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Chartered Accountants

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Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

Review Report to
The Board of Directors
Vedanta Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results of Vedanta Limited (the "Company") for the quarter ended June 30, 2021 and year to date from April 1, 2021 to June 30, 2021 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Emphasis of Matter

5. We draw attention to note 6 of the accompanying standalone financial results which describes the uncertainty arising out of the demands that have been raised on the Company, with respect to government's share of profit oil by the Director General of Hydrocarbons and one of the pre-conditions for the extension of the Production Sharing Contract (PSC) for the Rajasthan oil block is the settlement of these demands. While the Government has granted permission to the Company to continue operations in the block till July 31, 2021 or signing of the PSC addendum, whichever is earlier, the Company, based on external legal advice, believes it is in compliance with the necessary conditions to secure an extension of this PSC and that the demands are untenable and hence no provision is required in respect of these demands. Our conclusion is not modified in respect of this matter.

Other Matter

6. We did not audit the financial results and other financial information in respect of an unincorporated joint venture not operated by the Company, whose Ind AS financial results include total assets of Rs 112 Crore as at June 30, 2021. The Ind AS financial results and other financial information of the said unincorporated joint venture not operated by the Company have not been audited and such unaudited financial results and other unaudited financial information have been furnished to us by the management and our report on the Ind AS financial statements of the Company, in so far as it relates to the amounts and disclosures included in respect of the said unincorporated joint venture, is based solely on such unaudited information furnished to us by the management. In our opinion and according to the information and explanations given to us by the Management, these financial results and other financial information of joint venture, is not material to the Company. Our conclusion on the Statement is not modified in respect of this matter.

For S.R. BATLIBOI & Co. LLP
Chartered Accountants
ICAI Firm registration number: 301003E/E300005

SUDHIR MURLIDHAR SONI

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per Sudhir Soni
Partner
Membership No.: 41870

UDIN: 21041870AAAABJ3557

Place: Mumbai
Date: July 26, 2021

Vedanta Limited
CIN no. L13209MH1965PLC291394

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STATEMENT OF UNAUDITED STANDALONE RESULTS FOR THE QUARTER ENDED 30 JUNE 2021

(₹ in Crore, except as stated)

S.No.	Particulars	Quarter ended			Year ended
		30.06.2021 (Unaudited)	31.03.2021 (Audited) (Refer Note 2)	30.06.2020 (Unaudited)	31.03.2021 (Audited)
1	Revenue from operations	**12,883**	12,305	6,689	37,120
2	Other operating income	**75**	86	93	320
3	Other income (Refer note 9)	**1,399**	92	4,726	10,948
	Total Income	**14,357**	12,483	11,508	48,388
4	**Expenses**				
a)	Cost of materials consumed	**4,950**	4,521	2,731	13,990
b)	Purchases of Stock-in-Trade	**162**	76	76	204
c)	Changes in inventories of finished goods, work-in-progress and stock - in- trade	**(546)**	92	(200)	70
d)	Power & fuel charges	**2,056**	1,941	1,384	6,763
e)	Employee benefits expense	**198**	217	176	903
f)	Finance costs	**722**	813	800	3,193
g)	Depreciation, depletion and amortization expense	**704**	654	596	2,519
h)	Other expenses (Refer note 4)	**2,370**	2,482	1,411	6,850
	Total expenses	**10,616**	10,796	6,974	34,492
5	**Profit before exceptional items and tax**	**3,741**	1,687	4,534	13,896
6	Exceptional loss (Refer note 3)	**-**	(232)	-	(232)
7	**Profit before tax**	**3,741**	1,455	4,534	13,664
8	**Tax expense/ (benefit) on other than exceptional items:**				
a)	Net Current tax expense/ (benefit)	**661**	(453)	-	104
b)	Net Deferred tax (benefit)/ expense	**(256)**	548	1,570	3,138
	Tax benefit on exceptional items :				
c)	Deferred tax benefit (Refer note 3)	**-**	(81)	-	(81)
	Net tax expense (a+b+c)	**405**	14	1,570	3,161
9	**Net Profit after tax (a)**	**3,336**	1,441	2,964	10,503
10	**Net Profit after tax before exceptional items (net of tax)**	**3,336**	1,592	2,964	10,654
11	**Other Comprehensive Income/ (Loss)**				
i.	(a) Items that will not be reclassified to profit or loss	**36**	3	22	63
	(b) Tax (expense)/ benefit on items that will not be reclassified to profit or loss	**(1)**	(1)	0	(3)
ii.	(a) Items that will be reclassified to profit or loss	**51**	5	(54)	(91)
	(b) Tax benefit/ (expense) on items that will be reclassified to profit or loss	**11**	12	27	(26)
	Total Other Comprehensive Income/ (Loss) (b)	**97**	19	(5)	(57)
12	**Total Comprehensive Income (a+b)**	**3,433**	1,460	2,959	10,446
13	Paid-up equity share capital (Face value of ₹ 1 each)	**372**	372	372	372
14	Reserves excluding Revaluation Reserves as per balance sheet				76,418
15	Earnings per share (₹) (*not annualised)				
	- Basic & Diluted	**8.97 ***	3.87 *	7.97 *	28.23

(₹ in Crore)

S. No.	Segment Information	Quarter ended 30.06.2021 (Unaudited)	Quarter ended 31.03.2021 (Audited) (Refer Note 2)	Quarter ended 30.06.2020 (Unaudited)	Year ended 31.03.2021 (Audited)
1	**Segment Revenue**				
a)	Oil & Gas	**1,339**	1,395	750	4,086
b)	Aluminium	**7,617**	6,312	4,277	20,162
c)	Copper	**2,206**	2,735	848	7,623
d)	Iron Ore	**1,576**	1,727	639	4,529
e)	Power	**145**	136	175	720
	Total	**12,883**	12,305	6,689	37,120
Less:	Inter Segment Revenue	**-**	-	-	-
	Revenue from operations	**12,883**	12,305	6,689	37,120
2	**Segment Results** [Profit/ (Loss) before tax and interest]				
a)	Oil & Gas	**251**	388	118	1,035
b)	Aluminium	**2,393**	1,590	511	4,138
c)	Copper	**(133)**	(113)	(98)	(308)
d)	Iron Ore	**666**	730	141	1,652
e)	Power	**(38)**	(136)	(13)	(172)
	Total	**3,139**	2,459	659	6,345
Less:	Finance costs	**722**	813	800	3,193
Add:	Other unallocable income net off expenses	**1,324**	41	4,675	10,744
	Profit before exceptional items and tax	**3,741**	1,687	4,534	13,896
Add:	Exceptional loss (Refer note 3)	**-**	(232)	-	(232)
	Profit before tax	**3,741**	1,455	4,534	13,664
3	**Segment assets**				
a)	Oil & Gas	**14,119**	13,161	12,264	13,161
b)	Aluminium	**43,784**	42,303	42,401	42,303
c)	Copper	**5,394**	5,289	6,113	5,289
d)	Iron Ore	**2,889**	2,548	2,687	2,548
e)	Power	**3,228**	3,161	3,445	3,161
f)	Unallocated	**68,029**	71,269	70,469	71,269
	Total	**137,443**	137,731	137,379	137,731
4	**Segment liabilities**				
a)	Oil & Gas	**8,194**	7,403	8,790	7,403
b)	Aluminium	**13,415**	13,508	14,291	13,508
c)	Copper	**3,698**	3,895	4,548	3,895
d)	Iron Ore	**2,235**	2,301	2,118	2,301
e)	Power	**165**	210	206	210
f)	Unallocated	**29,500**	33,624	34,553	33,624
	Total	**57,207**	60,941	64,506	60,941

The main business segments are:
(a) Oil & Gas, which consists of exploration, development and production of oil and gas;
(b) Aluminium, which consists of manufacturing of alumina and various aluminium products;
(c) Copper, which consists of manufacturing of copper cathode, continuous cast copper rod, anode slime from purchased concentrate and manufacturing of sulphuric acid, phosphoric acid (Refer note 5);
(d) Iron ore, which consists of mining of ore and manufacturing of pig iron and metallurgical coke; and
(e) Power, excluding captive power but including power facilities predominantly engaged in generation and sale of commercial power.

The assets and liabilities that cannot be allocated between the segments are shown as unallocated assets and liabilities, respectively.

Notes:-

1 The above results of Vedanta Limited ("the Company"), for the quarter ended 30 June 2021 have been reviewed by the Audit Committee and approved by the Board of Directors at its respective meetings held on 26 July 2021. The statutory auditors have carried out limited review of the same.

2 The figures for the quarter ended 31 March 2021 are the balancing figures between audited figures for the full financial year ended 31 March 2021 and unaudited figures for the nine months ended 31 December 2020.

3 Exceptional loss comprise the following:

(₹ in Crore)

Particulars	Quarter ended			Year Ended
	30.06.2021 (Unaudited)	**31.03.2021 (Audited) (Refer Note 2)**	**30.06.2020 (Unaudited)**	**31.03.2021 (Audited)**
Capital work-in-progress written off in Aluminium segment	-	(181)	-	(181)
Provision on advances subject to litigation in Copper segment[a]	-	(51)	-	(51)
Exceptional loss	-	(232)	-	(232)
Tax benefit on exceptional items	-	81	-	81
Exceptional loss (net of tax)	-	(151)	-	(151)

a) Represents a provision of ₹ 51 Crore on advances given to Konkola Copper Mines plc (KCM), an overseas company, whose majority shares are ultimately held by Vedanta Resources Limited ("VRL") and on which a liquidation suit has been filed. The outstanding balance as at 30 June 2021 from KCM net of provisions is ₹ 51 Crore (31 March 2021 : ₹ 51 Crore).

4 Other expenses include cost of exploration wells written off amounting to ₹ 99 Crore, ₹ 1 Crore, ₹ 0 Crore and ₹ 6 Crore for the quarter ended 30 June 2021, 31 March 2021, 30 June 2020 and the year ended 31 March 2021 respectively.

5 The Company's application for renewal of Consent to Operate ("CTO") for existing copper smelter at Tuticorin was rejected by the Tamil Nadu Pollution Control Board ("TNPCB") in April 2018. Subsequently, the Government of Tamil Nadu issued directions to close and seal the existing copper smelter plant permanently. The Principal Bench of National Green Tribunal ("NGT") ruled in favour of the Company but its order was set aside by the Supreme Court vide its judgment dated 18 February 2019, on the sole basis of maintainability. Vedanta Limited has filed a writ petition before the Madras High Court challenging various orders passed against the Company. On 18 August 2020, the Madras High Court dismissed the writ petitions filed by the Company, which has been challenged by the Company in the Supreme Court while also seeking interim relief to access the plant for care and maintenance. The Supreme Court Bench did not allow the interim relief. The matter shall now be heard on merits. The matter was again mentioned before the bench on 17 March 2021, wherein the matter was posted for hearing on 17 August 2021.

However, during the current period, 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 until 31 July 2021. Further the Company has moved an application on 29 June 2021 providing status report on running Oxygen plant and seeking extension for another 6 months for operating the Oxygen plant. The matter is listed for hearing on 27 July 2021.

The Company was also in the process of expanding its capacities at an adjacent site ('Expansion Project'). The High Court of Madras, in a Public Interest Litigation, held that the application for renewal of the Environmental Clearance ("EC") for the Expansion Project shall be processed after a mandatory public hearing and in the interim, ordered the Company to cease construction and all other activities on the site with immediate effect. In the meanwhile, SIPCOT cancelled the land allotted for the Expansion Project, which was later stayed by the Madras High Court. Further, TNPCB issued an order directing the withdrawal of the Consent to Establish ("CTE") which was valid till 31 March 2023. The Company has also appealed this action before the TNPCB Appellate Authority and the matter is pending for adjudication.

As per the Company's assessment, it is in compliance with the applicable regulations and hence it does not expect any material adjustments to these financial results as a consequence of the above actions.

6 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 extension of the PSC for Rajasthan ("RJ") block on same terms w.e.f. 15 May 2020, a matter which was being adjudicated at the Delhi High Court. The Division Bench of the Delhi High Court in March 2021 set aside the single judge order of May 2018 which allowed extension of PSC on same terms and conditions. We have filed Special Leave Petition in Supreme court against this Delhi High court judgement. In parallel, the Government of India ("GoI"), accorded its approval for extension of the PSC, under the Pre-NELP Extension policy as per notification dated 07 April 2017 ("Pre-NELP Policy"), for RJ block by a period of 10 years, w.e.f. 15 May 2020 vide its letter dated 26 October 2018, subject to fulfilment of certain conditions.

One of the conditions for extension relates to notification of certain audit exceptions raised for FY 16-17 as per PSC provisions and provides for payment of amounts, if such audit exceptions result into any creation of liability. In connection with the said audit exceptions, a demand of US$ 364 million (₹ 2,705 Crore) has been raised by DGH on 12 May 2020, relating to the share of the Company and its subsidiary. This amount was subsequently revised to US$ 458 million (₹ 3,405 Crore) till March 2018 vide DGH letter dated 24 December 2020. The Company has disputed the demand and the other audit exceptions, notified till date, as in the Company's view the audit notings are not in accordance with the PSC and are entirely unsustainable. Further, as per PSC provisions, disputed notings do not prevail and accordingly do not result in creation of any liability. The Company believes it has reasonable grounds to defend itself which are supported by independent legal opinions. In accordance with PSC terms the Company has also commenced arbitration proceedings. The arbitration tribunal stands constituted and Vedanta also filed its application for interim relief. The interim relief application was heard by the Tribunal on 15 December 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 04 August 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 07 April 2017, the Office Memorandum dated 01 February 2013, as amended and audit exceptions notified for FY 2016-18.

Further, on 23 September 2020, the GoI had filed an application for interim relief before Delhi High Court seeking payment of all disputed dues. This matter is also scheduled for hearing on 04 August 2021.

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 permission to the Company to continue Petroleum operations in the RJ block. The latest permission is valid upto 31 July 2021 or signing of the PSC addendum, whichever is earlier.

For reasons aforesaid, the Company is not expecting any material liability to devolve on account of these matters or any disruptions in its petroleum operations.

7 As per information received from VRL, during the current period, VRL together with Twin Star Holdings Limited, Vedanta Holdings Mauritius Limited and Vedanta Holdings Mauritius II Limited, as persons acting in concert with VRL ("PACs"), acquired 37,42,31,161 equity shares of the Company under the voluntary 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 and thereby increasing their shareholding in the Company from the current 55.1% to 65.18%.

8 The Company has considered the possible effects of COVID-19 including on the recoverability of property, plant and equipment, loans and receivables, etc in accordance with the applicable Ind AS. The Company has considered forecast consensus, industry reports, economic indicators and general business conditions to make an assessment of the implications of the pandemic. Based on the assessment, no adjustment is required to these financial results. The impact of the pandemic may be different from that as estimated as at the date of approval of these results and the management continues to closely monitor any material changes to future economic conditions.

9 Other income includes dividend income from subsidiaries of ₹ 1,316 Crore and ₹ 10,369 Crore for the quarter ended 30 June 2021 and year ended 31 March 2021 respectively.

By Order of the Board

Place : New Delhi

Date : 26 July 2021

Sunil Duggal
Whole -Time Director and
Chief Executive Officer