	<u>Future Net Revenue (10⁶INR)</u>	<u>Present Worth at 10 Percent (10⁶INR)</u>	<u>Future Net Revenue (10⁶U.S.\$)</u>	<u>Present Worth at 10 Percent (10⁶U.S.\$)</u>	<u>Future Net Revenue (10⁶U.S.\$)</u>	<u>Present Worth at 10 Percent (10⁶U.S.\$)</u>
57,384	38,839	58,722	39,145	783	530	801	534



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Standardized measure of discounted future net cash flows (SMV) and changes therein relating to proved reserves, as of March 31, 2021, are shown in Table 5. The SMV is the net present worth discounted at 10 percent. Table 6 presents a summary of net reserves and future net revenue. Tables 7 through 14 show the projection of proved developed and total proved reserves and future net revenue by PSC.

In our opinion, the information relating to estimated proved reserves, estimated future net revenue from proved reserves, and present worth of estimated future net revenue from proved reserves of oil, condensate, and gas contained in this report has been prepared in accordance with Paragraphs 932-235-50-4, 932-235-50-6, 932-235-50-7, 932-235-50-9, 932-235-50-30, and 932-235-50-31 of the Accounting Standards Update 932-235-50, *Extractive Industries – Oil and Gas (Topic 932): Oil and Gas Reserve Estimation and Disclosures* (January 2010) of the FASB and Rules 4–10(a) (1)–(32) of Regulation S–X and Rules 302(b), 1201, 1202(a) (1), (2), (3), (4), (8)(i), (ii), and (v)–(x), and 1203(a) of Regulation S–K of the SEC; provided, however, the reserves and values are presented on a fiscal-year basis and not on a calendar-year basis. This report does not include certain disclosures required by Item 1202 (a)(8) of Regulation S–K and is thus not to be used for inclusion in certain SEC filings.

To the extent the above-enumerated rules, regulations, and statements require determinations of an accounting or legal nature, we, as engineers, are necessarily unable to express an opinion as to whether the above-described information is in accordance therewith or sufficient therefor.



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SUMMARY and CONCLUSIONS

Cairn has represented that it holds an interest in certain properties located in India evaluated herein. The estimated net proved developed, proved undeveloped, and total proved reserves, as of March 31, 2021, of the properties evaluated herein are summarized as follows, expressed in millions of barrels (10⁶ bbl), billions of cubic feet (10⁹ ft³), and millions of barrels of oil equivalent (10⁶ boe):

	Net Reserves		
	Oil and Condensate (10 ⁶ bbl)	Sales Gas (10 ⁹ ft ³)	Oil Equivalent (10 ⁶ boe)
Proved Developed	98.964	98.751	115.422
Proved Undeveloped	5.337	11.020	7.174
Total Proved	104.301	109.771	122.596

Note: Sales gas reserves estimated herein were converted to oil equivalent using an energy equivalent factor of 6,000 cubic feet of gas per 1 barrel of oil equivalent.

The estimated present worth discounted at a rate of 10 percent attributable to Cairn’s interest in the proved developed and total proved reserves, as of March 31, 2021, of the properties evaluated using the guidelines established by the SEC is summarized as follows, expressed in millions of Indian rupees (10⁶ INR) and millions of United States dollars (10⁶ U.S.\$):

	Present Worth at 10 Percent (10 ⁶ INR)	Present Worth at 10 Percent (10 ⁶ U.S.\$)
Proved Developed	38,839	530
Total Proved	39,145	534

While the oil and gas industry may be subject to regulatory changes from time to time that could affect an industry participant’s ability to recover its reserves, we are not aware of any such governmental actions which would restrict the recovery of the March 31, 2021, estimated reserves.



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DeGolyer and MacNaughton is an independent petroleum engineering consulting firm that has been providing petroleum consulting services throughout the world since 1936. Our fees were not contingent on the results of our evaluation. This report has been prepared at the request of Cairn. DeGolyer and MacNaughton has used all assumptions, procedures, data, and methods that it considers necessary to prepare this report.

Submitted,

/s/ DeGOLYER and MacNAUGHTON
DeGOLYER and MacNAUGHTON
Texas Registered Engineering Firm F-716

SIGNED: April 20, 2021

/s/ Thomas C. Pence, P.E.
Thomas C. Pence, P.E.
Senior Vice President
DeGolyer and MacNaughton



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TABLE 1
WORKING INTERESTS and CONTRACT EXPIRATION DATES
 as of
MARCH 31, 2021
 for
CERTAIN AREAS
 in
INDIA
 with interests held by
CAIRN OIL & GAS, DIVISION of VEDANTA LIMITED

<u>Country Area</u>	<u>Fiscal Regime</u>	<u>Working Interest (%)</u>	<u>Expiration Dates</u>
India			
CB/OS-2 PSC	PSC	40.0	June 29, 2023
KG-ONN-2003/1 PSC	PSC	49.0	September 24, 2031
RJ-ON-90/1PSC	PSC	70.0	May 14, 2030
PKGM-1 PSC	PSC	22.5	October 27, 2029

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



TABLE 2
GROSS PROVED RESERVES
 as of
MARCH 31, 2021
 for
CERTAIN FIELDS
 in
INDIA

Area Field	Proved Developed			Gross Reserves Proved Undeveloped			Total Proved		
	Oil and Condensate (10 ⁶ bbl)	Sales Gas (10 ⁹ ft ³)	Oil Equivalent (10 ⁶ boe)	Oil and Condensate (10 ⁶ bbl)	Sales Gas (10 ⁹ ft ³)	Oil Equivalent (10 ⁶ boe)	Oil and Condensate (10 ⁶ bbl)	Sales Gas (10 ⁹ ft ³)	Oil Equivalent (10 ⁶ boe)
CB/OS-2 PSC									
CB-X	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Gauri	1.050	0.784	1.181	0.000	0.000	0.000	1.050	0.784	1.181
Lakshmi	4.233	5.732	5.188	0.000	0.000	0.000	4.233	5.732	5.188
Total CB/OS-2 PSC	5.283	6.516	6.369	0.000	0.000	0.000	5.283	6.516	6.369
KG-ONN-2003/1 PSC									
Nagayalanka	1.638	2.534	2.060	0.000	0.000	0.000	1.638	2.534	2.060
RJ-ON-90/1 PSC									
Aishwariya	24.456	0.000	24.456	0.000	0.000	0.000	24.456	0.000	24.456
Aishwariya Barmer Hill	19.631	0.000	19.631	3.294	0.000	3.294	22.925	0.000	22.925
Bhagyam	28.772	0.000	28.772	0.000	0.000	0.000	28.772	0.000	28.772
GS-V	0.000	0.000	0.000	0.086	0.000	0.086	0.086	0.000	0.086
Guda	0.271	0.000	0.271	0.000	0.000	0.000	0.271	0.000	0.271
Kaameshwari-1	0.000	0.000	0.000	0.555	0.000	0.555	0.555	0.000	0.555
Kaameshwari West-2	0.139	0.000	0.139	0.000	0.000	0.000	0.139	0.000	0.139
Mangala	121.923	0.000	121.923	1.192	0.000	1.192	123.115	0.000	123.115
N-E	0.868	0.000	0.868	0.000	0.000	0.000	0.868	0.000	0.868
N-I	1.020	0.000	1.020	0.000	0.000	0.000	1.020	0.000	1.020
NL	0.000	0.000	0.000	1.113	0.000	1.113	1.113	0.000	1.113
Raageshwari Deep Gas	8.539	205.170	42.734	0.910	22.455	4.653	9.449	227.625	47.387
Raageshwari Oil	0.517	0.000	0.517	1.213	0.000	1.213	1.730	0.000	1.730
Raageshwari South-1	0.000	0.000	0.000	0.315	0.000	0.315	0.315	0.000	0.315
Saraswati	0.419	0.000	0.419	0.000	0.000	0.000	0.419	0.000	0.419
Saraswati-4 Basement	0.082	0.000	0.082	0.000	0.000	0.000	0.082	0.000	0.082
Shakti	0.000	0.000	0.000	0.248	0.000	0.248	0.248	0.000	0.248
Tukaram	0.000	0.000	0.000	1.120	0.000	1.120	1.120	0.000	1.120
Total RJ-ON-90/1 PSC	206.637	205.170	240.832	10.046	22.455	13.789	216.683	227.625	254.621
PKG-M-1 PSC									
Ravva	9.993	7.609	11.261	0.000	0.000	0.000	9.993	7.609	11.261
Grand Total	223.551	221.829	260.522	10.046	22.455	13.789	233.597	244.284	274.311

Note: Sales gas is converted to oil equivalent using an energy equivalent factor of 6,000 cubic feet of gas per 1 barrel of oil equivalent.

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



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TABLE 3
NET PROVED RESERVES
as of
MARCH 31, 2021
for **CERTAIN AREAS**
in
INDIA
with interests held by
CAIRN OIL & GAS, DIVISION of VEDANTA LIMITED

Area	Net Reserves								
	Proved Developed			Proved Undeveloped			Total Proved		
	Oil and Condensate (10 ⁶ bbl)	Sales Gas (10 ⁹ ft ³)	Oil Equivalent (10 ⁶ boe)	Oil and Condensate (10 ⁶ bbl)	Sales Gas (10 ⁹ ft ³)	Oil Equivalent (10 ⁶ boe)	Oil and Condensate (10 ⁶ bbl)	Sales Gas (10 ⁹ ft ³)	Oil Equivalent (10 ⁶ boe)
CB/OS-2 PSC	1.371	1.691	1.653	0.000	0.000	0.000	1.371	1.691	1.653
KG-ONN-2003/1 PSC	0.796	1.232	1.001	0.000	0.000	0.000	0.796	1.232	1.001
RJ-ON-90/1 PSC	95.848	95.136	111.704	5.337	11.020	7.174	101.185	106.156	118.878
PKGM-1 PSC	0.949	0.692	1.064	0.000	0.000	0.000	0.949	0.692	1.064
Total	98.964	98.751	115.422	5.337	11.020	7.174	104.301	109.771	122.596

Note: Sales gas is converted to oil equivalent using an energy equivalent factor of 6,000 cubic feet of gas per 1 barrel of oil equivalent.

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



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TABLE 4
RECONCILIATION of NET PROVED RESERVES
as of
MARCH 31, 2021
for
CERTAIN AREAS
in
INDIA
with interests held by
CAIRN OIL & GAS, DIVISION of VEDANTA LIMITED

Proved Developed and Undeveloped	Oil and Condensate (10 ⁶ bbl)	Sales Gas (10 ⁹ ft ³)	Oil Equivalent (10 ⁶ boe)
Reserves as of March 31, 2020	104.044	119.024	123.882
Revisions	21.474	9.205	23.007
Improved Recovery	0.000	0.000	0.000
Purchases or (Sales) of Minerals in Place	0.000	0.000	0.000
Extensions and Discoveries	0.667	0.000	0.667
Annual Production	(21.884)	(18.458)	(24.960)
Proved Developed and Undeveloped Reserves as of March 31, 2021	104.301	109.771	122.596
Proved Developed Reserves			
March 31, 2020	91.490	100.451	108.233
March 31, 2021	98.964	98.751	115.422

Note: Sales gas is converted to oil equivalent using a factor of 6,000 cubic feet of gas per 1 barrel of oil equivalent.



TABLE 5
STANDARDIZED MEASURE of DISCOUNTED FUTURE NET CASH FLOWS and
CHANGES THEREIN relating to PROVED RESERVES
as of
MARCH 31, 2021
for
CERTAIN AREAS
in
INDIA
with interests held by
CAIRN OIL & GAS, DIVISION of VEDANTA LIMITED

	Total Proved (10⁶ INR)	Total Proved (10⁶ U.S.\$)
Future cash inflows	333,722	4,553
Future production costs	232,675	3,174
Future development costs	31,722	433
Future income tax expenses	10,603	145
Future net cash flows	58,722	801
10% annual discount for estimated timing of cash flows	(19,577)	(267)
Standardized measure of discounted future net cash flows	39,145	534

The following are the principal sources of change in the standardized measure of discounted future net cash flows during Fiscal Year 2019:

Standardized Measure March 31, 2020	86,705	1,159
Sales and transfers of oil and gas produced, net of production costs	(35,349)	(482)
Net changes in prices and production costs	(58,612)	(777)
Extensions, discoveries and improved recovery	354	5
Development costs incurred during the period	8,720	119
Revisions of previous quantity estimates	12,944	177
Change in estimated development costs	(13,021)	(178)
Purchase or (Sales) of Minerals in Place	0	0
Accretion of discount	13,026	178
Net change in income taxes	24,378	333
Standardized Measure March 31, 2021	39,145	534

Notes:

1. Indian Rupees (INR) were converted to United States dollars (U.S.\$) using an exchange rate of INR73.30 per U.S.\$1.00.
2. For FY2020, an exchange rate of INR74.81 per U.S.\$1.00 was used.



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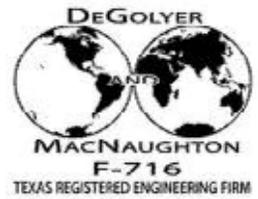


TABLE 6
SUMMARY of NET RESERVES and FUTURE NET REVENUE
 as of
MARCH 31, 2021
 for
CERTAIN PROPERTIES
 in
INDIA
 with interests held by
CAIRN OIL & GAS, DIVISION of VEDANTA LIMITED

Reserves Category	Net Reserves		Future Gross Revenue (10 ⁶ INR)	Royalty and Cess (10 ⁶ INR)	Operating Expenses (10 ⁶ INR)	Capital Costs (10 ⁶ INR)	Income Tax (10 ⁶ INR)	Future Net Revenue (10 ⁶ INR)	Present Worth at 10 Percent (10 ⁶ INR)
	Oil (10 ⁶ bbl)	Sales Gas (10 ⁹ ft ³)							
Proved Developed	98,964	98,751	314,896	70,209	155,115	22,546	9,642	57,384	38,839
Proved Undeveloped	5,337	11,020	18,826	3,394	3,957	9,176	961	1,338	306
Total Proved	104,301	109,771	333,722	73,603	159,072	31,722	10,603	58,722	39,145

Note: Capital costs include abandonment.

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



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TABLE 7
PROJECTION OF PROVED DEVELOPED RESERVES and FUTURE NET REVENUE
as of
MARCH 31, 2021
for
CERTAIN FIELDS
located in the
CB/OS-2 PSC
INDIA
with interests held by
CAIRN OIL & GAS, DIVISION of VEDANTA LIMITED

Fiscal Year	Oil and Condensate		Sales Gas		Oil Price (INR/bbl)	Gas Price (INR/10 ³ ft ³)	Future Gross Revenue (10 ⁶ INR)	Royalty and Cess (10 ⁶ INR)	Operating Expenses (10 ⁶ INR)	Capital Costs (10 ⁶ INR)	Income Tax (10 ⁶ INR)	Future Net Revenue (10 ⁶ INR)	Present Worth at 10 Percent (10 ⁶ INR)
	Gross (10 ⁶ bbl)	Net (10 ⁶ bbl)	Gross (10 ⁹ ft ³)	Net (10 ⁹ ft ³)									
2021	2.796	0.716	3.306	0.846	2,861.63	366.50	2,358	0	751	122	496	989	938
2022	2.074	0.545	2.741	0.720	2,861.63	366.50	1,824	0	680	59	351	734	571
2023	0.413	0.110	0.469	0.125	2,861.63	366.50	360	0	137	15	6	202	142
2024	0.000	0.000	0.000	0.000	—	—	0	0	0	0	0	0	0
2025	0.000	0.000	0.000	0.000	—	—	0	0	0	0	0	0	0
2026	0.000	0.000	0.000	0.000	—	—	0	0	0	0	0	0	0
2027	0.000	0.000	0.000	0.000	—	—	0	0	0	0	0	0	0
2028	0.000	0.000	0.000	0.000	—	—	0	0	0	0	0	0	0
2029	0.000	0.000	0.000	0.000	—	—	0	0	0	0	0	0	0
2030	0.000	0.000	0.000	0.000	—	—	0	0	0	0	0	0	0
2031	0.000	0.000	0.000	0.000	—	—	0	0	0	0	0	0	0
2032	0.000	0.000	0.000	0.000	—	—	0	0	0	0	0	0	0
2033	0.000	0.000	0.000	0.000	—	—	0	0	0	0	0	0	0
2034	0.000	0.000	0.000	0.000	—	—	0	0	0	0	0	0	0
2035	0.000	0.000	0.000	0.000	—	—	0	0	0	0	0	0	0
Total	5.283	1.371	6.516	1.691			4,542	0	1,568	196	853	1,925	1,651

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



TABLE 8
PROJECTION OF TOTAL PROVED RESERVES and FUTURE NET REVENUE
 as of
MARCH 31, 2021
 for
CERTAIN FIELDS
 located in the
CB/OS-2 PSC
INDIA
 with interests held by
CAIRN OIL & GAS, DIVISION of VEDANTA LIMITED

Fiscal Year	Oil and Condensate		Sales Gas		Oil Price (INR/bbl)	Gas Price (INR/10 ³ ft ³)	Future Gross Revenue (10 ⁶ INR)	Royalty and Cess (10 ⁶ INR)	Operating Expenses (10 ⁶ INR)	Capital Costs (10 ⁶ INR)	Income Tax (10 ⁶ INR)	Future Net Revenue (10 ⁶ INR)	Present Worth at 10 Percent (10 ⁶ INR)
	Gross (10 ⁶ bbl)	Net (10 ⁶ bbl)	Gross (10 ⁹ ft ³)	Net (10 ⁹ ft ³)									
2021	2.796	0.716	3.306	0.846	2,861.63	366.50	2,358	0	751	122	496	989	938
2022	2.074	0.545	2.741	0.720	2,861.63	366.50	1,824	0	680	59	351	734	571
2023	0.413	0.110	0.469	0.125	2,861.63	366.50	360	0	137	15	6	202	142
2024	0.000	0.000	0.000	0.000	—	—	0	0	0	0	0	0	0
2025	0.000	0.000	0.000	0.000	—	—	0	0	0	0	0	0	0
2026	0.000	0.000	0.000	0.000	—	—	0	0	0	0	0	0	0
2027	0.000	0.000	0.000	0.000	—	—	0	0	0	0	0	0	0
2028	0.000	0.000	0.000	0.000	—	—	0	0	0	0	0	0	0
2029	0.000	0.000	0.000	0.000	—	—	0	0	0	0	0	0	0
2030	0.000	0.000	0.000	0.000	—	—	0	0	0	0	0	0	0
2031	0.000	0.000	0.000	0.000	—	—	0	0	0	0	0	0	0
2032	0.000	0.000	0.000	0.000	—	—	0	0	0	0	0	0	0
2033	0.000	0.000	0.000	0.000	—	—	0	0	0	0	0	0	0
2034	0.000	0.000	0.000	0.000	—	—	0	0	0	0	0	0	0
2035	0.000	0.000	0.000	0.000	—	—	0	0	0	0	0	0	0
Total	5.283	1.371	6.516	1.691			4,542	0	1,568	196	853	1,925	1,651

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



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TABLE 9
PROJECTION OF PROVED DEVELOPED RESERVES and FUTURE NET
REVENUE
as of
MARCH 31, 2021
for the
NAGAYALANKA FIELD
located in the
KG-ONN-2003/1 PSC
INDIA
with interests held by
CAIRN OIL & GAS, DIVISION of VEDANTA LIMITED

Fiscal Year	Oil and Condensate		Sales Gas		Oil Price (INR/bbl)	Gas Price (INR/10 ³ ft ³)	Future Gross Revenue (10 ⁶ INR)	Royalty and Cess (10 ⁶ INR)	Operating Expenses (10 ⁶ INR)	Capital Costs (10 ⁶ INR)	Income Tax (10 ⁶ INR)	Future Net Revenue (10 ⁶ INR)	Present Worth at 10 Percent (10 ⁶ INR)
	Gross (10 ⁶ bbl)	Net (10 ⁶ bbl)	Gross (10 ⁹ ft ³)	Net (10 ⁹ ft ³)									
2021	0.344	0.167	0.454	0.221	2,830.85	161.26	509	59	180	53	0	217	206
2022	0.266	0.129	0.367	0.178	2,830.85	161.26	395	46	151	48	0	150	129
2023	0.212	0.103	0.306	0.149	2,830.85	161.26	316	36	124	32	0	124	96
2024	0.174	0.085	0.264	0.128	2,830.85	161.26	260	30	105	30	0	95	67
2025	0.145	0.071	0.231	0.112	2,830.85	161.26	218	25	92	28	0	73	47
2026	0.122	0.059	0.202	0.098	2,830.85	161.26	184	21	81	26	0	56	32
2027	0.105	0.051	0.182	0.089	2,830.85	161.26	159	18	73	25	0	43	22
2028	0.091	0.044	0.168	0.082	2,830.85	161.26	138	16	66	24	0	32	15
2029	0.078	0.038	0.151	0.073	2,830.85	161.26	119	14	60	23	0	22	10
2030	0.070	0.034	0.143	0.070	2,830.85	161.26	108	12	55	23	0	18	7
2031	0.031	0.015	0.066	0.032	2,830.85	161.26	48	6	25	11	0	6	2
2032	0.000	0.000	0.000	0.000	—	—	0	0	0	0	0	0	0
2033	0.000	0.000	0.000	0.000	—	—	0	0	0	0	0	0	0
2034	0.000	0.000	0.000	0.000	—	—	0	0	0	0	0	0	0
2035	0.000	0.000	0.000	0.000	—	—	0	0	0	0	0	0	0
Total	1.638	0.796	2.534	1.232			2,454	283	1,012	323	0	836	633

Note: Capital costs include abandonment.

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



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TABLE 10
PROJECTION OF TOTAL PROVED RESERVES and FUTURE NET REVENUE
 as of
MARCH 31, 2021
 for the
NAGAYALANKA FIELD
 located in the
KG-ONN-2003/1 PSC
INDIA
 with interests held by
CAIRN OIL & GAS, DIVISION of VEDANTA LIMITED

Fiscal Year	Oil and Condensate		Sales Gas		Oil Price (INR/bbl)	Gas Price (INR/10 ³ ft ³)	Future Gross Revenue (10 ⁶ INR)	Royalty and Cess (10 ⁶ INR)	Operating Expenses (10 ⁶ INR)	Capital Costs (10 ⁶ INR)	Income Tax (10 ⁶ INR)	Future Net Revenue (10 ⁶ INR)	Present Worth at 10 Percent (10 ⁶ INR)
	Gross (10 ⁶ bbl)	Net (10 ⁶ bbl)	Gross (10 ⁹ ft ³)	Net (10 ⁹ ft ³)									
2021	0.344	0.167	0.454	0.221	2,830.85	161.26	509	59	180	53	0	217	206
2022	0.266	0.129	0.367	0.178	2,830.85	161.26	395	46	151	48	0	150	129
2023	0.212	0.103	0.306	0.149	2,830.85	161.26	316	36	124	32	0	124	96
2024	0.174	0.085	0.264	0.128	2,830.85	161.26	260	30	105	30	0	95	67
2025	0.145	0.071	0.231	0.112	2,830.85	161.26	218	25	92	28	0	73	47
2026	0.122	0.059	0.202	0.098	2,830.85	161.26	184	21	81	26	0	56	32
2027	0.105	0.051	0.182	0.089	2,830.85	161.26	159	18	73	25	0	43	22
2028	0.091	0.044	0.168	0.082	2,830.85	161.26	138	16	66	24	0	32	15
2029	0.078	0.038	0.151	0.073	2,830.85	161.26	119	14	60	23	0	22	10
2030	0.070	0.034	0.143	0.070	2,830.85	161.26	108	12	55	23	0	18	7
2031	0.031	0.015	0.066	0.032	2,830.85	161.26	48	6	25	11	0	6	2
2032	0.000	0.000	0.000	0.000	—	—	0	0	0	0	0	0	0
2033	0.000	0.000	0.000	0.000	—	—	0	0	0	0	0	0	0
2034	0.000	0.000	0.000	0.000	—	—	0	0	0	0	0	0	0
2035	0.000	0.000	0.000	0.000	—	—	0	0	0	0	0	0	0
Total	1.638	0.796	2.534	1.232			2,454	283	1,012	323	0	836	633

Note: Capital costs include abandonment.

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



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TABLE 11
PROJECTION OF PROVED DEVELOPED RESERVES and FUTURE NET REVENUE
 as of
MARCH 31, 2021
 for
CERTAIN FIELDS
 located in the
RJ-ON-90/1 PSC
RAJASTHAN STATE, INDIA
 with interests held by
CAIRN OIL & GAS, DIVISION of VEDANTA LIMITED

Fiscal Year	Oil and Condensate		Sales Gas		Oil Price (INR/bbl)	Gas Price (INR/10 ³ ft ³)	Future Gross Revenue (10 ⁶ INR)	Royalty and Cess (10 ⁶ INR)	Operating Expenses (10 ⁶ INR)	Capital Costs (10 ⁶ INR)	Income Tax (10 ⁶ INR)	Future Net Revenue (10 ⁶ INR)	Present Worth at 10 Percent (10 ⁶ INR)
	Gross (10 ⁶ bbl)	Net (10 ⁶ bbl)	Gross (10 ⁹ ft ³)	Net (10 ⁹ ft ³)									
2021	39.872	18.072	40.197	18.219	2,861.63	322.52	57,592	13,474	23,517	6,655	2,738	11,208	9,616
2022	33.213	15.402	33.928	15.734	2,861.63	322.52	49,150	11,223	21,290	6,440	1,686	8,511	6,611
2023	27.886	12.379	27.601	12.253	2,861.63	322.52	39,376	9,423	18,464	1,788	1,333	8,368	5,883
2024	23.467	10.583	23.083	10.410	2,861.63	322.52	33,642	7,930	16,381	1,520	963	6,848	4,359
2025	20.190	9.269	19.832	9.104	2,861.63	322.52	29,460	6,823	14,939	1,321	717	5,660	3,261
2026	17.645	8.234	17.348	8.095	2,861.63	322.52	26,172	5,963	13,753	1,162	559	4,735	2,469
2027	15.666	7.457	15.432	7.346	2,861.63	322.52	23,708	5,294	12,982	1,040	433	3,959	1,869
2028	14.292	7.066	13.808	6.827	2,861.63	322.52	22,422	4,830	13,190	955	255	3,192	1,364
2029	12.939	6.639	12.511	6.420	2,861.63	322.52	21,069	4,372	14,381	870	0	1,446	560
2030	1.467	0.747	1.430	0.728	2,861.63	322.52	2,372	496	1,731	99	0	46	16
2031	0.000	0.000	0.000	0.000	—	—	0	0	0	0	0	0	0
2032	0.000	0.000	0.000	0.000	—	—	0	0	0	0	0	0	0
2033	0.000	0.000	0.000	0.000	—	—	0	0	0	0	0	0	0
2034	0.000	0.000	0.000	0.000	—	—	0	0	0	0	0	0	0
2035	0.000	0.000	0.000	0.000	—	—	0	0	0	0	0	0	0
Total	206.637	95.848	205.170	95.136			304,963	69,828	150,628	21,850	8,684	53,973	36,008

Note: Capital costs include abandonment.

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



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TABLE 12
PROJECTION OF TOTAL PROVED RESERVES and FUTURE NET REVENUE
 as of
MARCH 31, 2021
 for
CERTAIN FIELDS
 located in the
RJ-ON-90/1 PSC
RAJASTHAN STATE, INDIA
 with interests held by
CAIRN OIL & GAS, DIVISION of VEDANTA LIMITED

Fiscal Year	Oil and Condensate		Sales Gas		Oil Price (INR/bbl)	Gas Price (INR/10 ³ ft ³)	Future Gross Revenue (10 ⁶ INR)	Royalty and Cess (10 ⁶ INR)	Operating Expenses (10 ⁶ INR)	Capital Costs (10 ⁶ INR)	Income Tax (10 ⁶ INR)	Future Net Revenue (10 ⁶ INR)	Present Worth at 10 Percent (10 ⁶ INR)
	Gross (10 ⁶ bbl)	Net (10 ⁶ bbl)	Gross (10 ⁹ ft ³)	Net (10 ⁹ ft ³)									
2021	41.431	19.946	40.472	19.484	2,861.63	322.52	63,362	14,000	24,040	13,318	2,613	9,391	8,058
2022	35.155	16.460	39.823	18.646	2,861.63	322.52	53,117	11,880	22,110	8,495	1,939	8,693	6,751
2023	29.868	13.113	32.888	14.439	2,861.63	322.52	42,180	10,093	19,271	1,969	1,650	9,197	6,466
2024	24.837	11.085	26.588	11.867	2,861.63	322.52	35,549	8,393	16,925	1,625	1,161	7,445	4,738
2025	21.191	9.635	22.287	10.133	2,861.63	322.52	30,839	7,161	15,338	1,387	845	6,108	3,519
2026	18.404	8.511	19.135	8.849	2,861.63	322.52	27,209	6,219	14,058	1,206	646	5,080	2,649
2027	16.250	7.669	16.770	7.915	2,861.63	322.52	24,499	5,491	13,215	1,069	493	4,231	1,998
2028	14.754	7.232	14.833	7.271	2,861.63	322.52	23,041	4,986	13,373	974	298	3,410	1,457
2029	13.294	6.779	13.321	6.793	2,861.63	322.52	21,589	4,492	14,513	883	0	1,701	658
2030	1.499	0.755	1.508	0.759	2,861.63	322.52	2,404	507	1,742	100	0	55	20
2031	0.000	0.000	0.000	0.000	—	—	0	0	0	0	0	0	0
2032	0.000	0.000	0.000	0.000	—	—	0	0	0	0	0	0	0
2033	0.000	0.000	0.000	0.000	—	—	0	0	0	0	0	0	0
2034	0.000	0.000	0.000	0.000	—	—	0	0	0	0	0	0	0
2035	0.000	0.000	0.000	0.000	—	—	0	0	0	0	0	0	0
Total	216.683	101.185	227.625	106.156			323,789	73,222	154,585	31,026	9,645	55,311	36,314

Note: Capital costs include abandonment.

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



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TABLE 13
PROJECTION OF PROVED DEVELOPED RESERVES and FUTURE NET REVENUE
 as of
MARCH 31, 2021
 for the
RAVVA FIELD
 located in the
PKGM-1 PSC
BAY OF BENGAL, INDIA
 with interests held by
CAIRN OIL & GAS, DIVISION of VEDANTA LIMITED

Fiscal Year	Oil and Condensate		Sales Gas		Oil Price (INR/bbl)	Gas Price (INR/10 ³ ft ³)	Future Gross Revenue (10 ⁶ INR)	Royalty and Cess (10 ⁶ INR)	Operating Expenses (10 ⁶ INR)	Capital Costs (10 ⁶ INR)	Income Tax (10 ⁶ INR)	Future Net Revenue (10 ⁶ INR)	Present Worth at 10 Percent (10 ⁶ INR)
	Gross (10 ⁶ bbl)	Net (10 ⁶ bbl)	Gross (10 ⁹ ft ³)	Net (10 ⁹ ft ³)									
2021	3.906	0.318	3.916	0.319	2,861.63	322.52	1,012	49	570	23	79	291	275
2022	2.203	0.193	1.577	0.138	2,861.63	322.52	598	49	368	23	17	141	120
2023	1.358	0.132	0.865	0.084	2,861.63	322.52	406	0	278	20	9	99	77
2024	0.882	0.101	0.506	0.058	2,861.63	322.52	307	0	237	20	0	50	35
2025	0.595	0.071	0.305	0.036	2,861.63	322.52	214	0	164	20	0	30	19
2026	0.416	0.051	0.194	0.024	2,861.63	322.52	153	0	115	20	0	18	11
2027	0.302	0.038	0.125	0.016	2,861.63	322.52	115	0	83	20	0	12	6
2028	0.216	0.029	0.079	0.011	2,861.63	322.52	86	0	60	20	0	6	3
2029	0.115	0.016	0.042	0.006	2,861.63	322.52	46	0	32	11	0	3	1
2030	0.000	0.000	0.000	0.000	—	—	0	0	0	0	0	0	0
2031	0.000	0.000	0.000	0.000	—	—	0	0	0	0	0	0	0
2032	0.000	0.000	0.000	0.000	—	—	0	0	0	0	0	0	0
2033	0.000	0.000	0.000	0.000	—	—	0	0	0	0	0	0	0
2034	0.000	0.000	0.000	0.000	—	—	0	0	0	0	0	0	0
2035	0.000	0.000	0.000	0.000	—	—	0	0	0	0	0	0	0
Total	9.993	0.949	7.609	0.692			2,937	98	1,907	177	105	650	547

Note: Capital costs include abandonment.

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



TABLE 14
PROJECTION OF TOTAL PROVED RESERVES and FUTURE NET REVENUE
 as of
MARCH 31, 2021
 for the
RAVVA FIELD
 located in the
PKGM-1 PSC
BAY OF BENGAL, INDIA
 with interests held by
CAIRN OIL & GAS, DIVISION of VEDANTA LIMITED

Fiscal Year	Oil and Condensate		Sales Gas		Oil Price (INR/bbl)	Gas Price (INR/10 ³ ft ³)	Future Gross Revenue (10 ⁶ INR)	Royalty and Cess (10 ⁶ INR)	Operating Expenses (10 ⁶ INR)	Capital Costs (10 ⁶ INR)	Income Tax (10 ⁶ INR)	Future Net Revenue (10 ⁶ INR)	Present Worth at 10 Percent (10 ⁶ INR)
	Gross (10 ⁶ bbl)	Net (10 ⁶ bbl)	Gross (10 ⁹ ft ³)	Net (10 ⁹ ft ³)									
2021	3.906	0.318	3.916	0.319	2,861.63	322.52	1,012	49	570	23	79	291	275
2022	2.203	0.193	1.577	0.138	2,861.63	322.52	598	49	368	23	17	141	120
2023	1.358	0.132	0.865	0.084	2,861.63	322.52	406	0	278	20	9	99	77
2024	0.882	0.101	0.506	0.058	2,861.63	322.52	307	0	237	20	0	50	35
2025	0.595	0.071	0.305	0.036	2,861.63	322.52	214	0	164	20	0	30	19
2026	0.416	0.051	0.194	0.024	2,861.63	322.52	153	0	115	20	0	18	11
2027	0.302	0.038	0.125	0.016	2,861.63	322.52	115	0	83	20	0	12	6
2028	0.216	0.029	0.079	0.011	2,861.63	322.52	86	0	60	20	0	6	3
2029	0.115	0.016	0.042	0.006	2,861.63	322.52	46	0	32	11	0	3	1
2030	0.000	0.000	0.000	0.000	—	—	0	0	0	0	0	0	0
2031	0.000	0.000	0.000	0.000	—	—	0	0	0	0	0	0	0
2032	0.000	0.000	0.000	0.000	—	—	0	0	0	0	0	0	0
2033	0.000	0.000	0.000	0.000	—	—	0	0	0	0	0	0	0
2034	0.000	0.000	0.000	0.000	—	—	0	0	0	0	0	0	0
2035	0.000	0.000	0.000	0.000	—	—	0	0	0	0	0	0	0
Total	9.993	0.949	7.609	0.692			2,937	98	1,907	177	105	650	547

Note: Capital costs include abandonment.

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.